

MEDIA WEEK

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Tale of Two MTV Networks

After a makeover, TNN's audience gets younger, but VH1's ratings fall PAGE 4

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All 6 nets to cut March previews for buyers

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the 12 small cable networks advertisers need to know

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MARKET INDICATORS

NATIONAL TV: TIGHT
Second-quarter prime-time scatter is filling, and advertisers are planning to make decisions on third-quarter cancellation options shortly. Packaged goods and pharmaceutical advertisers are active.

NET CABLE: FLAT
Scatter inventory is moving, with a lot of movie-studio money driving business. Networks report that deals are still largely being executed at the last minute and mostly at buyer-friendly prices.

SPOT TV: HOLDING
With automotive continuing to offer incentives, stations are reporting stronger-than-expected spot sales from car makers. Inventory is tightening in top-10 markets. Advertisers scramble for remaining local Olympics spots.

RADIO: MIXED
Automotive, telecom and beverages are the most active categories. TV tune-ins, normally robust in February, are off. In general, inventory remains both available and negotiable.

MAGAZINES: MOVING
Airline advertising is returning to the pages of many news and business titles. Fashion spending also seems to be making a comeback for second quarter.





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At Deadline

Laura K. Jones FEB 04 2002

Hispanic Broadcasting Partners With Katz

Hispanic Broadcasting Corp., the largest radio group targeting Hispanic listeners, is jumping on the cross-platform bandwagon through an unusual partnership with Katz Media, its long-time rep firm. The partnership, called HBCsi (HBC sales integration), consolidates all of HBC's national media offerings, including HBC Radio Network, spot advertising on 54 radio stations, five channels on XM Satellite Radio, the Netmio Internet portal and local-event sponsorships and promotions. Katz is a division of Clear Channel Communications, which also owns 29 percent of HBC. Heading up the new organization as executive vp and director of sales is Katz veteran Carl Butram. The revenue-sharing pact is similar to Clear Channel Radio Sales, the cross-platform division Katz recently created to leverage advertising across its radio, outdoor, TV and entertainment properties. "We've never really had multiplatform marketing for Hispanics," said Victor Ornales, president/CEO of Ornales ad agency in Dallas. —*Katy Bachman*

Philip Morris Pulls More Mag Ads

Philip Morris USA, one of the country's top tobacco advertisers, will be cutting back further on its spending in magazines this year. The company said last week that it will reduce the number of titles it advertises in, but it declined to specify which ones will be cut. In 2000, Philip Morris began pulling its ads from about 50 magazines—including Vibe/Spin Ventures' *Spin* and Time Inc.'s *Entertainment Weekly*—where more than 15 percent of the readers are under 18 or have more than 2 million teen readers total. "That policy is the very same policy that governs our advertising today," said Tom Ryan, a Philip Morris spokesman. From 1999 to 2001, PM slashed its total magazine spending by about 50 percent, Ryan said.

Optimedia's DeWitt to Join SNTA

Gene DeWitt, chairman/CEO of Publicis' Optimedia International, has been named president of the Syndicated Network Television Association, a trade group that promotes advertising in syndicated programming. The veteran ad man, who has spent nearly 40 years in the business, sold his company, DeWitt Media, to Optimedia in 2000. At SNTA, DeWitt succeeds Allison Bodenmann, who left last year and joined Court TV.

Universal McCann Wins Sony Account

Universal McCann last week won the \$600 million media planning and buying account of Sony Corp. of America. The

assignment consolidates planning and buying for the Sony Electronics, Sony Pictures Entertainment, Sony Music Entertainment and Sony of Canada divisions. Universal McCann, which handles the Sony Pictures Entertainment Media account, will oversee buying for TV, radio, newspapers, magazines, outdoor and interactive. The deal did not include broadcast media buying for Sony PlayStation, which remains at OMD, and print buying, which stays at TBWA/Chiat/Day. Those agencies, along with Mediaedge:cia and Arnell Group, had made pitches for the entire account.

Membership in Decline, ALTV Shuts Down

The Association of Local Television Stations board of directors voted last week to close the organization's doors after a dramatic drop in membership, according to station executives. An announcement is expected this week. Many of the stations that were previously part of the ALTV have been purchased by larger media groups, which chose not to renew their membership in the advocacy association (Chris Craft's 10 TV stations, acquired by News Corp., pulled out last year).

Addenda: Ron Galotti, most recently president of the now-defunct *Talk*, is expected to be named publisher of *GQ* this week. A Condé Nast representative declined to comment...Viacom president/COO Mel Karmazin will serve the remainder of his contract through 2003, the company announced last Friday in response to reports that Viacom chairman/CEO Sumner Redstone would ask the board to remove him...UPN last week laid off 26 of its 110 staffers as part of the network's integration with CBS. Most UPN division heads will report directly to their counterparts at CBS Television. Adam Ware, COO of UPN, will report to CBS Television president Leslie Moonves...Lifetime has renewed 22 episodes of *Strong Medicine* for a third season...Fox sold the final three spots in the *Super Bowl* just three days before yesterday's game, according to a network rep. Two Super Bowl spots, from the **White House Office of National Drug Control Policy**, were part of a matching program; Fox will have to give the ONDCP two free ads in other programming at a later date.

Corrections: In the Jan.28 *Mediaweek* Magazine Monitor, *Fit Pregnancy* reported incorrect figures. Ad pages for the bimonthly's December/January issue were up 2.68 percent, to 51 pages, compared to the year prior.

Inside



The *New Yorker's* Carey banks on the weekly's cover cachet Page 32

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BIA: NBC, ABC to Buy Up Stations if Owner Cap Ends

A report issued last week by BIA Financial Network predicts that NBC and ABC will seek to acquire dozens of TV stations should the current 35 percent U.S. broadcast-coverage limit on station ownership be eased or eliminated.

BIA, a consulting firm for broadcasters, projected that NBC, which reaches 30.9 percent of the country with its 14 stations, will likely go after Gannett Co.'s 22 outlets, 13 of which are NBC affils.

Meanwhile, ABC, which reaches 23.8 percent of the country through its 10 stations, is expected to bid on Albritton Communications (owner of 7 ABC affiliates), Scripps Broadcasting (owner of 6 ABC outlets) and McGraw-Hill Broadcasting (owner of 4 ABCs).

While Hearst-Argyle Broadcasting owns 17 ABC affiliates, the group is not expected to be an ABC acquisition target because more than half of its revenue is generated by affiliates of other networks, BIA reported. —Jeremy Murphy

The Cool Games: MTV to Air Winter Olympics Shows

MTV, in cooperation with NBC, will create special programming to run on the cable music network during the Winter Olympic Games, which begin this Friday in Salt Lake City.

NBC is hoping the MTV shows will motivate the music network's younger viewers to watch the Games. The themed programming will include *MTV Olympics Undercover*, which will view the Games through the eyes of U.S. freestyle skier Jeremy Bloom; another show will shadow the music group Foo Fighters around Salt Lake City. On Feb. 15, MTV will air *Diary of Hannah Hardaway*, a member of the U.S. freestyle ski team. *TRL Olympic Week* will air daily through the Games, from Feb. 8 to Feb. 24. —John Consoli

Fox News Outdraws CNN In Jan. Household Ratings

Buoyed by the popularity of *The O'Reilly Factor* at 8 p.m., Fox News Channel for the first time sur- (continued on page 6)

As TNN Gets Hip, VH1's Ratings Dip

Two of MTV Networks' key channels are headed in opposite directions

CABLE TV By Megan Larson

As Viacom president/COO Mel Karmazin and chairman/CEO Sumner Redstone continue to squabble in the public eye, a good news/bad news scenario has been developing at one of the company's crown jewels, MTV Networks. The makeover of TNN: The National Network has succeeded in transforming the old-skewing country music channel into a hipper, younger, broad-based entertainment network. At the same time, MTV Nets' veteran music service VH1 has been slowly losing its standing with viewers 18-49 and 25-54.

TNN, which in its former incarnation as The Nashville Network was "old as dirt" in terms of audience composition, according to one cable research executive, has increased its ratings among adults 18-49 by 25 percent to a 0.7 season-to-date over last year. And in January, audience delivery in that same demo group grew 20 percent, to 671,000 viewers.

Meanwhile, on the other end of the MTV Nets' spectrum, VH1's ratings have dipped to levels the channel earned in the mid-1990s, before John Sykes was tapped as president and recast the net as a home for graduates of MTV.

Following a ratings decline in fourth quarter, VH1 fell 40 percent in household ratings and 31 percent in delivery (to a 0.3 rating and 249,000 homes) during prime time in January. The net's delivery of viewers 18-49 slipped 34 percent in January, to 231,000, and delivery of viewers 25-54 fell 37 percent, to 203,000.

"VH1 did a great job slicing and dicing music any which way you can, but after a while, you run out of ways to slice and dice," said Laura Caraccioli, vp and director of Starcom Entertainment.

VH1, which had been innovative with original, music-based series, has been lacking fresh programming for about a year; reruns of stale



VH1's *Forever Wild*, with retro-rockers like Sebastian Bach (top), has struggled, while *Star Trek* has helped put TNN on the map.



fare like Shania Twain's *Behind the Music* are wearing thin with viewers. The need for new content is not lost on the net's brass.

"We have indeed had fewer new things on the air," said

Fred Graver, VH1 executive vp of programming and production, who last May replaced former program chief Jeff Gaspin. "We are building; and come March, when our new shows debut, I believe our audience will return in great numbers."

On March 4, VH1 will premiere *Being*, which closely follows the lives of rock stars; a new 11 p.m. talk/entertainment show; and a new game show. VH1 also has readied for March rollout *Ultimate Albums*, which will examine a band's defining musical effort, such as *Led Zeppelin IV* or Bob Marley's *Legend*.

The recent lapse in VH1 development is due in part to recent management shifts in every major division at the net, from programming to marketing. "Almost all the corner offices are different than a year ago," said Graver.

Of the new programs VH1 launched last

month, *Driven*, which examines how music celebrities drew attention to themselves as unknowns, is doing well, but new video hours *Fresh* and *Forever Wild* are struggling. Part of the problem is that both shows don't belong in prime-time slots, but VH1 is in the process of trying to figure out what works for its core audience and when each program should run.

"We have spent a lot of time trying to figure out how the 25-34 audience has changed from where it was six years ago, which is why we are producing *Behind the Music* on Notorious B.I.G. and Busta Rhymes," said Graver. "We are going to be moving beyond our role as the music history channel to being about the love of music."

The network is also trying to put on a new face by moving away from loquacious *Spin* or *Billboard* music experts pontificating on trends to hipper hosts modeled on MTV's Carson Daly. Graver has tapped two unknown new hosts, Zeke Piestrup and Ahmer, who are charged with providing a more intimate introduction to musicians and bands.

In the movie arena, VH1 is going beyond bio pics on artists like MC Hammer to issue-oriented subjects like *Warning: Parental Advisory*, which looks at Tipper Gore's battle with song lyrics. A film on the East Coast/West Coast rap wars is also pending.

While its ratings have not been stellar of late, VH1 remains a powerful brand and has a solid foundation to build on. "There is strong audience composition among 18-49 for many [VH1] shows, which suggests that there is co-viewership with men and women, which is rare and attractive to advertisers," said Brad Adgate, a research executive for Horizon Media.

TNN is running smoothly with its new schedule of acquired and original product. The channel's makeover picked up momentum last fall with the introduction of *Star Trek: The Next Generation*, as well as original series like *Robot Wars* and *Fame for 15*—series that have attracted audiences that are about 65 percent within the 18-49 demo, TNN reports. The network's total household ratings are down because of the dropoff of its older-skewing viewers. "We really want to super-serve the 25- to-34-year-old audience, and we have a lot of [programming] in the pipeline for that Gen X viewer," said Sue Danaher, MTV Nets' executive vp of ad sales for Nickelodeon, TV Land, Nick at Nite and TNN.

Advertisers are beginning to respond to TNN's makeover, with new dollars flowing in from Subaru, Toyota and Honda, as well as video games and movie studios. The new TNN sales team began making calls last week with Paramount Syndication vp David Lawenda leading the charge as senior vp of sales. ■

NBC's Less-Sporting Life

Without rights to major sports leagues, ratings power may be challenged

NETWORK TV By John Consoli

If NBC wants to remain the No. 1 broadcast network in the 18-49 demo and stay neck-and-neck with CBS in household viewers, it should spend a significant amount of the \$1.3 billion it unsuccessfully bid on a new NBA contract to keep its franchise sitcom *Friends* on the air and develop several new prime-time hits, media buyers and financial analysts say.

The Peacock network has sworn off the major pro-sports leagues because of soaring licensing fees. Buyers warn that if the network fails to reinvest its NBA savings in better entertainment programming, it might find itself in the same downward spiral CBS did after it gave up the NFL to Fox in 1994. CBS didn't begin its recovery until the network got NFL coverage back in 1998, after NBC passed on renewing its deal.

Picking up the NFL virtually ensured Fox's viability as a network. Shortly after winning the NFL rights, Fox signed a huge station deal with New World Communications, which gave the network 11 new VHF outlets in markets where it previously had UHF's and boosted its coverage from 93 to 98 percent of U.S. households. Many of the stations are in top NFL markets, including Dallas, Detroit and St. Louis.

"Professional-sports coverage is a very important part of a network's programming mix, especially if the network is No. 3 or No. 4," said Chris Dixon, entertainment analyst for UBS Warburg Securities. NBC's task now will be to maintain its top-dog status in viewers 18-49 without having rights to any major professional-sports league. "NBC's challenge will be to develop terrific programming that can succeed on its own," Dixon said.

The Olympics platform NBC will have every two years, from now through 2008, will still be a major promotional vehicle for the network's other programming. NBC also has rights to six months' worth of NASCAR coverage each year through 2006.

"Walking away from the NBA, NFL and Major League Baseball [in 2000] is the sign of a first-place network confident of its direction and in its non-sports programming, plus the power of the Olympics," said John Rash, chief broadcast negotiator for Campbell Mithun. However, if NBC loses its front-runner status, "it may need to look at reacquiring a major sports franchise," Rash added.

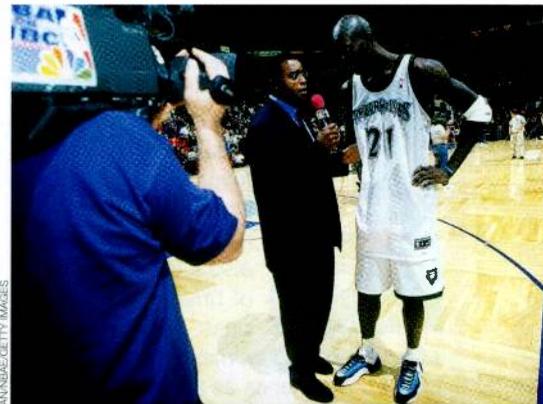
Kevin Sullivan, vp of sports information for

NBC, said the network is confident that it can remain on top without major pro sports. "When NBC walked away from Major League Baseball and the NFL, we remained the No. 1 network," Sullivan said. "We still need a platform for men, but in addition to NASCAR, we have Notre Dame football, PGA golf and [horse racing's] Triple Crown."

NBC Television president Randy Falco was not available to comment on the network's plans for the dollars it saved from its failed NBA bid.

While some buyers agreed with NBC's decision to pull out of the NBA bidding (won by Walt Disney Co.'s ABC and ESPN, as well as AOL Time Warner), many question NBC's decision to give up the NFL, because that move ended up helping to revive CBS.

Dave Poltrack, executive vp of research and planning for CBS, said his network's total share of men 18-49 in prime time rose 17 percent



Clear the court: NBC's long relationship with the NBA will come to an end this June.

during the season the NFL returned to the network. According to a Fox spokesman, in 2000 the network's Sunday-night prime-time male 18-49 audience was 14 percent higher when the lead-in was an NFL telecast.

While many prime-time TV shows target female viewers, it's important for the networks to have a mixed audience, buyers say. "NBC must continue to get enough men to watch its prime-time programming, and without a major sport, they might have a problem doing that," said a top buyer, who requested anonymity. The buyer suggested that NBC may elect to step up its promotion in magazines with high male readership, such as *Forbes* and Time Inc.'s *Sports Illustrated* and *Fortune*. ■

passed CNN in prime-time household delivery in January, increasing its average rating 38 percent from January 2001, to a 1.1, according to Nielsen Media Research. FNC's household delivery increased 80 percent, to 840,000. CNN's January prime-time ratings also increased over last year, to an average 0.9 (757,000 households). MSNBC finished a distant third among the news nets, with an average 0.4 (293,000 HH) in prime time. —Megan Larson

Brian Moran Promoted To Editor of *Mediaweek*

Adweek Magazines Group, a division of VNU Business Publications, last week announced the appointment of Brian Moran to editor of *Mediaweek*. In his new role, Moran will be responsible for editorial content of the weekly issues and long-term editorial direction of *Mediaweek*.

Moran was promoted from his previous position of executive editor at *Mediaweek*, which he had held since 1994. He succeeds William Gloede, who has become editor of Primedia's *Cable World*.

Prior to joining the Adweek Magazines Group, Moran was a founding editor of Time Inc.'s *Entertainment Weekly*. He was also a founding editor of Times Mirror Magazines' *Sports Inc.*, where he served as managing editor. Moran's experience as a business journalist and editor includes positions as an editor and senior reporter for *Advertising Age* and reporter for Gannett's daily newspaper in Rochester, N.Y.

"Brian is a true industry veteran—over his eight-year run at *Mediaweek*, he has made endless contributions to the magazine, and we are thrilled to announce his promotion to editor," said Michael Parker, president of VNU's Adweek Magazines Group.

Sid Holt, executive vp and editor in chief of Adweek Magazines, said, "Brian has played a major role in the growth of *Mediaweek* up to now, and I not only expect but know that he will lead the magazine to even greater success in the future."



Moran

Nets Nix Pre-Upfronts

March preview sessions for media buyers canceled in cost-cutting effort

NETWORK TV Alan James Frutkin

In a move that underscores broadcasters' current cost-cutting initiatives, all six major networks confirmed last week that their glitzy annual pre-upfront presentations of fall TV projects to media buyers are off for this year. "We will not hold our pre-upfront in Los Angeles this spring," a Fox representative said last week. Representatives at the other five networks echoed those comments, but all declined to elaborate further.

The across-the-board decision to forgo pre-upfronts comes as broadcasters continue to suffer losses in ad revenue. While the primary reason the networks are passing on the sessions this year may be financial, it is the effectiveness of the meetings, which are typically held in March, that buyers have questioned.

"It's a boondoggle for the industry," said Steve Sternberg, senior vp and director of audience analysis for MAGNA Global USA. "You don't learn that much."

Pilot production on most shows does not begin until April, so the nets have little videotape to show buyers. The best they have to offer are booklets that contain synopses of their projects. "Then you go home, and half the things don't make the schedule," Sternberg said.

The gatherings, largely held in Los Angeles,

have grown over the past decade from small, intimate meetings between network programmers and several advertisers at a time to big dog-and-pony shows where each network plays host to several hundred advertisers, replete with cocktail parties and celebrities.

At last year's ABC pre-upfront, Jason Alexander performed a stand-up routine as his TV sitcom character Bob Patterson. Two seasons ago, Fox trotted out *Normal, Ohio* star John Goodman. For several years, CBS has treated its pre-upfront attendees to March Madness NCAA games following its presentations at the Ed Sullivan Theater in New York.

While the bloated pre-upfronts are vanishing, some advertisers believe an early heads-up on fall programming is integral to planning buys. They suggest the networks return to smaller pre-upfront meetings.

"The more you know, the better off you are," said Guy McCarter, senior vp and director of entertainment marketing for OMD USA. "Even though you don't know what pilots will get picked up, you get an early sense of the direction that each network is going in. If there are opportunities to have a fuller relationship with a TV series, it's better to start thinking about it earlier rather than later." ■

NBC Affils Go for the Gold

Most stations in favor of network's taking 4-5 p.m. hour for Olympics

TV STATIONS By Jeremy Murphy

In any other instance, a network taking precious early-fringe time from local stations would surely sound off alarm bells, if not another petition from the National Affiliated Stations Alliance. But when it comes to the Olympics, NBC affiliates on the East Coast are seeing green, not red, over the decision to take the 4-5 p.m. hour for more Olympics coverage.

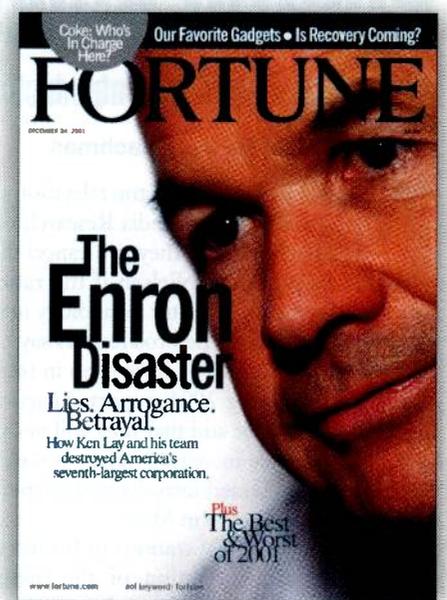
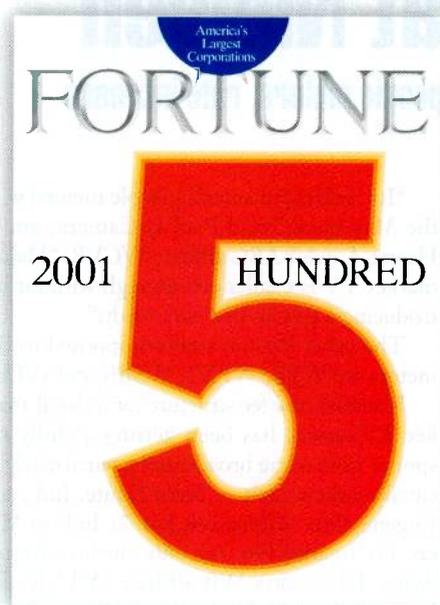
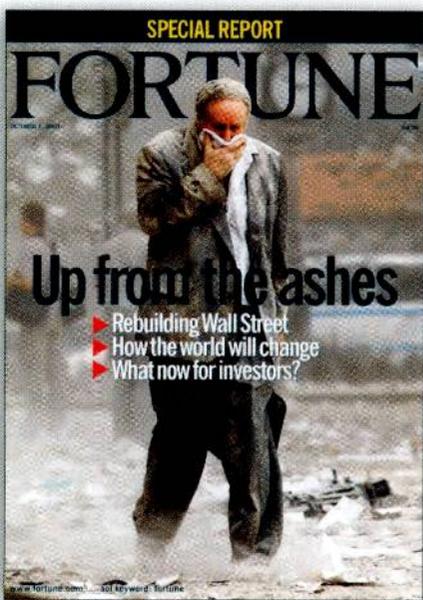
From Feb. 11 to Feb. 22, the network will fill the hour, which traditionally belongs to local stations, with everything from snowboarding on Feb. 14 to ice hockey on Feb. 18. Though stations are giving up ad time in that hour, they are being appeased by the network with nine 30 seconds spots, which they can sell for premium prices. Station executives report that those spots are going for double



Men's luge will highlight early fringe on Feb. 11.

the rate commanded by popular syndicated shows like *Judge Judy* and *Oprah* and are selling out fast. "I'm not complaining," said Ray Carter, vp/general manager of WPXI, NBC's affiliate in Pittsburgh.

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Though some stations will miss top syndicated shows, which historically feed millions of viewers into local newscasts, it's a small price to pay for having the Olympics, station executives say.

"The [4-5 p.m. hour] is a tough one to lose," said Bruce Baker, vp/affiliates for Cox Broadcasting. "But quite frankly, our focus is on having a great Olympic event."

However, station executives say that they're more worried about having their late newscasts delayed by Olympics overruns, which will occur on 14 of the 17 nights of Games coverage.

"I'd rather have our 11 p.m. news than

fight this battle," said Alan Frank, president of Post-Newsweek stations, owners of Detroit NBC affiliate WDIV and Houston's KPRC. Frank said giving up the 4-5 p.m. hour is "a balancing act. We understand the decision, and we support it."

But while having the Olympics is a bonus, some station executives are leery of the long-term implications. "It's something networks are trying to do more and more," said one station group executive, who requested anonymity. "They're intruding on local time while lowering compensation. If it continues, it's going to be a big problem for the networks." ■

Boston Balks at Nielsen

Stations opposing May introduction of people meters, rate increase

RESEARCH By Katy Bachman

Executives of several Boston television stations told Nielsen Media Research officials last week that they will cancel their subscriptions to Nielsen if the ratings service uses its people-meter technology in the May sweeps period. The broadcasters say that the people meters, which have been in test in Boston since spring 2001, report inaccurate data in their market and that they will not pay the 30 percent fee increase Nielsen is seeking along with its planned introduction of meters full-time in the market in May.

Six commercial TV stations in Boston are opposing the introduction of the meters. Meanwhile, several agencies and three Boston cable companies—AT&T Broadband, New England Cable News and New England Sports Network—have signed up.

"We're agitated because we're in the middle of the worst ad recession in years," said Mike Carson, vp/general manager of Sunbeam Television's NBC affiliate, WHDH. Carson, who met with Nielsen last week, said the ratings service "continues to be unable to explain why ratings are 20 percent lower. If [meters] are more accurate, then the current system we've been using has inflated viewing 20 percent."

Nielsen executives say that people meters are a superior methodology for measuring TV audiences; the company has used people meters to measure national ratings for 15 years.

"It's high time for the local markets to catch up—it's a state-of-the-art system," said Karen Kratz, director of communications for Nielsen, a unit of VNU, publisher of *Mediaweek*. "We're confident we can convince them before we launch. We are going forward [with meters in Boston], whether or not TV stations sign."

"It's reckless to launch [people meters] with the May book," said Paul LaCamera, gm of Hearst-Argyle's ABC affiliate WCVB. "Major-market TV is challenged enough without introducing a system that isn't ready."

The other Boston stations opposed to the meters are WBZ, WFXT, WSBK and WLVI.

Nielsen's new fee structure for its local-market TV service has been getting a chilly response from some broadcasters, particularly in small markets such as Terre Haute, Ind., and Eugene, Ore. (*Mediaweek*, Jan. 7). In Fort Myers, Fla. (market No. 76), only one broadcaster, Acme Television's WB affiliate WTVK-TV, has signed up for Nielsen's people-meter service, which turned on last May, along with a fee increase from \$27,000 to \$34,000 per month.

Kratz said Nielsen's old fee structure did not reflect the improvements the company has made in its service. She also noted that even if some stations do not subscribe, as in Fort Myers, "the market still benefits because we're still producing the numbers and buyers use them."

"We jumped on board [with people meters] early," said Bill Scaffide, vp and gm of WTVK. "The diary system is so antiquated. We believe in providing our advertisers with the most accurate information available."

In place of Nielsen ratings, other broadcasters in Fort Myers are turning to Scarborough Research, a qualitative research service that reports limited TV viewing data (weekly audiences by half hour) but is rich in lifestyle and product-purchase information about consumers. Last November, Nielsen signed a deal to market Scarborough to its clients. VNU and Arbitron, the radio ratings company, each hold a 50 percent stake in Scarborough. ■

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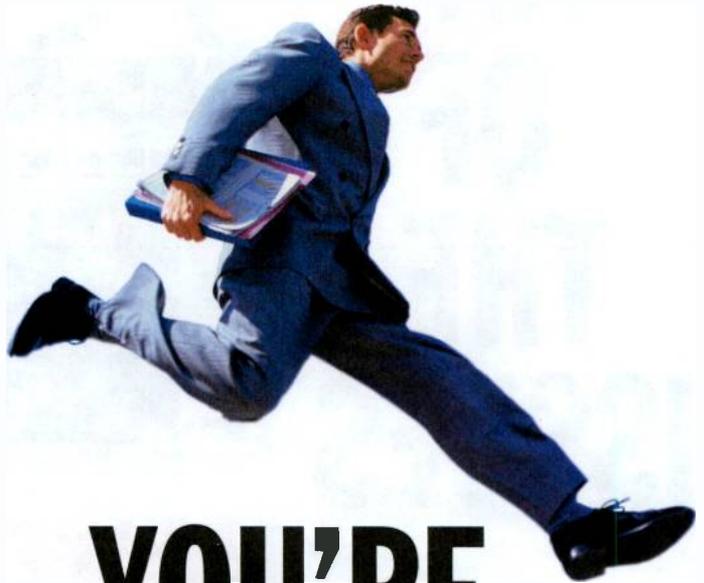
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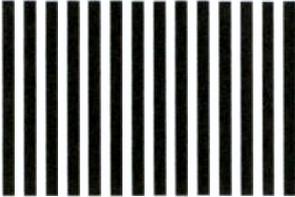
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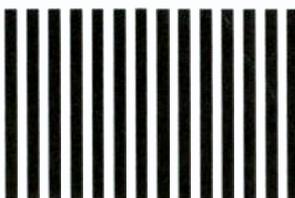
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TV STATIONS

ABC Affiliates in Texas Bucking Ratings Trend

BY JEREMY MURPHY

While many of ABC's local stations around the country have been hurt by the network's dismal performance recently—including long-time Philadelphia ratings leader WPVI—two outlets in Texas are proving that strong local programming can help slow the ratings erosion at the local level.

In Dallas, WFAA, Belo's flagship station, continues to lead the market in nearly every local news period. Last November, WFAA won the 10 p.m. late-news race by two ratings points against NBC O&O KXAS, without the benefit of *ER* or *Law & Order* as lead-ins. WFAA averaged a 12.1 rating/19 share against KXAS' 10.7/17. CBS O&O KTVT trailed the competition with a 7.3/11, followed by Fox's KDFW with a 4.6/7.

In fact, WFAA was the only station in Dallas to actually improve on its network lead-in during its late newscast. The program posted a 20 percent increase from ABC's 9:45 p.m. lead-in. KXAS experienced a 9 percent drop from the network lead-in, from an 11.8 to a 10.7, as did KTVT, which saw its CBS 8.0 lead-in shrink to a 7.3 during its newscast.

"We actually see people changing the channel to us [in Nielsen's overnight ratings reports]," said Cathy Klements-Hill, WFAA's veteran president and general manager. "In this kind of competitive environment, where a lot of games and stunts are played, that's very gratifying."

In Houston, the competition is a bit more fierce; three stations—ABC O&O KTRK, Post-Newsweek NBC affiliate KPRC and Belo's CBS affiliate KHOU—have all taken turns claiming the No. 1 position. But its KTRK's afternoon lineup that's turning heads in Houston. As other station groups continue to slash local programming, KTRK is churning out three hours of local news every evening, starting at 3 p.m. with the *Debra Duncan Show*, a locally pro-



KTRK's local afternoon show starring Duncan (r.) holds its own against syndicated competitors.

duced talk show.

The program, which KTRK creative services director Tom Ash describes as a "talk show with a lot of variety," has tackled everything from the Enron scandal (Enron is based in Houston) to last year's catastrophic flooding. It's quickly become one of the time slot's most competitive performers, averaging a 4.0/10 against KPRC's *Jerry Springer*, which also averaged a 4.0/10, and beating KHOU's *Hollywood Squares*, which averaged a 3.0/10. "It has performed satisfactorily," Ash said, "particularly against nationally syndicated programming. It stands up very well, not just in content but in the quality of its production."

Competitor KHOU reclaimed the 4:30 p.m. daypart with *Jeopardy*, which averaged a 5.0/12, but KTRK took the hour with *Debra Duncan* in important demos like women 18-49 and women 25-54.

"I think there is an audience for this show," said Pamm Dudley, a media buyer for LCI's Houston office, who said the show's strong female skew makes it attractive to advertisers. "It's a great environment for them to be in."

The station's 4 p.m. newscast is also proving to be competitive. Since it premiered last September, the show has made steady ratings gains, scoring second place in the time slot for

the first half hour. The newscast averaged a 4.7/10 last November, against KPRC's 4 p.m. newscast, which also averaged a 4.7/10, and KHOU's *Oprah*, which averaged a 6.0/13. KPRC won the 4:30 p.m. time slot with *Inside Edition*, which averaged a 5.1/11.

KTRK also won the 6 p.m. evening news race (it averaged a 9.0/15 against KHOU's 8.3/14 and KPRC's 6.8/11) and the 10 p.m. news race (with a 9.8/16 against KPRC's 8.8/14 and KPRC's 9.5/15).

BOSTON TV STATIONS

Enron's Docu Dollars Returned by WGBH

Politicians and accountants aren't the only ones looking to distance themselves from Enron, the Houston-based energy-trading company that recently filed the largest corporate bankruptcy in American history. The company, which is being investigated by federal authorities, helped underwrite the cost of a six-hour documentary, titled *Commanding Heights: The Battle for the World Economy*, which is scheduled to air this April on PBS stations.

But now, weary of having the scandal-plagued company involved in the series, its producers—Boston public TV station WGBH and Cambridge Energy Resources Associates—are hoping to find a new underwriter for the project.

"Enron's contribution to *Commanding Heights* is really a distraction," said Cathleen Porter, national marketing manager for WGBH. Porter said the station and Enron are "in discussions" on how to back out of the deal and return the six-figure sponsorship.

"Given the circumstances, Enron is interested in being relieved of the commitment," Porter said. Calls to Enron were not returned. The series will air over three weeks on April 3, April 10 and April 17. —JM

PITTSBURGH TV STATIONS

Iron City Staff Shuffle

The Pittsburgh TV market has lost another top station executive. Jim Hefner, president and general manager of WTAE, Hearst-Argyle's ABC affiliate in the market, has announced he's stepping down to become the new vp/gm of WRAL, Capital Broadcasting's ABC affiliate in Raleigh/

Durham, N.C.

Hefner, who will take over WRAL in March, fills the position of former vp/gm Bill Petersen, who has become vp/gm of WPTV, Scripps Broadcasting's top-rated NBC affiliate in West Palm Beach.

Hearst-Argyle has not announced a replacement for Hefner, and the station group would not comment on candidates for the position.

Hefner's departure follows the retirement of John Howell, vp/gm of WPXI, Cox Broadcasting's NBC affiliate in the market. Howell was replaced by Ray Carter, former news director of WSB, Cox's ABC affiliate in Atlanta. Also last week, WPXI named Pat Maday as news director for the station. She takes over for former news director Jennifer Rigby, who succeeded Carter at WSB. —JM

NEW YORK TV STATIONS

WNBC is Utah-Bound

New York's top-rated NBC O&O WNBC will be joining the network's Salt Lake City contingent this month during the Winter Olympic Games.

From Feb. 6 to Feb. 24, the station will broadcast evening newscasts from the roof of KSL, Bonneville International's NBC affiliate in Salt Lake City. Anchors Chuck Scarborough, Sue Simmons and sports anchor Len Berman will be among the 22-person team from WNBC heading to the area. Also going will be reporters Lynda Baquero, Bruce Beck, Fran Charles and Joe Avellar.

Simmons will anchor the 5 p.m. newscast from Salt Lake City, with co-anchor Jim Rosenfield manning the anchor desk from New York. Scarborough will also handle the 6 p.m. anchor duties from the games, with co-anchor Michelle Marsh remaining in New York. The station's 11 p.m. news will be broadcast entirely from Salt Lake and will be delayed 14 of the 17 nights during the month, due to Olympics overruns.

WNBC is the only New York station that will be broadcasting from the games. And station president and general manager Dennis Swanson will be on hand to see the station's coverage unfold—he's there already, serving as co-chairman of NBC's Olympics committee. —JM

NEW YORK TV STATIONS

Bureau Opens in Israel

Viacom's New York flagship station WCBS last week announced it will take the unusual step of opening a news bureau in battle-torn Jerusalem.

The station has hired London-based CBS News correspondent Kimberly Dozier, who has been reporting from Pakistan and Northern Afghanistan for the CBS Radio Network, to run the new bureau. WCBS will be the first American local station to operate a news bureau in the Middle East.

The bureau will open later this month. In addition to reporting for WCBS, Dozier may also file reports on the region and the ongoing conflict between Israel and the Palestinians for other CBS O&Os. —JM

BIRMINGHAM, ALA. TV STATIONS

WVTM Taps Doebler

David Doebler, vp of sales and creative services for NBC's Raleigh, N.C. owned-and-operated station WNCN, has been named president and general manager of WVTM, the network's O&O in Birmingham, Ala. Doebler's appointment follows the resignation of Gary Stokes, who left the station late last year.

In his new position, Doebler will oversee all management aspects of the station and will report to Jay Ireland, president of NBC's Television Station Division.

Prior to his work at WNCN in Raleigh, Doebler was sales manager for NBC's Philadelphia O&O WCAU. —JM

SEATTLE TV STATIONS

KIRO Tags Mariners

On the heels of an impressive November-sweeps performance, Cox's Seattle CBS affiliate KIRO has landed broadcast rights for the Seattle Mariners 2002 baseball season. The deal was done jointly with Fox Sports Net and gives KIRO rights for 33 regular season games and 2 preseason games.

Last year's Mariners games averaged an 18.4 rating/38 share on KIRO. "We are happy to provide fans with the only over-the-air telecasts in western Washington," said John Woodin, KIRO's vp/gm.

Last November, the station's 11 p.m. news moved from third place to second place, trailing KING, Belo's NBC affiliate in Seattle. —JM

RADIO

L.A.'s Latest Pirate Radio

In an effort to gain a toehold in the most competitive morning-radio market, Clear Channel's KHHT-FM in Los Angeles, is sailing comedian Sinbad into his first radio gig today (Feb. 11). Sinbad's star power will be up against marquee draw on other stations, such as Steve Harvey on Radio One's KKBT-FM and Big Boy on KPWR-FM, not to mention radio legends Howard Stern on KLSX-FM and Rick Dees on Clear Channel's KIIS-FM.

Sinbad and Friends replaces Theo, who held down the slot while the station searched for a morning team and who will go back to afternoon drive. In other moves at the station, Renee Taylor moves from afternoon drive to mid-days, the daypart for which she was originally hired. Rounding out the lineup is Sean Andre, host of *The Quiet Storm* in evenings and Smokey Robinson, who hosts Sundays 9 a.m. to noon.

Last August, the station dropped its Jammin' Oldies programming and KCMG call letters for an Urban Adult Contemporary format. Ironically, the station was the first Jammin' Oldies station in the nation and among the last to abandon the format. As a Jammin' Oldies station, it settled into mediocre ratings. But in its first Arbitron survey under the new format, the station gained more than half a share point to score a 3.0 in Fall, from a 2.6 in Summer. Among its 18-to-49-year-old target audience, ratings improved, climbing from 3.1 to 3.6. Ratings among women 18-34 jumped to No. 1 from No. 14.

Described as a mix of old and new R&B, KHHT could be leading a new format trend. "We think 'neo-soul' will become a radio format across America," said Roy Laughlin, regional vp of Clear Channel. "The key is the audience composition," he added. KHHT's audience is 45 percent Hispanic, 33 percent African American and 22 percent Anglo. —Katy Bachman



Sinbad is KHHT's new morning man.

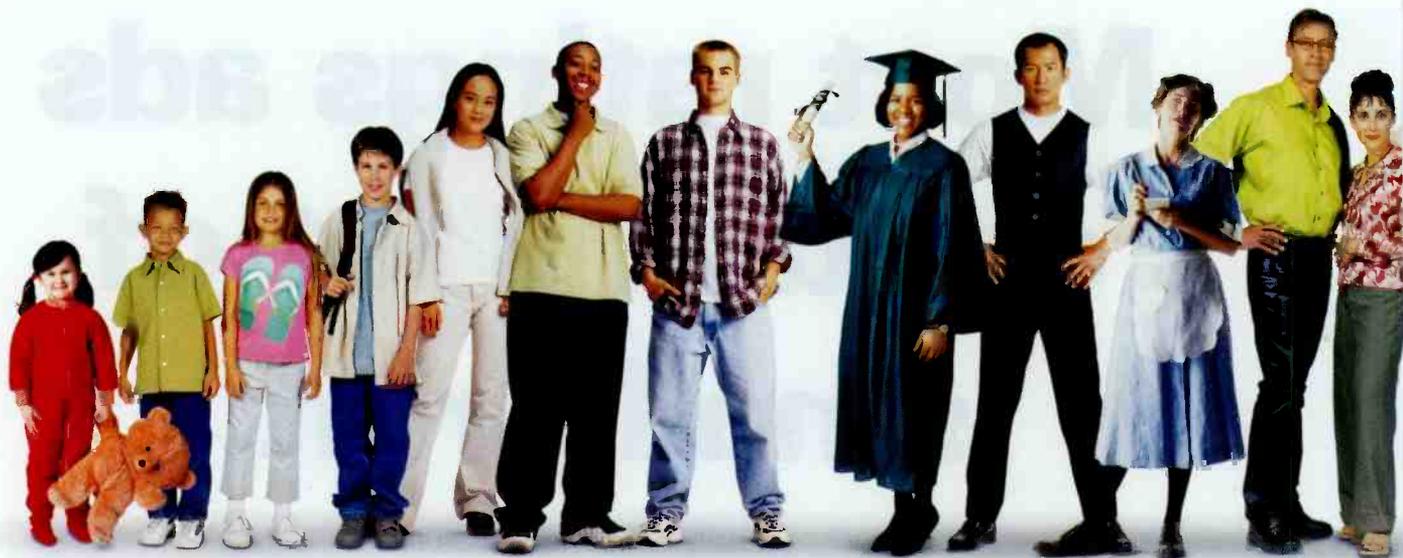


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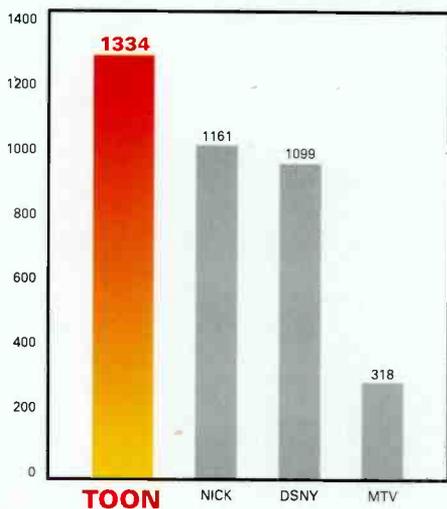
[usually about households]

Our ad has b

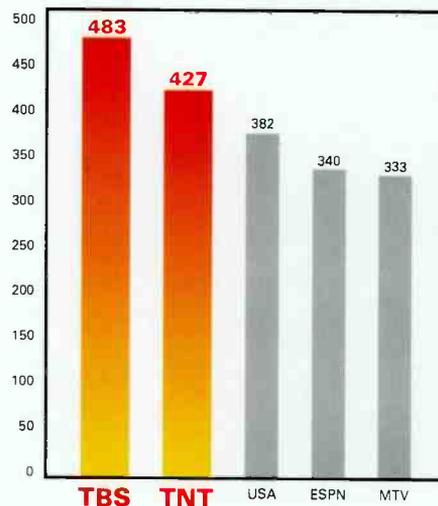
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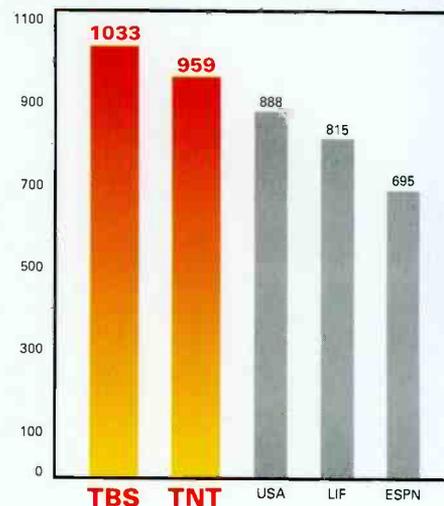
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2001 A18-34 Prime Delivery (000)



2001 A18-49 Prime Delivery (000)



Big numbers.

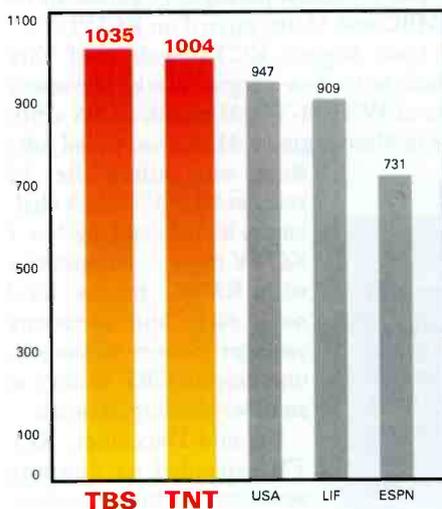
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primetime with kids and teens.**



18-54 →

2001 A25-54 Prime Delivery (000)



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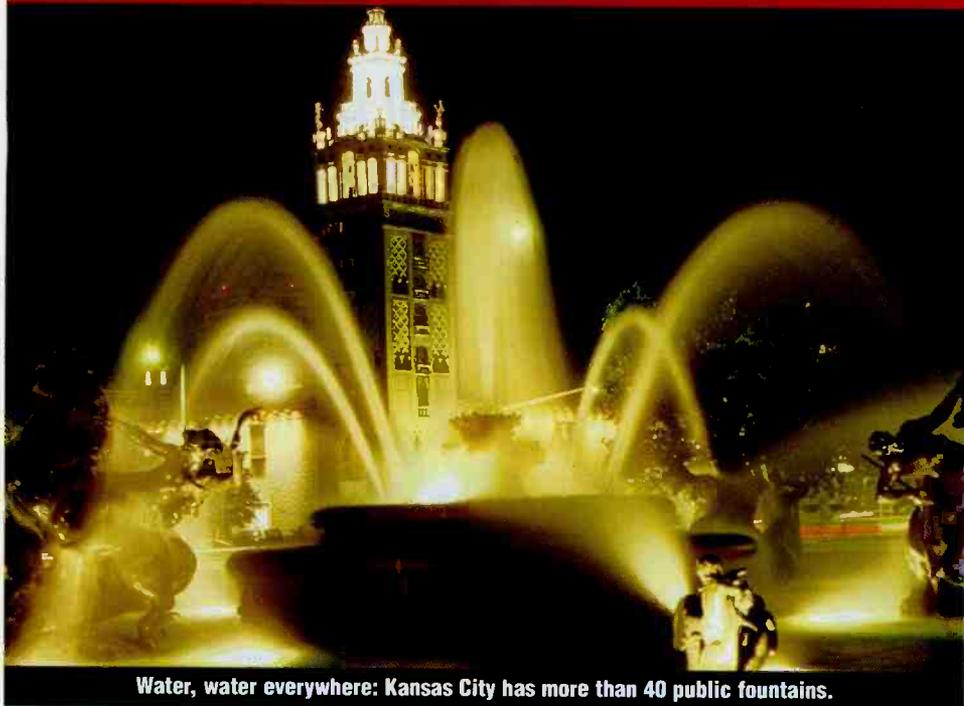
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Market Profile

BY EILEEN DAVIS HUDSON



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Kansas City

KANSAS CITY IS ONE OF THE FEW MAJOR MEDIA MARKETS THAT ARE SPLIT BETWEEN two states. The majority of the DMA's population is on the Missouri side, with the remainder in Kansas City, Kan. Known as the City of Fountains, Kansas City, Mo., has dozens of all sizes; the city's parks

department maintains more than 40 public fountains. The best known is the 51-year-old J.C. Nichols Memorial Fountain, named for the developer of Country Club Plaza, a large shopping mall. Major League Baseball's Kansas City Royals have a 322-foot-wide fountain beyond the outfield fence in their home park, Kauffman Stadium.

Located not far from the geographic center of the continental U.S., Kansas City has been a major transportation center since the 1800s. A \$183 million upgrade of the market's airport is currently under way.

The Kansas City broadcast-television market ranks 31st in the country, with 849,730 TV households, according to Nielsen Media Research. The market's sign-on-to-sign-off household ratings leader is Hearst-Argyle Television's ABC

affiliate KMBC-TV, which also wins the evening and late local-news races.

For the past two years, KMBC has led the morning news competition from 5 to 7 a.m. The station expanded the program by a half hour in 1999, moving to a 5 a.m. start. "We have been very fortunate to have a very stable group of on-air anchors," says Wayne Godsey, KMBC president and gen-

eral manager. In March 2000, top KMBC female anchor Laurie Everett retired. Laura Moritz, who had been a morning anchor, took over Everett's slot at 10 p.m., and Kelly Eckerman, the station's 5 p.m. anchor, added 6 p.m. to her duties. Natalie Moultrie succeeded Moritz in the mornings.

In regard to the station's 10 p.m. newscast, Godsey says he has been quite concerned about the poor ratings performance of ABC's prime-time schedule this season, calling it a "less than adequate" lead-in to KMBC's news.

Last September, KMBC replaced the syndicated *Roseanne*, which the station had aired for years at 10:30 p.m. following its late news, with *Seinfeld*, which had previously aired in the market on Meredith Corp.'s CBS affiliate, KCTV-TV, in a late-night time slot. "We felt [*Seinfeld*] was underexposed in the market," Godsey says. This fall, KMBC will add syndie reruns of *Will & Grace* to air at 11 p.m., following *Seinfeld*. The station has also acquired the new King World Productions' syndicated talk show *Dr. Phil*, which, beginning this fall, will air from 3 to 4 p.m. and lead into *Oprah*. *Jerry Springer*, which currently runs at 3, will shift to a morning slot.

Via a local-marketing agreement, KMBC also operates the UPN affiliate in the market, privately owned KCWE-TV. The outlet launched in 1996.

Local cable network Fox Sports Midwest, which controls the TV rights to the Royals, subcontracts with KMBC to carry over-the-air broadcasts. Of the 50-game Royals broadcast package, 15 games air on KMBC and 35 are carried on KCWE.

Last August, KCTV welcomed Kirk Black as its new vp/gm. Black, previously gm of WNEM-TV, Meredith's CBS affiliate in Flint-Saginaw, Mich., succeeded John

Rose, who retired after 12 years at KCTV. Black's challenges include making No. 2 KCTV more competitive with KMBC in the local news race, and attracting younger viewers to the station despite CBS' history as an older-skewing network.

In mid-December, KCWE-TV expanded its morning newscast, pushing the show ahead a full hour, from a

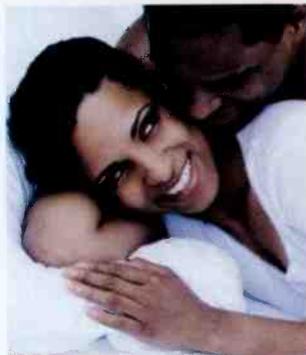
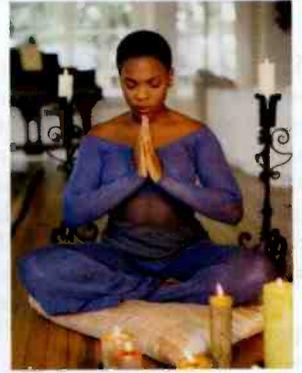
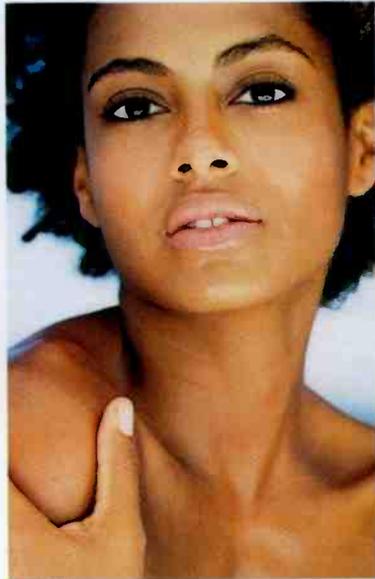
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AD SPENDING BY MEDIA / KANSAS CITY

	Jan.-Dec. 1999	Jan.-Dec. 2000
Spot TV	\$147,831,792	\$160,875,774
Local Newspaper	\$127,957,260	\$135,823,440
Outdoor	\$8,157,356	\$9,809,845
FSI Coupon*	\$7,687,210	\$7,968,580
Local Sunday Supplement	\$3,171,610	\$4,104,520
Local Magazine	\$944,130	\$1,554,330
Total	\$295,749,358	\$320,136,489

*Packaged goods only Source: Nielsen Monitor-Plus

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5:30 a.m. start to a 4:30 a.m. start. Black says he believes KCTV is the only station in the top 50 markets with a 4:30 a.m. news start. "It's an aggressive move," Black says. "It puts us in a great position." KCTV has aggressively promoted the earlier start time, touting the station as the first on the air with local news in the mornings.

Black has energized the format and quickened the pace of KCTV's newscasts, which now run considerably more stories. The new gm has also shaken up the station's staff. Earlier this month, news director Don North exited the station. North's duties have been assumed by assistant news director Pam Watson. Late last year, KCTV's co-anchor at 10 p.m., Wendell Anschutz, took early retirement and was succeeded by Dave Helling. Another new face, Russell Kinsaul, anchors the station's 5 and 6 p.m. newscasts. The outlet also eliminated its programming director/operations position; managers of those departments now report directly to Black. Last spring, Dee Griffin joined the station as co-anchor at 6 and 10 p.m.

As the market's CBS affiliate, KCTV carries the network's coverage of the National Football League's Kansas City Chiefs, which have a very loyal following in the region. KCTV has also enjoyed strong ratings this season with the syndicated *Crossing Over With John Edward*, which the outlet double-runs from 3 to 4 p.m.

Scripps Howard Broadcasting owns NBC affiliate KSHB-TV (Channel 41), as well as Independent KMCI-TV (Channel 38), acquired in March 2000. KSHB produces a half-hour nightly newscast at 9 p.m. on KMCI. The news is branded as *NBC 41 News at 9* and uses KSHB's talent. The newscast competes against Fox's owned-and-operated WDAF-TV, which produces an hour-long news at 9 p.m.

KSHB's position on the UHF dial has hurt the station's ratings. The outlet's 6 p.m. newscast ranked fifth in the time period in last November's sweeps, and its 10 p.m. news ranked fourth (see *Nielsen chart on page 19*).

Officials at the Scripps Howard stations could not be reached for comment.

Seven years ago, KSHB and WDAF swapped affiliations. WDAF, which had already been a solid local news station as an NBC affiliate, has expanded its news presence as a Fox O&O. WDAF produces more local news (nearly 50 hours per week)

SCARBOROUGH PROFILE

Comparison of Kansas City

TO THE TOP 50 MARKET AVERAGE

	Top 50 Market Average %	Kansas City Composition %	Kansas City Index
DEMOGRAPHICS			
Age 18-34	31	31	98
Age 35-54	41	41	101
Age 55+	28	28	101
HHI \$75,000+	27	22	83
College Graduate	12	13	107
Any Postgraduate Work	10	10	99
Professional/Managerial	23	22	96
African American	13	11	84
Hispanic	12	4	30
MEDIA USAGE - AVERAGE AUDIENCES*			
Read Any Daily Newspaper	54	48	88
Read Any Sunday Newspaper	64	60	94
Total Radio Morning Drive M-F	22	22	102
Total Radio Evening Drive M-F	18	18	101
Total TV Early Evening M-F	30	30	101
Total TV Prime Time M-Sun	39	40	102
Total Cable Prime Time M-Sun	13	11	88
MEDIA USAGE - CUME AUDIENCES**			
Read Any Daily Newspaper	73	68	93
Read Any Sunday Newspaper	77	73	94
Total Radio Morning Drive M-F	75	75	101
Total Radio Evening Drive M-F	73	73	99
Total TV Early Evening M-F	71	70	99
Total TV Prime Time M-Sun	91	91	101
Total Cable Prime Time M-Sun	58	54	94
MEDIA USAGE - OTHER			
Access Internet/WWW	61	64	105
HOME TECHNOLOGY			
Own a Personal Computer	67	66	100
Shop Using Online Services/Internet	35	38	107
Connected to Cable	71	67	95
Connected to Satellite/Microwave Dish	15	19	133

*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: 2001 Scarborough Research Top 50 Market Report (February 2000-March 2001)

than any of its competitors, says vp/gm Stan Knott. The station's hour-long 9 p.m. newscast is followed by another hour of news at 10 p.m.

In 2000, WDAF expanded its morning newscast by a half hour; the program runs from 5 to 9 a.m. The show is the oldest morning news in the market and features four anchors plus a weather person. One anchor team hosts from 5 to 7:30 a.m., and another hosts from 7:30 to 9 a.m. One of the anchors, Sue Mason, left the station in December to spend more time with her fam-

ily; Knott says he hopes to fill her post soon.

In syndicated programming, WDAF has picked up *Dharma & Greg* for this fall; the program will likely air in access or late fringe. This winter, the station is carrying Big 12 college basketball games, including 10 to 15 games featuring the University of Missouri.

Sinclair Broadcast Group owns WB affiliate KSMO-TV, which picked up *Everybody Loves Raymond* (6 p.m.) in syndication last September. KSMO double-runs *Just Shoot Me* at 5 and 6:30 p.m., with *Drew*

GO FOR Real RATINGS!



Girls 6-11...
3.2 RATING
12.0 SHARE

Girls 9-14... 2.9 RATING 11.2 SHARE

Source: NHI, Galaxy Explorer, January 5, 2002. CVG AA%, CVG SH
 GO FOR IT! TV airs Saturdays on ABC Family.

Boys 2-11...
1.1 RATING
4.1 SHARE

Boys 6-11...
 .7 RATING
 3.0 SHARE

"GO FOR IT! TV: The Real Challenge", an educational, healthy-lifestyle gameshow for children has already scored strong ratings and share numbers in both the kids and "tweens" demographic audience in its debut at 12 EST/ PST, 11CMT on Saturday January 5th after its move to ABC Family. "GO FOR IT! TV" is a multimedia platform extending from the "GO FOR IT! ROADSHOW", which has already reached 3 million kids in over 100 cities nationwide.

"We're extremely excited about the show's success," said HealthSouth Chairman and CEO Richard M. Scrushy. "This is a way to deliver messages about smart lifestyle choices, nutrition, and fitness to a much larger audience in a language they understand: music, entertainment, and the challenge to be the best each can be. Now we know we're reaching kids across America and they like it."

For more information on all of the "GO FOR IT" opportunities, please visit www.healthsouth.com, or call Jim Whitten, Group VP Marketing, HealthSouth at 1-800-765-4772.



Presented by HealthSouth Corporation, The Coca-Cola Company and GNC in association with Mandalay Sports Entertainment and Scott Sternberg Productions.

Market Profile

Carey airing at 5:30.

The Knight Ridder-owned *Kansas City Star* is the only metropolitan newspaper in the market, although it does get some competition from several smaller dailies scattered throughout the suburban area. The *Star's* average daily circulation for the six months ended Sept. 30 was 259,612, down 3.2 percent compared to the same period a year ago; Sunday circ averaged 377,765, a 2.4 percent decrease.

In 2000, the *Star* boosted its reach in the market by acquiring four suburban papers in two separate transactions. First the *Star* purchased a 6,000-circulation daily on the Kansas side of the market, the *Olathe Daily News*, from a private owner. Then in September 2000, the *Star* acquired three newspapers on the Missouri side: the *Lee's Summit Journal* (a twice-weekly publication), the *Cass County Democrat Missourian* (weekly) and the *Belton Star-Herald* (weekly). Inland Industries, a company based in the Kansas City suburbs, formerly owned those three publications.

Another group of suburban papers is owned by Lionhart, which in 1998 acquired the local *Sun* chain. The *Sun* papers are primarily focused on Johnson County, Kan. Prior to its takeover by Lionhart, the *Sun* publications were operated for nearly 50 years by a local family. Lionhart also owns several community papers on the Missouri side of the market.

Art Brisbane, president and publisher of *The Kansas City Star*, says the paper made no major changes last year because of the national economic slowdown. "2001 was a year of surviving heavy winds," Brisbane says. "It wasn't a year of radical change."

As a result of the advertising slump suffered by media outlets across the country, the *Star* has done some belt-tightening over the past year. In mid-2001, the paper made voluntary and involuntary cuts of 125 employees, Brisbane says; the total included staffers at the *Star's* suburban papers.

Two weeks ago, the *Star* announced another 50 layoffs, with all of the reductions coming at the main paper. Unlike the first round of cuts, which were broad, the new staff reductions will impact fewer departments, including security and dispatchers, Brisbane says; no newsroom positions are being eliminated.

Despite the lingering national advertising downturn, Brisbane says Kansas City has fared somewhat better than some other

markets. "Our economy is blessed, if you will, particularly in downturns, because it's diversified...we are not a boom-bust type of economy," the publisher says. "We are not dominated by one particular industry."

Unemployment in the Kansas City DMA is currently holding at a below-average 3.9 percent. Brisbane says that he is optimistic for a turnaround this year and is anticipating modest revenue growth for the *Star*.

In radio, Kansas City is the 29th-largest market in the country, according to Arbitron. Entercom Communications dominates the market; the company's nine outlets had a combined 35.4 share among listeners 12-and-older in the Fall 2001 Arbitron Radio Market Report. According

to BIA Financial Network, Entercom's stations took in an estimated \$38.8 million in revenue in 2000, giving Entercom a commanding 40.6 percent market share. For the past four Arbitron books, Entercom has had the top-rated station in the market with its Album Oriented Rock outlet KQRC-FM, the sole AOR-formatted property in the market.

KQRC's closest competitor is Carter Broadcast Group's KPRS-FM, the market's only Urban-formatted station. The two outlets generally run neck-and-neck in 12-plus and key demo ratings.

In December, Carter introduced a new Sports station to the market, KCKN-AM, though with little fan- (continued on page 19)

RADIO LISTENERSHIP

STATION	FORMAT	Avg. Qtr.-Hour Share	
		Morning Drive, 12+	Evening Drive, 12+
KQRC-FM	Album-Oriented Rock	11.2	7.3
WDAF-AM	Country	8.9	4.5
KUDL-FM	Lite Adult Contemporary	5.5	6.0
KPRS-FM	Urban	5.2	7.1
KFKF-FM	Country	5.1	4.2
KMXV-FM	Contemporary Hit Radio	4.4	4.8
KMBZ-AM	News/Talk/Sports	4.3	3.4
KCMO-FM	Oldies	4.0	4.7
KYYS-FM	Classic Rock	4.0	4.0
KBEQ-FM	Country	3.7	4.4

Source: Arbitron, Fall 2001 Radio Market Report

NEWSPAPERS: THE ABCS

	Daily Circulation	Sunday Circulation	Daily Market Penetration	Sunday Market Penetration
Jackson County (Mo.): 259,898 Households				
<i>Kansas City Star</i>	88,721	124,335	34.1%	47.8%
Johnson County (Kan.): 180,876 Households				
<i>The Olathe Daily News</i>	6,225		3.5%	
<i>Kansas City Star</i>	79,461	110,094	43.9%	60.9%
Clay County (Mo.): 72,715 Households				
<i>Kansas City Star</i>	25,917	40,292	35.6%	55.4%
Wyandotte County (Kan.): 59,939 Households				
<i>Kansas City Star</i>	16,859	21,734	28.1%	36.3%
Cass County (Mo.): 30,439 Households				
<i>Kansas City Star</i>	7,318	12,904	24.0%	42.4%
Platte County (Mo.): 30,342 Households				
<i>Kansas City Star</i>	10,811	16,202	35.6%	53.4%
<i>St. Joseph News-Press</i>	582	666	1.9%	2.2%
Leavenworth County (Kan.): 21,564 Households				
<i>Lawrence Journal-World</i>	398	435	1.8%	2.0%
<i>Kansas City Star</i>	4,762	6,777	22.1%	31.4%
Miami County (Kan.): 10,198 Households				
<i>The Olathe Daily News</i>	142		1.4%	
<i>Kansas City Star</i>	2,042	3,604	20.0%	35.3%

Source: Audit Bureau of Circulations



INTERACTIVE REPORT

FEBRUARY 4, 2002

Interactive Agency of the Year 2001

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High-tech and high design put R/GA on top

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R/GA RISING

12 new-client wins and innovative technology initiatives give this midsize agency an edge

By Kipp Cheng Photography by Chris Casaburi

When it came time for the staff of Adweek's *IQ* to put together our annual special report spotlighting best interactive agencies, the hardest part was selecting a single agency as the best of 2001. In past reports, we profiled a handful of i-shops—amazingly, sometimes as many as 10 of them—and highlighted each one's business, creative and technological achievements. This year, it was decided that only one interactive agency would be chosen for recognition.

At first blush, that assignment might seem a bit easier these days, given the fact that the interactive agency playing field has thinned considerably since the go-go days of the dot-com bubble. Many i-shops that were once dead center on our radar screen have either shifted business focus, were consolidated or have simply evaporated into the ether.

However, despite having fewer players to consider in 2001, the challenges of choosing the best interactive agency were the same as they were when this special report began in 1995. What kinds of companies are considered interactive agencies? What kinds of initiatives count as interactive advertising? As interactive marketing? After all, unlike traditional agencies, which create advertising for recognized, established mediums such as TV and print, i-shops are frequently required to develop a wide variety of established (banner ads) and yet-to-be established (emerging technology) advertising and marketing programs across multiple interactive platforms. Assessing a broad array of interactive campaigns created in various formats by agencies with varying business structures is a bit like comparing different kinds of architectural styles and building methods. A difficult task, indeed.

Among the factors we used to determine our best interactive agency were: The i-shop's level of creative excellence, both from a visual design and technology standpoint; the company's financial successes, including new business wins and existing clients retained; the stability of the i-shop's core management team; and the group's innovative use and development of interactive technologies.

We also felt our choice should raise the bar for what it means to be an interactive agency. Once the "wow factor" had passed, does the creative work push the boundaries of interactive design and interaction? Do the client wins represent lasting relationships? Is there a clearly articulated mission statement from the management team that can take the i-shop to the next level of interactive advertising and marketing? And, ultimately, do the initiatives developed by our best interactive agency contribute positively to the client's bottom line?

While we considered independent shops and interactive offshoots of traditional agencies with equal scrutiny, in the end, we picked a midsize independent interactive agency with strong traditional backing as our best interactive agency of the year.

This year's best interactive agency is R/GA. >>>

SHARED VISION:
President and CEO
Martin Reidy, left, and
founder, chairman and
chief creative officer
Bob Greenberg



It would be hard to overlook the architecturally distinct building—located near New York’s bustling garment district—that serves as R/GA’s headquarters. After all, the squat, Bauhaus-inspired structure is a quirky, unexpected delight on an otherwise unremarkable stretch of 39th Street, near 9th Avenue. Quietly tucked behind a gated garden-cum-parking lot that serves as a buffer from the chaos of the surrounding city, the R/GA building is a modernist gem nestled between an anonymous high-rise on one side and a Burritoville on the other.

It’s here in this 46,000-square-foot converted air freight terminal—now filled with open loft-like workspaces, airy offices and dimly lit production and design studios—that R/GA has steadily grown over the past 10 years as a creative powerhouse for interactive design and Web development. And while the agency has been working with digital initiatives for the past decade, this month marks the 25th anniversary of the company’s founding.

With its undisputed knack for designing some of the most visually gorgeous Web sites for artsy clients such as The Rhode Island School of Design and The Brooklyn Academy of Music, 2001 was the year that R/GA proved it could win assignments from more traditionally minded corporate clients.

While many bruised i-shops continued to regroup from lost dot-com business, R/GA remained focused on servicing Fortune 500 and Global 1000 companies, while continuing to gain share among market leaders in an increasingly tight marketplace. During 2001, the i-shop managed to capture an impressive 12 major account wins, including work for ActiVision, Aveda, Bank One, Nike and Ian Schrager Hotels. In some cases, R/GA reportedly beat out larger, higher-profile shops such as Agency.com, Digitas and Sapient.

The fact that R/GA has managed not only to succeed, but to thrive at a time when so many other pioneering interactive agencies have struggled—or failed altogether—can be credited to the vision of Bob Greenberg, the agency’s founder, chairman and chief creative officer, as well as to the strength of the i-shop’s core executive team, which includes Martin Reidy, president and CEO; Frank Gallon, CFO; Nick Law, creative director; Chris Colborn, vp interaction design; John Mayo-Smith, vp technology; Stephen Plumlee, vp production; Barry Wacksman, vp business development; and Dawn Winchester, vp client services.

Despite the uncertain economic climate, with marketers slashing budgets and delaying interactive initiatives, R/GA weathered 2001 without a single client loss. In fact, the i-shop has not yet been dismissed by a client in nearly

three years, an astonishing accomplishment in an industry known for high client turnover.

While its 2 percent revenue gains were relatively modest—\$55 million projected for 2001, compared to \$54 million in 2000—late year wins for assignments from Purina ONE and Hot Topic (a West Coast retailer), among others, should help bolster R/GA’s bottom line. Growth for the interactive agency has been methodical, as it continued to keep costs low and profit margins high.

“They really understand our business, probably more so than other agencies we’ve worked with,” says Michael Moore, worldwide director, Purina Interactive Group. “While a lot of other agencies sort of sit back and take orders from the client, R/GA actively brings us ideas. They’re not just infatuated with building Web sites. They know how to develop programs that engage consumers.”

Indeed, prior to winning the assignment for Purina’s super-premium ONE brand, R/GA was already at work on the pet foods maker’s Cat Chow brand. In addition to developing an entirely redesigned site for Cat Chow, which features an online community with live mentors who answer questions and support cat owners, the i-shop launched a Cat Chow channel on AvantGo for handheld computers, giving cat lovers on-the-go valuable content, while supporting the Cat Chow brand.

In an industry rife with shops that are not typically regarded for either longevity or business acumen, R/GA emerged as one of the most stable and focused interactive agencies working today. In fact, since the company’s transition in the mid-’90s from a commercial and film production house to dedicated interactive agency, R/GA’s mission has been to establish itself as the preem-



inent creative shop working in the interactive category.

"We've always been very focused on what we're about," says Reidy. "The creative side, the design side is really what drives our business."

More than any single factor, Reidy attributes the agency's success to the dedication and enthusiasm of its staff of approximately 200. "What's made R/GA are the people who work here," Reidy says. "Even during the very tough times when people were leaving companies and companies were handing out [stock] options left and right, people still came to R/GA and stayed."

That continuity has forged strong relationships with long-term clients such as IBM, for which R/GA is the lead creative interactive agency working on *ibm.com*, having developed the global design standards for the Web site's millions of pages since 1999. Other i-shops working on the global Web assignment for *ibm.com* include OgilvyInteractive and Modem Media.

"What's been very helpful is that they've kept a core team in their organization that knows IBM and knows the account," says Jeanine Cotter, vp of Web design and strategy at *ibm.com*. "That really helps both from an institutional knowledge and historical perspective, and also understanding the strategy."

R/GA's focus on outstanding creative work is matched by the i-shop's dedication to interactive technologies. The company has developed more than 700 applications since its inception, including the database software for The Statue of Liberty-Ellis Island Foundation project, which is comprised of on-site interactive kiosks and a robust genealogy search engine. Most recently, the i-shop developed the software program that serves, stores and updates content in real time for the 23-story digital billboard on the new Reuters building in Times Square.

According to Greenberg, the marriage of design and technology is one that has become increasingly important to marketers as media assets are increasingly being digitized and i-shops will need to take the lead on showing corporations how to manage those assets. (See story, page 4.)

"While they have a singular focus on creative, they also have a large technology team," says Marissa Gluck, analyst at Jupiter Research, adding that when it comes to pitching projects, "There's also no bait and switch [at R/GA]. The creative team that pitches work is the same team that does the work."

Wacksman says that R/GA has a unique system of separating visual design and interaction design that benefits clients. "To have excellent creative in interactive is really more about user experience than it is about pretty pictures," he says. "People who are great interaction designers think more like architects; it's very methodical and organized. Visual designers are more concerned with establishing look and feel and tonality of the Web site, and making sure that the visual design system can work across all the different pages."

In the case of IBM, R/GA's standardization of the navigation and look and feel of the global site has streamlined the publishing

process for the other agencies working on the site as well as for IBM's in-house team. While the back-end design issues are transparent to end users, it's this kind of user-centric focus that has made the relationship between IBM and R/GA so fruitful. The result is a consistency of brand image and messaging across the entire site, regardless of whether the target audience is an IBM customer, investor or employee.

"The user-centric design approach greatly improved navigation, hierarchy and nomenclature," Winchester says of R/GA's redesign work on *ibm.com*. "There's a great standardization of presentation of content types for IBM," which leads to a tighter integration of message and medium.

Gluck says that R/GA's ability to deliver projects on time and on budget puts it in an enviable position. After all, clients that have vendor-type relationships with interactive agencies (and most of them do) are more likely to continue the relationship when work is delivered as promised. "In this economy, R/GA

has had an advantage since they know how to manage project-based budgets," Gluck says. "It's sometimes a struggle for traditional agencies to learn how to reallocate assets when fat-cat retainers start drying up."

Wacksman says that the company's legacy of production work has established that kind of budget-wise discipline. "Coming out of commercial production, where you're dealing with major advertising agencies with multimillion dollar budgets, the TV commercial better be delivered on time or you're pretty much a dead duck," he says. "When we got into interactive, that was our whole culture. We came out of a very deep culture of delivering on time and on budget."

Still small enough to remain creatively nimble, but large enough to take "lead agency" assignments, R/GA became part of IPG last year following IPG's acquisition

of True North, R/GA's parent company since 1995. Reidy says R/GA's new corporate parent has been entirely supportive of the i-shop.

"IPG is worked very similarly to True North," says Reidy. "The people at IPG, they've been great to work with. If there's an opportunity with a client, they will bring it to us, but if there's not, they don't try to force it on the client. They very much have a best-in-class philosophy."

Perhaps the best praise the interactive agency has received is from clients and peers who view R/GA as a down to earth group of creative business people.

"There's a lot of pretense in the Internet business," says Purina's Moore. "Everyone's got these really affected images of themselves, but there's just none of that at R/GA."



**TEAM R/GA (pictured clockwise from bottom left):
Nick Law, Dawn Winchester, John Mayo-Smith,
Barry Wacksman, Stephen Plumlee and Chris Colborn.**

Executive Editor: Patricia Orsini

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Senior Photo Editor: Marla Kittler



BOB GREENBERG

R/GA's visionary founder and chief creative officer talks about industry growing pains, managing digital assets and the shape of the agency of the future. By Kipp Cheng

On whether interactive initiatives will be led by traditional or interactive agencies in the future:

I think it's going to be a true combination of capabilities between the traditional agencies and the interactive agencies. But I think it's going to be led by the traditional agencies. I've always thought that. However, I think for smaller companies whose primary existence is on the Web, they will want to be led by interactive agencies. But the [online initiatives for] larger, international global brands will wind up being led by traditional agencies. Of course, agencies will have a different structure, and they'll have to be much more collaborative with interactive agencies.

On how technology has changed both consumers and marketers:

Technology has created consumers who are much more intelligent. And I think that marketers and corporations really need to take that into account now. Consumers have so many different ways to access information and ways buy things. If [marketers] spend too much time on the [offline] channel, and they haven't devoted enough time on the interactive channel, then they may lose a lot of market share, simply because competitors are doing a much better job with the online channel.

On the value for marketers utilizing the online channel:

It's no longer accurate to say "This is the new economy and that's the old economy." We found out the hard way that there's just one economy. And regardless of channel, the definition of advertising and marketing really hasn't changed either. What makes [the online channel] valuable is that it's the least expensive one. And because of that, it's going to grow. Many advertisers still only understand traditional channels and they really don't understand how to best use the interactive channel. Ultimately we don't see any of the channels going away. What we will see is a convergence.

On the continual learning process:

We're not trying to crack the code of what the future is going to be for interactive advertising. But I think we've learned important pieces along the way about what the future might be. For example, we had to do a very large Web site project like IBM to learn how to create global standards for a Web site and what it would look like. Execution is an important part of the learning process.

On how the agency of the future will be structured:

You would structure things not so much as an advertising structure, from a producing standpoint or as a filmmaker or

storyteller, but more as an architect. I think that the advertising agency of the future will be centered around an architect who will ultimately integrate narrowband, broadband, wireless, print, broadcast and billboard.

On the benefits of repurposing digital assets:

Going forward, media assets will all be digitized and available in a database. Agencies will figure out how to repurpose pre-existing assets if they can and then should create new ones inexpensively. Then the new assets would go back into the digital library and get repurposed again. So going forward, almost everything that agencies created in the past and everything that they will create in the future will be licensed differently, produced differently. I think it's going to be a combination of shooting in digital video, which is getting better and better all the time, and producing things in an integrated way so when you go out to do it, you're thinking about all the other versions, all the other channels that need to come out of the same asset.

On the integrated model for advertising:

It's got to be client-driven, not agency-driven. The agencies don't have the incentive to integrate. It's the client who says, "I've got X amount of money, I've got four channels and we're going to do them at a creative and technical level that is going to cost money, but we don't have any more money." So, the only way you can make it happen is by doing it differently, and by reusing pre-existing assets.

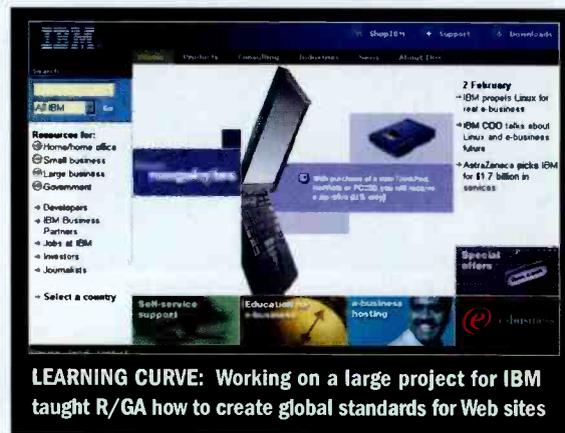
On optimizing existing online investments:

One thing that clients can do right now without spending too much money—because budgets are very tight—is to simply work at getting

existing Web sites in top shape. There's such a huge need to make sites easier to use. The return on the investment is so high. Sometimes it's just a matter of changing an icon or making it so that people don't have to go away to search, and when they do go to search, the search engine actually works. It really comes down to design, in the sense that design makes complex things understandable and easy to use.

On the challenges ahead:

The biggest challenge today is how to build strong relationships with our clients and become more important to their businesses with real, measurable results, and at the same time, make traditional profits. Because the Internet has gone through such a roller-coaster ride and become commoditized in the process, we have to create a very different model in order to be able to get traditional margins. And that's what we're battling all the time. ■



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Forging AHEAD

After a rough year, there are a number of agencies still standing. But these four are moving ahead.

By Christine Larson

If there's one thing i-shops learned this year, it's that success is relative. In any year before 2001, no interactive agency with declining revenues, layoffs or significant client losses would ever make a list of successful agencies. But this year's a different story altogether. With once high-flying agencies such as marchFirst now out of business, thousands of workers out of jobs, and online media spending down for the first time, many interactive agencies consider themselves lucky to still be standing at all.

"It was a terrible year for advertising," summarizes Tom Hyland, partner and chairman of the new media group at PricewaterhouseCoopers in New York. Spending on online ads dropped to about \$7.4 billion, down from \$8.2 billion from 2000, he says.

But some bright spots gleamed in the gloomy landscape, pointing the way for other struggling agencies. Smart agencies weathered the storm by putting their heads down and focusing on great creative; by finding new, more efficient ways of working; and above all, by delivering real results for their existing accounts, instead of dazzling would-be clients. Here are four very different agencies that all offered reason for hope.

TRIBAL DDB: SURVIVORS

In the decor of Tribal DDB's New York headquarters, Madison Avenue meets Silicon Alley, and for the moment, Madison Avenue seems to be winning. Much of the office design is gray and subdued, with a few notable concessions to the multimedia vibe: Astroturf carpet in the conference room, polka-dot cushions on the minimalist furniture.

In its performance over the last year, the agency's Madison Avenue heritage also came to the fore. "Blue-chip companies wanted to partner with agencies that they knew would be around tomorrow," says Matt Freeman, CEO of Tribal DDB North America. "There was a flight to stability."

"Tribal is one of the real up-and-comers," says Jim Nail, senior analyst at Forrester Research. "Among the Madison Avenue crowd ... they demonstrate [a] commitment and willingness to think creatively and not be stuck in traditional marketing thinking or first-generation interactive thinking."

To be sure, the company suffered its share of pain this year, laying off about 15 percent of its workforce. But throughout

the downturn, the agency kept its bearings by emphasizing cutting-edge creative, according to Steven Marrs, president and COO. "We focus entirely on the work," he says.

Last year, that creative focus resulted in numerous awards, including the One Club Best of Show award for integrated campaigns, for the Anheuser-Busch "Whassup?" campaign. To complement the TV ad, the agency built an application allowing users to create and send their own obnoxious greeting to friends. They also built a site that translates the phrase into 26 languages.

Viral campaigns such as "Whassup?" have helped the agency demonstrate an emerging model of advertising to its clients. "Traditionally, advertising has been built on the model of intrusion. But with TiVo and technologies like it putting control in the hands of viewers, that model isn't so effective anymore," says Freeman. Instead, Tribal DDB is nudging its clients toward creating a "value exchange," offering music to music lovers, games to gamers. "The challenge is to wrap your brand around that experience without being too blatant, because this is a very sharp audience," says Marrs.

Those experiences might include streaming the Britney Spears video that boosted traffic 46 percent on Pepsi.com or playing elaborate computer games such as Code Red, an online car race which launched the eponymous beverage last year. Regardless of the technology used, however, the agency's goal is to infuse online advertising with the same drama and emotion as traditional ads.

Although DDB Worldwide's windows across the street overlook the Tribal DDB offices, Freeman and Marrs say they don't feel like their corporate parent is breathing down their necks. The agency is accountable for its own profits and losses and Freeman says only about 50 percent of the company's revenue comes from DDB clients. Frequently, the agency works with other large branding firms—with BBDO on Pepsi and with Young & Rubicam on Sony, for instance.

"We're integration agnostic," says Freeman.

"People want to work together, and if you define roles, there's no struggle over P&L and that sort of thing," says Marrs. "You're never going to get rid of all the conflicts, but if you focus on getting customers for the client, you'll produce effective marketing."



TRIBAL COUNSEL: Freeman (left, with Marrs) says blue-chip clients seek stability over hype.
PHOTOGRAPH BY ROBIN BOWMAN

EXILE ON 7th: INSIDERS, NOT OUTCASTS

In a year of massive consolidation, there's evidently still room for the maverick.

In the past year, San Francisco-based Exile on 7th has scored some impressive wins through a combination of breakthrough creative work and savvy media planning. Among the laurels: the innovative Microsoft Windows XP launch; eBay consolidating its business at Exile; and new business from Sybase and the American Cancer Society. The company also purchased the media operations of advertising technology provider Mediaplex, acquiring the media planning and buying operations for Macys.com and other brand-name clients.



OUT OF THE BOX: Banners for Windows XP showed images floating across the page.

Despite these achievements, Exile's president, Alan Burgis, is almost superstitiously humble. "Part of everyone's answer who had an OK year this year is, 'We got lucky,'" says Burgis. "We could have had clients who stopped spending last year."

There's good reason for Burgis' cautious outlook. While Exile's new clients did keep spending, a few existing clients didn't survive the crash. One was sold, another filed Chapter 11. Revenues for 2001 dropped to \$6.5 million from \$8.5 million in 2000, and the agency had to lay off 25 people. Still, with many competitors no longer in business, it's a triumph to remain standing at all.

"We set ourselves a mission of surviving and we did that," says Burgis.

Unlike many first-generation interactive agencies, Exile on 7th has deep roots in the traditional advertising world. CEO Michael McMahon worked at Ammirati & Puris in New York and Anderson Lembke in San Francisco before founding an Exile forerunner, McMahon and Partners, in 1996. Later the agency became Left Field, then evolved into Exile in 1999. Burgis has worked at McCann-Erickson, FCB and Euro RSCG in Australia.

True to their roots, McMahon and Burgis have continued to emphasize traditional advertising expertise, particularly in media.

"We have media planners, media buyers and analysts. That's a huge difference" from other agencies, Burgis says.

The division of labor allows each media specialist to build expertise in one area. As a direct result of this staffing strategy, the agency can produce large media savings for clients, according to Burgis. "We can save 25 to 60 percent right off the bat," he says. "It's amazing how much money is left on the table by people who don't really understand media."

The agency's focus on media savvy helped give wings to its ambitious "Yes You Can" campaign for the launch of Microsoft XP in October. The concept literally went outside the box—featuring flying figures that left the banner space and moved around on the page. The agency approached sites one by one, explained the concept and asked them to accommodate the ad. CNet, MSN, USAToday.com, Ask Jeeves and others agreed.

"This was an interesting case study where the creative was

used to create the media plan. We couldn't have done it if the media hadn't cooperated," says Burgis.

Although he can't release specific numbers, he says the campaign yielded a "double-digit increase in brand awareness, advertising awareness and likelihood to purchase."

Because depth of experience is a key differentiating factor for Exile, the agency clung to its senior staff when downsizing. "We went out of our way to keep our most experienced people, which meant a greater number of layoffs. But the fact is we want to be best of breed, so we had to keep our best people," says Burgis. The agency now has about 30 employees.

Another survival tactic the company adopted was to postpone plans to expand into other media. "We were looking to build an agency that did a lot more than online," says Burgis. But in December 2000, anticipating the downturn, "[we] decided rather than pursue the fully integrated shop, we would focus on one area."

The company also eschewed costly creative shootouts. "We're happy to present our credentials, but we won't get involved in creative pitches. It's very expensive, it kills your people and we have too much respect for our team," Burgis says.

CHEMISTRI: A POTENT MIX

Chemistri, Leo Burnett's interactive subsidiary, enjoyed the best of both worlds last year. The Chicago-based i-shop reaped the advantages of big agency backing, sharing some 80 percent of its clients with Leo Burnett. At the same time, the 55-person shop stayed lean and nimble, allowing it to handle smaller projects with smaller budgets while still turning a profit.

"Two years ago, everyone was growing so fast, it sometimes felt like we were too small, too lean," says Kurt Karlenzig, Chemistri's co-CEO. "But we felt our model would play out in the long term."

Evidently it has. The agency's revenues increased to \$10 million in 2001, up from \$6 million in 2000. Clients included major packaged goods companies Kellogg Company and H.J. Heinz. And in a striking contrast to the rest of the industry, the agency didn't lay anyone off: In fact, they're still hiring.

Chemistri grew out of Digital Garage, an interactive unit at Leo Burnett run by Karlenzig and his co-CEO Chris Miller. Reorganized and renamed in 2000, the unit scored its most visible win to date last year with the



ARMED AND READY: Chemistri and Burnett teamed to promote the Army's new recruitment push.

successful launch of GoArmy.com, the online component of the U.S. Army's "Army of One" recruiting campaign.

The campaign as a whole clearly demonstrated the power of a large, multifaceted marketing entity. "The U.S. Army was a key success story for all of us," says Karlenzig, referring to the collaborative work of Chemistri, Leo Burnett and media buying firm Starcom IP. "It's not just an online story, but a complete, cross-media marketing story."



The campaign launched in January 2001, featuring TV spots and Webisodes following several men and women through boot camp. The site, which featured rich media, chat rooms and information on some 200 Army jobs, drew two-and-a-half times the traffic of its predecessor and delivered more recruiting leads than any other media, including direct marketing, live events and direct TV. "The leads from the Web were the most qualified, which is not surprising, since they were the most informed," adds Karlenzig.

The connection between the Army's TV efforts and Web site demonstrated a key industry trend of last year. "Both from the client side and the agency side, online is starting to be seen not just as a 'bolt-on' to marketing campaigns. People are figuring out the relevant role for the Internet, finding a benefit to the consumer audience and tying that back to the brand," says Karlenzig.

At the same time Chemistri demonstrated its ability to pull off sophisticated interactive projects within an ambitious soup-to-nuts campaign, they also embraced much smaller efforts.

"Very few clients required complete end-to-end solutions of all of our teams. But we've always been able to take on small projects and put a lean team against them," says Karlenzig. The agency designed an interface for the Illinois Institute of Technology's Galvin Library this year and created a mini site for the Joffrey Ballet.

The ability to take on small, as well as large, assignments, proved a key advantage this year. "It helped us survive a very tough financial year for a lot of people," says Karlenzig. "Even when large clients greatly reduced their budgets, it didn't put us at as much risk. If a significant six-figure budget dropped to half that amount, we were able to respond and still provide great quality service."

MODEM MEDIA: TURNAROUND IN PROGRESS

Marc Particelli just celebrated his one-year anniversary as CEO of Modem Media. And what a year it's been.

"When I joined, I was convinced Modem Media was in a market space that would eventually recover. I never expected it to fall away the way it did," says Particelli.

In his first year on the job, Particelli saw Modem's revenues drop from \$134 million in 2000 to \$100 million last year. He closed Modem's offices in New York, Japan and France and laid off 180 people worldwide, leaving the agency with about 600 employees.

Still, thanks to Particelli's focus on efficiency and client relationships, things weren't nearly as bad as they could have been. In fact, the agency showed signs of a rebound from the difficult days that followed its 1999 loss of AT&T's business. Modem's 25 percent decrease in revenues last year bested the industry average of 30 to 40 percent declines. And the company's powerful lineup of clients, including GM, Delta Airlines and Kraft, continued to grow.

"Modem's on the comeback trail," says Forrester Research's Jim Nail.

"A lot of the reasons I joined are the same reasons we survived," says Particelli. "When I looked at this business, I saw that Modem has an extraordinarily strong client list." The agency lost only two clients this year—JC Penney and Citibank.

For many other clients, however, the work has plowed forward. Just a few weeks ago, Modem launched the GM Owner Center, an online resource for owners of GM vehicles. The site will be introduced in markets around the globe later this year. Meanwhile, the company has added Kodak and three "significant" clients in telecommunications, beverages and financial services (whose names can't be released due to client confidentiality constraints).

Particelli is encouraged by the response of clients suffering budget cuts. "When their marketing budgets have been cut in half, they're not cutting their interactive budget in half. Interactive is

receiving a higher share of the marketing dollars," he says.

During the past year, Particelli has increased the agency's emphasis on efficient methods and procedures throughout the company, fostering shared knowledge and experience. That's not surprising, considering his consulting background: Particelli was a senior partner at Booz Allen, then worked at Oak Hill Capital Partners, a private equity partnership, before joining Modem.

"We've tried to integrate our functional skills more effectively and build practices—in technology, creative, project management, media and analysis. That's really helped us a lot in delivering more value for our clients," he says.

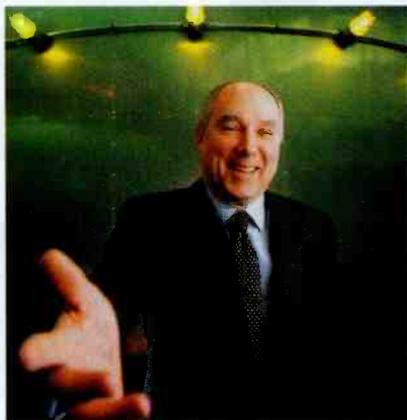
Meanwhile, the company is focusing on bringing similar efficiencies to its clients, both at home and overseas, by creating unified global technology platforms. One project, for the consumer divisions of Philips, will allow local business managers across the Phillips network to market their products online while still adhering to a consistent brand experience. That kind of global unity can yield significant savings for clients, says Particelli.

"We have some clients with hundreds of different sites around the world. There's a huge expense just in keeping track of that number of sites," he points out.

Modem's international operations provided a bright spot in a dismal year, although the company shut down underperforming offices in Japan and France. "Our international business grew while domestic business declined," says Particelli.

Being a public company in a year of plummeting stock prices hasn't made Particelli's job more difficult, he says. "Much to my surprise, our balance sheet became a competitive advantage," he says. Potential clients can reassure themselves of the company's solvency before making a commitment. "There have been too many situations where clients have engaged companies that don't exist six months later. When they look at us they can see we're financially sound." ■

Christine Larson is a freelance writer living in Sacramento, Calif. She frequently writes about technology for IQ.



MODEM MAN: Particelli says interactive initiatives are getting a greater share of decreased marketing budgets.

PHOTOGRAPH BY CHRIS CASABURI



Interactive Advertising Bureau

Interactive Audience Measurement and Advertising Campaign Reporting and Audit Guidelines

January 2002

Based on the IAB Online Ad Measurement Study conducted by

PRICEWATERHOUSECOOPERS 

Developed with input from



Supported by



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YOUR COMPLIANCE
STRATEGY SHOULD START
IN THE SAME PLACE THE
IAB GUIDELINE INITIATIVE DID.
OUR OFFICE.

PRICEWATERHOUSECOOPERS 

Having helped author the new IAB standards, we are now ready to shift our focus to explaining and fully supporting your implementation of the guidelines, and assess any policy, system or operational changes that may be needed for compliance. For a more formal introduction to our people and thinking, contact Tom Hyland, New Media Practice Leader, at (646) 394-2404.

Dear Advertising and Marketing Executives:

The release of these Interactive Advertising Campaign Measurement and Audit Guidelines is a monumental event in the development of the Interactive industry and the Interactive Advertising Bureau heartily thanks everyone who contributed to the project. Especially the 10 companies that worked with PricewaterhouseCoopers (PwC) on the initial study; the Media Rating Council, which crafted the guidelines; the American Association of Advertising Agencies (AAAA), the Association of National Advertisers (ANA) and the Advertising Research Foundation (ARF) for their support; ABC Interactive (ABCi); and of course, the IAB Board of Directors.

These guidelines create a solid foundation for an industry that's going strong, despite reports to the contrary. Every month, the Internet reaches an audience of 119 million people in the U.S. and 445 million worldwide. Recent data from the UCLA 2001 Internet Report indicates that usage of all other media is much lower in Internet-connected homes than in non-connected homes. For example, weekly TV viewing is 30% lower in Internet-connected homes than in non-connected homes; the stats are the same for magazine and newspaper reading.

Marketers' spending in online advertising is substantial. Online spending for 2001 is expected to total approximately \$7.5 billion, remarkable when you consider that's half of the amount spent on network television last year. That is significant growth in the six years since the IAB was formed. Also notable is the degree to which traditional marketers are embracing interactive, apparent from recent Forrester data indicating that traditional marketers are spending more than dot-coms. This data indicates that traditional marketers' online spending has increased by more than +50% in 2001 over the previous year.

Yes, there is great strength and value in our medium, and these guidelines will help clients and buyers better assess that value.

The IAB Ad Campaign Measurement and Audit Guidelines accomplish the following:

- Define the five key metrics that are the currency of the interactive business: Ad Impressions, Page Impressions, Clicks, Total Visits and Uniques
- Provide much-needed consistency among Web advertising servers, including dedicated definitions for the key metrics in addition to common standards for filtration and cache-busting
- Provide for ongoing disclosure of compliance from ad servers to agencies and as a basis for auditing, both of which will greatly expedite analysis and engender trust in the data
- Serve as the building blocks for everything to come, including Reach/Frequency and other media planning tool developments
- Provide the basis for ad measurement in wireless, e-mail, interactive TV and other emerging platforms

Again, we want to thank everyone who helped put together this landmark document. 2002 is going to be a big year for interactive marketing.

Sincerely,



Greg Stuart
CEO & President
Interactive Advertising Bureau

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Interactive Audience Measurement and Advertising Campaign Reporting and Audit Guidelines

January 2002

BACKGROUND

Consistent and accurate measurement of Internet advertising is critical for acceptance of the Internet and is an important factor in the growth of Internet advertising spending.

This document establishes detailed definitions for several key metrics used in Internet measurement and provides certain guidelines for Internet advertising sellers (herein referred to as "media companies" or "sites") and ad-serving organizations for establishing consistent and accurate measurements. Additionally, this document is intended to provide guidance to users of Internet measurements for understanding the origin of key metrics and a roadmap for evaluating the quality of procedures applied by media companies and/or ad-serving organizations.

The definitions and guidelines contained in this document originated from Phase 1 of the Interactive Advertising Bureau's (IAB's) Ad Campaign Measurement Project, conducted from May through December 2001, as explained below. Phase 2 of the project, quantifying the numeric differences in counts arising from various measurement options, is in progress.

You can download the PWC IAB Online Ad Measurement Study Report and a complete copy of the Guidelines Report at www.IAB.net.

THE IAB'S AD CAMPAIGN MEASUREMENT PROJECT

In May 2001, the IAB initiated a project intended to determine the comparability of online advertising measurement data provided by a group of Internet organizations. The Media Rating Council (MRC), ABC Interactive, and the Advertising Research Foundation (ARF) participated in the project, with the MRC initially designing the project approach and later acting as facilitator of many of the project discussions.

The project has two important phases:

1. Identification and categorization of measurement methods used by the project participants.
2. Analysis of the numeric differences in counts arising from certain measurement options for ad impressions, as well as the numeric differences between client- and server-initiated counting of ad impressions.

Information gathered in both phases will be used to create the measurement metric definitions and other guidelines contained herein.

Presently Phase 1 has been completed and the below-summarized definitions and guidelines reflect this learning. *Phase 2 is in progress and any updates to the definitions and guidelines will be made upon completion of this phase.* **For complete details of Phase 1 and Phase 2, download a complete copy of the report at www.IAB.net.**

SCOPE AND APPLICABILITY

These guidelines are intended to cover online browser- or browser-equivalent based Internet activity, including streaming.

There are several techniques for measuring ad or page impressions, including those based on log-file records and those based on beacon technology imbedded in site or ad content. While we recognize the existence of beacon technology, it is not specifically covered in these guidelines. Wireless, off-line cached media and interactive-based television were not addressed in these guidelines due to differences in infrastructure and/or delivery method. Additionally, newer extended metrics that are just beginning to be captured by media companies, such as "flash tracking," are not addressed in this document and will be addressed at a later time.

This document is principally applicable to Internet media companies and ad-serving organizations and is intended as a guide to accepted practice, as developed by the IAB, MRC and ARF. Additionally, Internet planners and buyers can use this document to assist in determining the quality of measurements.

“Traditional advertisers need to measure online advertising the way they measure offline advertising.

Dynamic Logic helps us do that.”

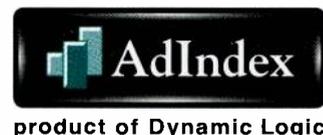
—Tim McHale,
Chief Media Officer
Tribal DDB Worldwide



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1. MEASUREMENT DEFINITIONS

The following presents definitions for five key Internet measurement metrics:

AD IMPRESSION – A measurement of responses from an ad delivery system to an ad request from the user's browser, which is filtered from robotic activity and is recorded at a point as late as possible in the process of delivery of the creative material to the user's browser — therefore closest to actual opportunity to see by the user (see specifics below).

Two methods are used to deliver ad content to the user – server-initiated and client-initiated. Server-initiated ad counting uses the site's Web content server for making requests, formatting and redirecting content. Client-initiated ad counting relies on the user's browser to perform these activities.

For organizations that use a server-initiated ad counting method, counting should occur subsequent to the ad response at either the site's ad server or the Web content server or later in the process. For organizations using a client-initiated ad counting method, counting should occur at the publisher's ad server or third-party ad server, subsequent to the ad request or later in the process.

ABCI has agreed to assist the IAB and the MRC with a study focused on determining the differences in measurements between, and associated strengths and weaknesses of, server-initiated and client-initiated measurements. Updated information will be provided as a result of this additional analysis at a later date.

Robot filtration guidelines are presented later in this document. Appropriate filtration of robotic activity is critical to accurate measurement of ad impressions.

Media companies and ad serving organizations should fully disclose their ad-impression recording process to buyers and other users of the ad-impression count data.

For information related to classification of ads not served by an ad serving system (i.e., ads embedded in page content), see the "Page Impression" discussion.

CLICK – There are three types of user reactions to Internet content or advertising – click-through, in-unit click and mouse-over. All of these reactions are generally referred to as "clicks."

A click-through is the measurement of a user-initiated action of clicking on an ad element, causing a redirect to another Web location. Click-throughs are tracked and reported at the ad server, and generally include the use of a 302 redirect. This measurement is filtered for robotic activity.

In-unit clicks and mouse-overs (mouse-overs are a form of ad interaction) result in server log events and new content being served and are generally measured using 302s, but they do not necessarily include a redirect to another Web location. Certain in-unit clicks and mouse-overs may be recorded in a batch mode and reported on a delayed basis. Organizations using a batch processing method should have proper controls over establishing cut-off of measurement periods.

Clicks can be reported in total, but significant types of clicks should be presented with disaggregated detail. If, due to ad-counting software limitations, an organization cannot report the disaggregated detail of click-types, only click-throughs should be reported.

Robot filtration guidelines are presented later in this document. Appropriate filtration of robotic activity is critical to accurate measurement of clicks.

Media companies and ad serving organizations should fully disclose their click recording process to buyers and other users of the click count data.

It is important to note that clicks are not equivalent to Web-site referrals measured at the destination site. If an organization complies with the guidelines specified herein, there will still be measurement differences between originating-server measurement and the destination site (advertiser). The use of 302 redirects helps to mitigate this difference because it makes quantification easy and objective. However, differences will remain from measurements taken at the destination site because of various issues such as latency, user aborts, etc.



VISIT – One or more text and/or graphics downloads from a site qualifying as at least one page, without 30 consecutive minutes of inactivity, which can be reasonably attributed to a single browser for a single session. A browser must “pull” text or graphics content to be considered a visit. This measurement is filtered for robotic activity prior to reporting and is determined using one of two acceptable methods (presented in preferred order):

1. **Unique Registration:** When access to a site is restricted to registered visitors (visitors who have completed a survey on the first visit to identify themselves and supply a user-ID and password on subsequent visits), that site can determine visits using instances of unique registered visitors.
2. **Unique Cookie with a Heuristic:** The site’s Web server can store a small piece of information with a browser that uniquely identifies that browser. For browsers that accept cookies, visits can be approximated using the page and/or graphics downloads identifiable to a unique cookie (recognizing that this is not perfect because it merely measures unique “browsers”). For browsers that do not accept a cookie, a heuristic (decision rule) can be used to count visits using a unique IP address and user agent string, which would be added to the cookie-based counts. For these cases, using the full user agent string is recommended.

Registration, cookies and unique IP/user agent string measurement methods can be used in combination.

Certain organizations rely on unique IP address and user agent string with a heuristic as a sole measurement technique for visits. This method should not be used solely because of inherent inaccuracies arising from dynamic IP addressing that distort these measures significantly.

Robot filtration guidelines are presented later in this document. Appropriate filtration of robotic activity is critical to accurate measurement of visits.

Media companies and ad serving organizations should fully disclose their visit recording process, including the scope of measurement and measurement method, to buyers and other users of the visit count data.

“Unique” Measurements (Browsers, Visitors and Users)

Unique Users (and Unique Visitors)

The number of actual individual people, within a designated reporting timeframe, with activity consisting of one or more visits to a site or the delivery of pushed content. A unique user can include both: (1) an actual individual who accessed a site (referred to as a unique visitor), or (2) an actual individual who receives pushed content and or ads such as e-mail, newsletters, interstitials and pop-under ads. Each individual is counted only once in the unique user or visitor measures for the reporting period.

The unique user and visitor measures are filtered for robotic activity prior to reporting, and these measures are determined using one of two acceptable methods (presented in preferred order) or a combination of these methods:

1. **Registration-Based Method:** For sites that qualify for and use unique registration to determine visits (using a user-ID and password in accordance with method 1 under “Visits” above) or recipients of pushed content, this information can be used to determine unique users across a reporting period. Best efforts should be made to avoid multiple counting of single users registered more than once as well as multiple users using the same registration.
2. **Cookie-Based Method:** For sites that utilize the unique-cookie approach to determine visits (method 2 under “Visits” above) or recipients of pushed content, this information can be used as a basis to determine unique users across a reporting period. The use of persistent cookies is generally necessary for this measurement. An algorithm is used to estimate the number of unique users on the basis of the number of unique cookies. The algorithm should adjust the unique cookie number to account for multiple browser usage by individuals and multiple individuals using a single browser.

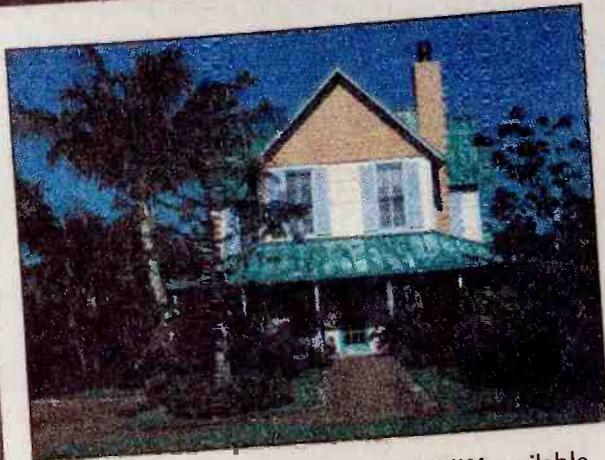
Unique Browsers

For organizations using the cookie-based method for determining “Uniques,” if no adjustments are made to the unique cookie number of the site to adjust to actual people (adjusting to unique users from unique cookies), the number should be referred to as “Unique Browsers.” The fact that no adjustment has been made to reflect unique users should be fully disclosed by the media company.



HOUSEHOLDS FOR SALE

LARGEST SELECTION



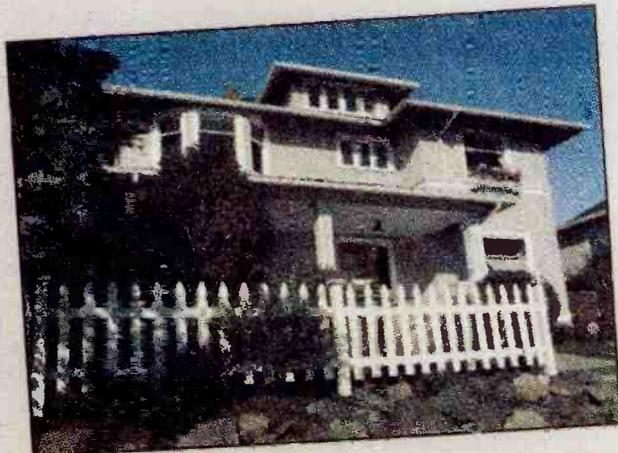
CHARMING FOUR MEMBER FAMILY available immediately. Mother and father earn 90k and 125k respectively. Boy, 20, in college into rap/rock and maintaining a fan website. Girl, 17, junior honors student in high school likes Nelly Furtado and Dave Matthews. And the high family income is to die for. Ready now.



LOVELY FAMILY OF THREE with charming touches. One is a daytrader, the other a homemaker. Perfect couple with the perfect child, a high honors student in good school system. Online, mom looks for vacation rental homes, dad gets financial news and sports scores. A must see to believe.



DELIGHTFUL SINGLE parent household in nice neighborhood. Low maintenance child has own job and occupies self endlessly playing games online. This tasteful twosome exudes character and charm. Lovely people with wide range of views.



DISTINCTIVE FAMILY. Three people, each with their own unique character built right in. Dad's a local web page designer and Wall Street finance fanatic. Mom is a local banking executive who keeps up with Hollywood gossip in her downtime. Daughter babysits weekends and volunteers all summer long.



GREAT OPPORTUNITY
This household's
true. New affluence
good amount of
stock quotes,



BEAUTIFUL LARGE
Family of 6. Three
under twenty five
is it's prime spenders



SUPERB OFFERING
One person in this area
Woman in her mid-thirties
career ambitions. Always
online, always looking



SMALL FAMILY
of three lives in this corner
hideaway. Parents are both
Father in computer science
in U.S. History. Young daughter



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Source: Media Metrix August 2001

Other Guidance for “Unique” Measurements

For sites utilizing cookie-based techniques, a method should be used to attribute unique user or visitor counts to those browsers that do not accept cookies or those browsers accepting cookies that have “first use” or new cookies (essentially those that cannot reasonably be determined to be repeat visitors). A site can use either a census-based projection technique or a sampling method to estimate this activity. These methods are explained below:

For census-based projection, the site uses its log to accumulate visits for browsers not accepting cookies and browsers with new cookies. Using this information, the site can:

- (1) Assume no unique user activity from new cookies and cookie-rejecting browsers, and then project unique-user activity levels using a common measure (page impressions per visit, etc.) based on cookie-accepting repeat visitor activity; or
- (2) Use a specific identification method (unique IP and user agent string) to assist in identifying the Unique Users represented in this group. Using the full user agent string is recommended.

Census-based projection is generally preferred. However, for sites with unusually high volume (making census-based techniques infeasible) or other extenuating circumstances, a random sampling technique is acceptable.

For sample-based projection, the site log continues to be used. However, a sample of log data is used to build activity measures of non-cookied users and users with new cookies. The sampling method must be a known-probability technique of adequate design and sample size to provide estimates at the 95% or greater confidence level.

The burden of proof is on the measurement provider to establish the sufficiency of the sampling methods used.

Media companies and ad serving organizations should fully disclose their unique-user measurement process, including projection methods and/or sampling methods, to buyers and other users of the unique user data.

Robot filtration guidelines are presented later in the document. Appropriate filtration of robotic activity is critical to accurate measurement of unique users.

PAGE IMPRESSIONS – In addition to the metrics defined above, several organizations internally and/or externally report page impressions. For purposes of this document, page impression measurement needs further analysis to determine best practices and address certain industry issues. The IAB’s Ad Campaign Measurement project included evaluation of page impression measurement, and the following is presented to provide a page-impression measurement definition:

Page Impression: A measurement of responses from a Web server to a page request from the user browser, which is filtered to remove robotic activity and error codes prior to reporting, and is recorded at a point as close as possible to opportunity to see the page by the user. Much of this activity is recorded at the content server level.

Good filtration procedures are critical to page-impression measurement. Additionally, consistent handling of auto-refreshed pages and other pseudo-page content (surveys, pop-ups, etc.) in defining a “page” and establishing rules for the counting process is also critical.

These page-like items should be counted as follows:

- Pop-ups: ad impressions
- Interstitials: ad impressions
- Pop-unders: ad impressions
- Surveys: page impressions
- HTML Newsletters (if opened): page impressions if not solely advertising content; otherwise, ad impressions
- Auto-refreshed pages: page impressions, unless the page is in background or minimized, therefore diminishing the opportunity to view. If the content-type is likely to be in background or minimized (for example, Internet radio) while in use and the organization cannot determine whether minimization has occurred, these auto-refreshed pages should not be counted.
- Frames: page impressions; organizational rules should be developed for converting frame loads into page impressions and these rules should be disclosed. One acceptable method is to identify a frame that contains the majority of content and count a page impression only when this dominant frame is loaded.





A **toast** is in order.

Ernst & Young congratulates the Interactive Advertising Bureau, the Media Rating Council, and the Advertising Research Foundation in developing the Ad Campaign Measurement and Audit Guidelines and furthering our collective efforts to establish and communicate trust in media measurement.

To learn more about our role in establishing trust in media measurement, visit ey.com/trust.

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FROM THOUGHT TO FINISH.™

These items should be separately identified and quantified within page-impression totals. Significant disaggregated categories should be prominently displayed.

Ads not served by an ad-serving system (i.e., ads embedded in page content) are generally counted by the same systems that derive page impressions or through the use of "beacon" technologies. In all cases, ads not served by ad-serving systems should be disaggregated for reporting purposes from other ad impressions.

Media companies and ad-serving organizations should fully disclose their page-impression count process to buyers and other users of the page-impression count data.

The above definition will be refined over time as page-impression measurement techniques are further explored by the IAB and as best practices can be identified.

2. CACHING GUIDELINES

Cache-busting techniques are required for all sites and ad-serving organizations. These techniques should include (but not be limited to) a combination of the following techniques:

1. HTTP Header Controls
2. Tagged URLs
3. Uniquely named URLs
4. 302 Counting Techniques, which naturally defeat certain types of caching

Publishers and ad-serving organizations should fully disclose their cache-busting techniques to buyers and other users of their data.

3. FILTRATION GUIDELINES

Filtration of site or ad-serving transactions to remove nonhuman activity is highly critical to accurate, consistent counting. Filtration guidelines are organized into two components — (1) Minimum Requirements, and (2) Additional Recommended Procedures. **Organizations are encouraged to adopt the strongest possible filtration techniques.**

Minimum Requirements

An organization can take one of two minimum approaches:

Approach 1

- Robot Instruction Files are used.
- User agent-based robot filtration is used to exclude robots based on exact user-agent strings and "key words" known to indicate robots. **The IAB/ABCI Industry Robot List should be used for part of this process, unless the measurement company can demonstrate an equal or superior process.** (Note that filtration occurring in third-party activity audits is sufficient to meet this requirement.)
- Disclose company-internal traffic on a disaggregated basis. If company-internal traffic is material to reported metrics and does not represent exposure to ads or content that is qualitatively similar to non-internal users, remove this traffic. Additionally, remove all robotic or nonhuman traffic arising from internal sources.

Approach 2

- 302 redirects can be used to eliminate most robot activity from ad impressions.
- Disclose company-internal traffic on a disaggregated basis. If company-internal traffic is material to reported metrics and does not represent exposure to ads or content that is qualitatively similar to non-internal users, remove this traffic. Additionally, remove all robotic or nonhuman traffic arising from internal sources.

The effectiveness of 302s for this purpose needs to be studied. ABCi has agreed to undertake an analysis of this type for the IAB in Phase 2 of the project. Information resulting from this study will be supplied at a later time.



Effective Online Measurement is a Matter of **Ability.**

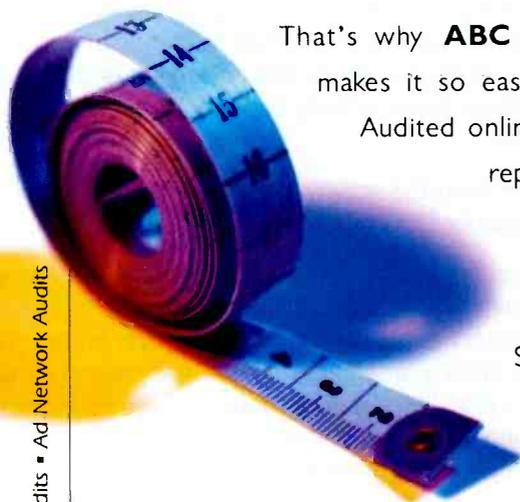
Reliability.

Adaptability.

Affordability.

Accountability.

When you think about it, Internet marketing isn't entirely unique. Online publishers want performance data that ad buyers trust; and those buyers want proof they're getting effective exposure from every investment. For years, **ABC audits** have given print media professionals this critical reassurance. And as budgets tighten and brands branch out to incorporate multiple media vehicles, ABC's industry expertise is more essential today than ever.



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Bill Reddy, ABCi
1-847-879-8386
reddywp@accessabc.com
www.abcinteractiveaudits.com

Mark Wachowicz, ABC
1-847-879-8294
wachowiczma@accessabc.com
www.accessabc.com

900 N. Meacham Road, Schaumburg, Illinois 60173-4968



Audit Bureau of Circulations

Additional Recommended Robot/Spider Procedures

- Use of activity-based filtration ("pattern analysis") to identify robot-suspected activity.
- Pattern analysis identifies likely robot/spider activity in log-file data through a combination of analytical techniques.
- Use of a mirrored site (content only) where robot traffic is directed from the Robot Instruction File. Counts from the mirrored site are not included in the production site.

Publishers and ad-serving organizations should fully disclose the significant components of their filtration process to buyers and other users of their data. Pattern-analysis procedures should be disclosed.

More details from this section can be found in the full report at www.IAB.net.

4. AUDITING GUIDELINES

All publishers (sites) and ad-serving organizations reporting internally generated Internet measurements to advertisers or agencies should be subjected to some form of third-party auditing. Two types of auditing should be considered:

1. Activity Audits: Independent verification of activity for a defined period, complying with industry-established measurement standards. Activity audits generally include basic process review and risk analysis to understand the measurement methods, analytical review, transaction authentication, validation of filtration procedures and measurement recalculations. Some publishers and ad-serving organizations rely on activity audits to apply log-file filtration, and in these cases, activity audits are critical. The activity auditor renders an opinion on the actual validated counts.

Activity audits can be executed at the campaign level, verifying the activity associated with a specific ad creative being delivered for performance-measurement purposes.

2. Process Audits: Examination of the internal controls surrounding the ad-delivery, recording and measurement process. Process auditing includes examination of the adequacy of site-applied filtration techniques. Generally an attestation opinion is rendered on the adequacy of the internal control environment. Process audits should be conducted using media-industry-driven criteria. In addition to general internal controls, the process audit should consider issues of research validity, reliability and effectiveness of the ad-delivery systems. Process audit opinions are issued under the auditing standards of the American Institute of Certified Public Accountants (AICPA) and should use industry-accepted and reporting criteria, such as the MRC Minimum Standards for Media Rating Research.

The following auditing is recommended:

1 – Activity Audits: Should be performed on all sites and ad-serving organizations, unless process auditing occurs that includes measurement recalculations on a regular basis. If an organization does not do filtration on its own, activity audits are required. If a report containing validated counts is needed, activity audit procedures are required.

2 – Process Audits: Should be performed on all ad-serving organizations and complex sites ("complex" refers to multi-domain sites and/or properties with aggregated measurements of several sites). If the process audit includes activity audits on a regular basis, no further auditing is required.



5. GENERAL REPORTING PARAMETERS

In order to provide for more standardization in Internet measurement reporting, the following general reporting parameters are recommended:

Day – 12:01 a.m. to midnight

Time Zone – Reports should be made on U.S. Eastern time until such time as they can be stated based on the user's local time.

Week – Monday through Sunday

Week Parts – M-F, M-Sun, Sat, Sun, Sat-Sun

Month – Three reporting methods: (1) TV broadcast month definition. In this definition, the month begins on the Monday of the week containing the first full weekend of the month; (2) 4-week periods – (13 per year) consistent with media planning for other media; or (3) a calendar month.

For financial reporting purposes, a month is defined as a calendar month.

*Additional Recommendation: **Dayparts** – Internet usage patterns need further analysis to determine effective and logical reporting dayparts. We encourage standardization of this measurement parameter.*

6. DISCLOSURE GUIDANCE

An organization's methodology for accumulating Internet measurements should be fully described to users of the data.

Specifically, the nature of Internet measurements, methods of sampling used (if applicable), data-collection methods employed, data-editing procedures or other types of data adjustment or projection, calculation explanations, reporting standards (if applicable), reliability of results (if applicable) and limitations of the data should be included in the disclosure.

The following are examples of the types of information disclosed:

- Nature of Internet Measurements
- Sampling/Projections Used
- Data-Collection Methods Employed
- Editing or Data-Adjustment Procedures
- Computation of Reported Results
- Reporting Standards (if applicable)
- Reliability of Results
- Limitations on Data Use

Specific details of this section can be found in the full report, at www.IAB.net.

7. CONCLUSION AND CONTACT INFORMATION

This document represents the combined effort of the IAB (with PWC), and project participants MRC ABCi and ARF to bring consistency and increased accuracy to Internet measurements. We encourage adoption of these guidelines by all organizations that measure Internet activity.

This document is a work in progress. As indicated in italicized sections, several aspects of the metrics and procedures need further study.

You can download a copy of this report at www.IAB.net.

For further information or questions please contact the following individuals:

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Media Rating Council:

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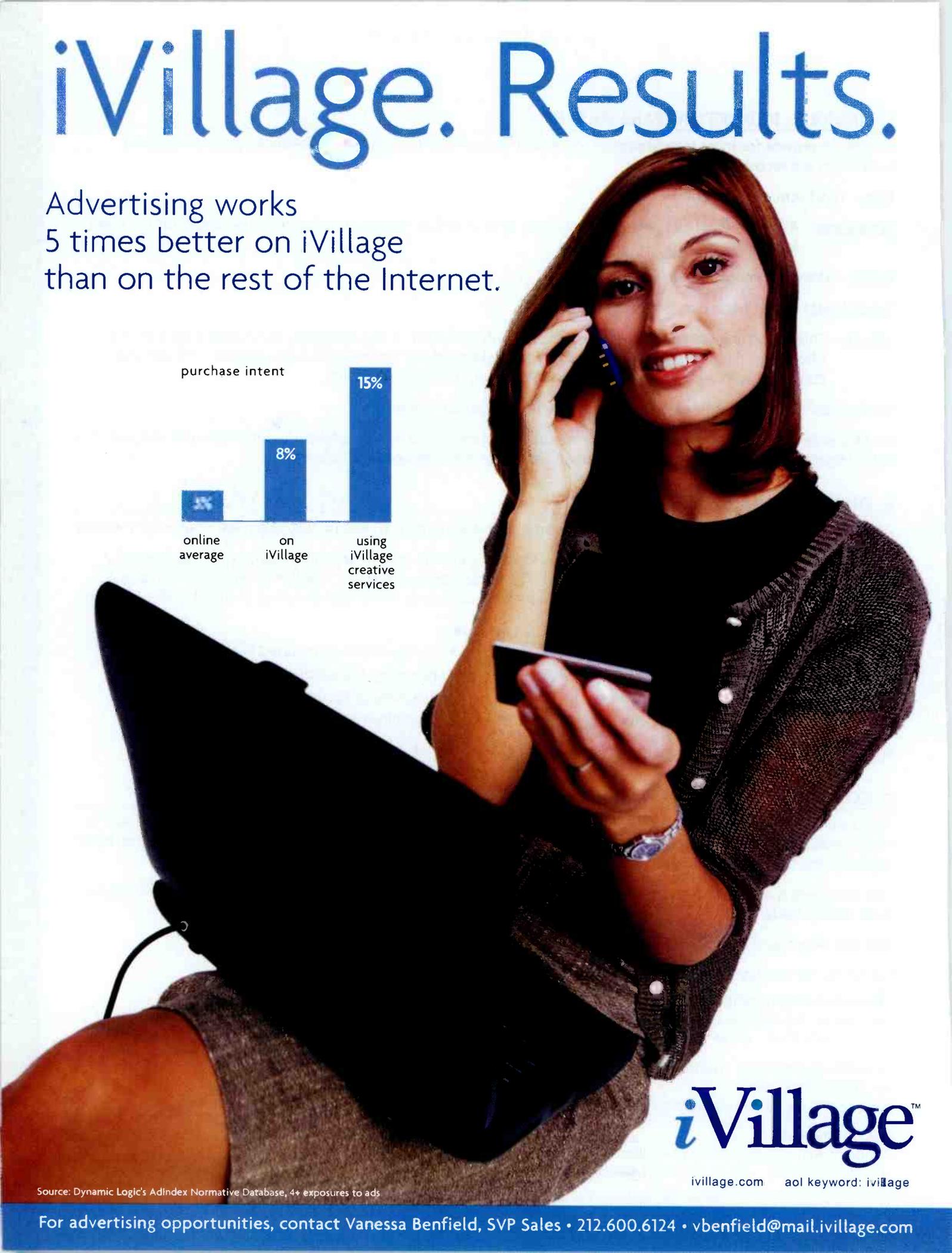
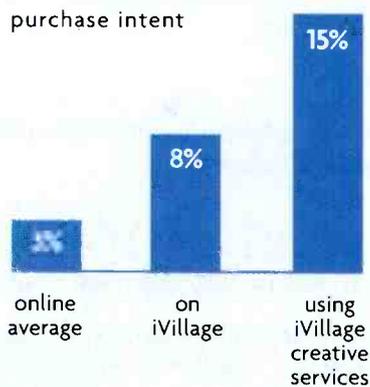
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RealityCHECK

Since myths run rampant on the Internet, it's not surprising that there's also a wealth of myths *about* the Internet. How many times have you heard that content is dead? Ask virtually anyone who works in the world of interactive advertising, and they'll toss out a laundry list of popular misconceptions that have left them shaking their heads.

"It's a myth that this medium should respond like a mature medium," offers Fred Rubin, director of iDeutsch, the interactive arm of Deutsch. "It's an unbelievably immature medium despite the amount of press and the incredible amount of money that has changed hands in quite a short time. A new medium is not made overnight. That's important to keep in mind."

The dot-com boom was a product of its own sweeping mythology, and when the bubble burst, the myth was turned on its head. But the truth lies somewhere in between. "It's unreasonable to think that the consumer needs 7,000 Web sites," says Allie Shaw, vice president of global marketing for Unicast. "The sites that provide relevant and easy-to-use content are the sites that are going to prevail. This industry has a disease of broad statements. People went from this adrenaline rush to this manic depression. But enough is enough. This is a business, and ultimately it has to function like a business."

What follows are some common perceptions about interactive advertising and the realities of the business.

Interactive ads don't work.

"Who has proven that they don't work?" demands Greg Stuart, CEO of the Interactive Advertising Bureau. "Every study we do has proven the opposite." In a recent letter to the *The Wall Street Journal*, Stuart cited research by Morgan Stanley Dean Witter, Marketing Intelligence, Information Resources, Inc., and Nielsen Media Research that indicate online ads

work. The IRI study, for instance, found that simple banner ads drove consumers to try new products from Procter & Gamble and Unilever. When the online magazine *Slate* surveyed its readers about the effectiveness of the site's redesign last fall, the publishers included some questions about advertising. Fifty-nine percent of the audience said they regularly noticed ads on the site, according to Jodi Sternoff, *Slate's* associate publisher, and 60 percent of that group said the ads impacted their buying decisions.

Beyond case studies, Stuart relies on good old-fashioned logic to dispel the misconception. "Advertising as a concept works in radio, TV, magazines, billboards. It works in bathroom stalls, supposedly. But somehow when it goes to the Internet, it doesn't work anymore? That just logically doesn't make any sense."

Some of the confusion may come down to defining the term "work." "The myth is that online is a direct-response medium just because you can click on it," says Nick Nyhan, president of online advertising research firm Dynamic Logic. "And that if consumers don't click, it's a bad ad. The truth is, if I clicked on every ad I saw online, I'd never get to do any work." According to Dynamic Logic, online

ads produce a 4 percent lift in brand awareness, a 15 percent lift in message association, a 1 percent lift in purchase intent, and a 30 percent lift in ad recall.

Still, many marketers erroneously believe that clickthrough is "the most important metric online," says Forrester Research's Jim Nail, who recently surveyed marketers' objectives for online ads. "Eighty percent said conversion, and 40 percent said branding. I said, 'How do you measure the branding impact?' And 55 percent said clickthrough."

So how to tell if an online ad "works"? "The absolutely definitive answer," says Nail, "is that it depends. If you're Lands End or L.L. Bean, then you've got to measure in click-through conversion, sales. But if you're doing branding, you have to measure awareness, recall, persuasion."

Misconceptions about online advertising abound. Tackling the perception vs. reality.

By Hillary Rosner

DOTBOOMS & DOTBUSTS

2001

◆ What a difference a year makes: After 366 days in self-imposed exile from the brick-and-mortar world, DotComGuy, a.k.a. Mitch Maddox, emerged from his Internet-only fueled existence at the beginning of this year to face the harsh reality that the dot-com bubble had burst. While some of Maddox's corporate sponsors had gone under during his wired-house arrest—leaving him with only a fraction of his potential

six-figure payout—Maddox did manage to meet and marry his sweetheart. The couple met online, natch.



◆ Two hours before the broadcast debut of her TV spot where she sung the praises of Pepsi, pop siren Britney Spears sent Web surfers into a virtual frenzy when the commercial premiered online at peps.yahoo.com. The Internet marketing stunt,

via BBDO and Tribal DDB, managed to elicit more than 1 million video streams in its first week.

◆ Marking the end of an era for the original bad boys Silicon Alley, the founders of pioneering interactive shops, including Agency.com's Chan Suh and Kyle Shannon; Razorfish's Jeff Dachis



CHRIS CASABURI



The Internet must do for advertisers something **completely unique** and different from what other media do.

The arrogance of the dot-com boom years contributed significantly to the buildup of this myth. "A lot of people want to have online be seen as different because they're like, 'this is so special, we're so special,'" says Nyhan. "A lot of that is the hubris that permeated the industry in the beginning."

Now, however, it is critical to understand the Net as merely one part of an overall strategy. "If I'm a marketer, my main focus should be how do I make sure each dollar I'm spending is being intelligently spent," says Rex Briggs, principal of Marketing Evolution, a consulting company. "Often times, online is put in this category with separate goals. That's sort of silly." The better approach is to ask how online can help with overall corporate marketing goals. Using the same yardstick—looking at things such as branding and driving longer-term sales, says Briggs, "online can do all of those—and often more cost-efficiently. You can also do more innovative things that are much harder in other media. But because online can do all of these things, we've overlooked the basic things that marketers spend billions of dollars to try to accomplish."

Consumers ignore or delete all e-mail offers.

Consider this: A recent Forrester Research study asked consumers to agree or disagree with a number of statements. One statement said that e-mail is a great way to find out about new products or promotions. Of those surveyed, 50 percent agreed. Another statement read, "Most of the e-mails I receive don't contain anything I'm interested in," to which 40 percent agreed. "You can't blame the medium if the marketers aren't putting the effort into understanding what consumers want," says analyst Jim Nail.

Statistics indicate that marketers can often get up to a 10 percent clickthrough rate using focused, opt-in e-mail marketing. "Like all advertising, when it's contextually relevant and targeted well to an audience, it works," says *Slate's* Sternoff, who has experienced success with e-mail campaigns for UNWire—a free e-mail newsletter about the United Nations—which generated 600 subscriptions in the first week, and Ben & Jerry's, which asked for nominations for its "Citizen Cool" contest and was inundated with responses.

Still, the excess of spam out there can turn the opt-in e-mails

into needles in a massive haystack. "Spam is killing what is a very, very useful tool for marketers," says iDeutsch's Rubin. "We've seen it in the real, direct-mail world, where mail clutter has contributed to declining response rates. And it's much easier to look through a stack of mail and pick out the one from AmEx than to find it in that preview window in Microsoft Outlook. When you get 50 or 100 spams a day, you just delete everything."

Unfortunately, the only solution at hand seems to be to wait for more effective filtering programs. (Yahoo!'s is impressive; Hotmail's is a joke.) "We've found that if we get highly targeted lists and people have opted-in, they want to receive things," says Robert Anderson, creative director at FCBI, the interactive division of FCB. "We track them every month and you can see what people are interested in. If you send 'refinance your dog house' to thousands of different people, it's not going to work." But with "the right kind" of e-mail, Anderson has seen response rates of 10 percent—for clients such as Compaq, the U.S. Postal Service and Clairol—even, he says, as high as 30 percent. "It's the kind of thing in direct marketing we wouldn't have believed."

The Internet, as a medium, reaches only a **small portion** of the population.

As of December 2001, U.S. Internet penetration was 64 percent, according to Nielsen NetRatings, which counts the "Internet universe"—people with Net access, at 182.4 million. Consumers spend 15 percent of their media time on the Internet. "If someone says we're not reaching 40 percent of households," says Nail, "you look at the demographics and from an advertising standpoint, not to be elitist, but they're not desirable targets for advertisers."

It may be true that the Internet isn't a mass medium in the old-fashioned sense of the word. But then again, what is? "I'd argue that unless you're dealing with a major prime-time show or the Super Bowl, there really isn't a mass medium anymore," says Briggs. "Even network television only gets you a fraction of what you used to get."

Unicast's Shaw says that one of the most significant misconceptions is that advertisers aren't spending money online because they don't believe in the medium. "If advertisers aren't spending money it's because we—the entire Internet industry, from most Web sites to third parties—don't make it easy for them. We make it easy when we say, 'You've told us what you want, we've responded with X, Y, and Z, and

and Craig Kannarick; and Organic's Jonathan Nelson, stepped down from their daily management duties to pursue other opportunities. The Omnicom-backed i-shops have since reorganized under a new holding company known as Seneca.

eToys[®].com

of capital, eToys became yet another victim of the imploded dot-com bubble. EToys sold its

last toy in February. Later in the year, rival KB Holdings, parent company of KBToys, snatched up the e-tailer's tech assets and domain name at a reported bargain basement price.

◆ Three months prior to the release of Steven Spielberg's *A.I.: Artificial Intelligence*, an under-the-radar marketing campaign took to the Net in the shape of an intricate online game that drew fans into a bizarre murder mystery-slash-treasure hunt. The online effort, developed by Chicago-

based Three Mountain Group and Microsoft, attracted more than 1 million unique users.

◆ **The Industry Standard**, once the must-read bible for the New Economy set, shuttered its doors in August. While editors tried to keep the dream alive with thestandard.com, the wake-up call came at the end of 2001 and Standard Media filed for bankruptcy protection.



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now the negotiation has to take place about price.' We're seeing them step up to the plate, but not for things that are inefficient. The industry has not found a way to be driven by advertiser demand."

Only dot-coms advertise online. Therefore, no one is advertising online.

Online advertising revenues were \$8.2 billion in 2000, according to quarterly research report by PricewaterhouseCoopers and the Interactive Advertising Bureau. With revenues through September 2001 tallied, the estimate for the full year is \$7.4 billion—a decrease of 10 percent.

But this glum news comes with a caveat: There were double-digit decreases in other media as well. And analyst projections still expect online revenues to reach \$20 billion by 2006. "Every projection I've seen for advertising overall picks out interactive as one of the bright spots going forward," says Tom Hyland, partner and chair of PwC's New Media practice.

So just who is advertising online? In 2000, dot-coms accounted for two-thirds of the dollars spent online, according to Forrester's Nail. In 2001, traditional companies accounted for 60 percent. "We're seeing a big shift happen," says Nail. "Traditional companies aren't spending as much money as dot-coms did. But traditional guys increased their spending 45 percent over that year."

The allotment for online campaigns is so low, it's not beneficial for traditional agencies to work on these campaigns.

Because the allocation for online spending is still relatively low, it can indeed be tough for a traditional agency structured around producing lucrative TV commercials to generate income from interactive. But this is changing—and as traditional marketers are coming around to the Internet as a serious piece of their marketing puzzle, agencies will have little choice but to fulfill their clients' needs.

"We made a conscious decision here to take interactive media and make it part of our media departments," says iDeutsch's Rubin. "Because the way we approach media for our clients is with a multi-tiered approach. A dollar that's spent across media is better than a dollar spent in one medium.

When you go to the AOL-Time Warners and the Viacom and say, 'I've gathered up all this money, I'm going to give you this whole chunk and I want all of this stuff,' you just wind up with a much deeper program."

Still, there are other hurdles to overcome. Last summer, a Jupiter Media Metrix study revealed that there were more than 4,000 ad formats available for online advertisers. "Advertisers cannot spend because they're so confused by all that's available," says Unicast's Shaw. "On TV, you can buy 15 seconds, 30 seconds or an infomercial. So why should we expect advertisers to change their whole way of doing business to do business with us? Do we expect that advertisers should try 4,000 formats in order to find out what they want?"

Wireless is the next frontier for interactive advertising.

Oh, to feel this sort of wide-eyed optimism again. Wireless is surely an area whose time has not yet come in this country. But the next frontier?

Doubtful. "I think there is somewhat of an overexpectation on wireless," says PwC's Hyland, who believes that advertising will work in very specific service markets such as restaurants and movies. "But the original thought of beaming ads to my cell phone and my PDA was a bit optimistic and it will take time."

Once heralded as the spawning ground for the second coming of so-called push marketing, most experts in the know now stand firm in their conviction that wireless' promise lies solely as an instrument of pull.

"How you give people a message and what kind of information you use to give them the appropriate message at the right time is even more important than on the Web," says Carrie Himmelfarb, vice president of sales for Vindigo.

Will wireless ever live up to marketers' initial expectations? "It's like AOL or Prodigy in about 1988," says Nail. "You can see the promise, imagine the application. But there's no infrastructure to deliver location-based targeting yet, there are no access devices, the consumers really don't know what the heck they'd use this thing for. And marketers are still struggling with PC-based Internet. So it's a long way out there. I would make the appeal to the wireless companies not to spend any money on this. Just fix your networks so my calls don't drop in downtown Boston." ■

Hillary Rosner is a freelance writer who contributes regularly to New York and Wired.

◆ Down but not out, music file-sharing service **Napster** tried to go legit, striking settlement deals with major recording labels, before finally being



bought by BMG. Since then, the company has announced that it would launch a pay-per-download service, expected to debut later this year.

◆ Interactive agency marchFirst filed for Chapter 11 bankruptcy protection in April, one week after

laying off most of its employees (which at one time numbered close to 10,000 worldwide). The collapse of the e-consultancy that was formed through the merger of i-shop US Web/CKS and traditional consultancy Whitman-Hart, quickly became the poster child for the over-extended dot-coms that would fall in 2001.

◆ Thinking well beyond the banner, BMW North America launched the buzz-worthy **BMWFilms.com**,

featuring online shorts from art house auteurs such as Ang Lee and Guy Ritchie. Featuring



an innovative mix of offline support (with ads appearing in movie sections of local papers), the site, created by Fallon, Minneapolis, achieved

more than 10 million downloads in the first several months of its run.—Sarah J. Heim

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Source: 2001 Reader Profile Study MRI Custom Division

ABA Journal's duplication with traditional business magazines.

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<i>Fortune</i>	9.5%
<i>Forbes</i>	9.5%

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Source: 2000 MMR Affluent Survey

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The Top 50 Interactive Agencies

RANK	AGENCY (AFFILIATION)	HEADQUARTERS	2001 PROJECTED REVENUE (IN THOUSANDS)	2000 ACTUAL REVENUE	PERCENT INCREASE	2001 EMPLOYEES
1	Euro RSCG Worldwide Interaction (Havas) **	New York	230,000	152,000	51%	1528
2	Grey Digital Marketing §	New York	206,000	216,500	-5%	1285
3	OgilvyInteractive (WPP)	New York	170,000	150,000	13%	1150
4	Digital †	Boston	165,000*	205,000*	-20%	1000
5	Modem Media (Interpublic)	Norwalk, Conn.	100,000	134,300	-26%	600
6	Answerthink Interactive Marketing	Miami	93,000	163,000	-43%	437
7	Agency.com (Omnicom) #	New York	90,000*	185,000	-51%	579
8	Tribal DDB (Omnicom)	New York	65,000	55,000	18%	440
9	Zentropy Partners (Interpublic)	Cambridge, Mass.	62,000	68,000	-9%	585
10	R/GA (Interpublic)	New York	55,000	54,000	2%	210
11	Digital@JWT (WPP)	New York	54,500	46,200	18%	466
12	Organic (Omnicom)	San Francisco	54,000	128,600	-58%	310
13	Nurun (Quebecor)	Montreal	48,000	51,741	-7%	700
14	DraftDigital (Interpublic)	New York	41,173	46,361	-11%	235
15	Novo (Bcom3) ††	San Francisco	41,000	36,000	14%	252
16	RappDigital (Omnicom) Δ	New York	38,000	36,000	6%	350
17	Carat Interactive (Aegis) §§	Boston	34,000	22,000	55%	215
18	Divine Advanced Branding Group **	Chicago	33,200*	N/A	N/A	320
19	AKQA †	San Francisco	33,000	N/A	N/A	300
20	Leapnet	Chicago	30,000*	47,000	-36%	200
21	Fry Multimedia	Ann Arbor, Mich.	30,000	33,700	-11%	195
22	FCBI (Interpublic)	New York	29,700	21,000	41%	225
23	iDeutsch (Interpublic)	New York	28,400	23,400	21%	115
24	DVC Worldwide ** †	Morristown, N.J.	27,600	16,100	71%	99
25	Avenue A	Seattle	26,000	39,000	-33%	104
26	Medical Broadcasting Company (WPP)	Philadelphia	22,800	20,100	13%	155
27	Macquarium Intelligent Communications	Atlanta	22,600	18,500	22%	118
28	Blue Dingo	New York	21,450	19,500	10%	95
29	Xceed (eSynergies) ¥	Los Angeles	20,000	40,000	-50%	70
30	Molecular ¥¥	Watertown, Mass.	18,500	20,700	-11%	140
31	Starcom IP (Bcom3)	Chicago	18,000*	14,000*	29%	101
32	VML (WPP)	Kansas City, Mo.	17,600	13,000	35%	145
33	Y&R 2.1 (WPP)	New York	17,385	11,016	58%	120
34	GráficoInteractive	Chester, N.J.	17,000	14,500	17%	35
35	i-traffic (Omnicom)	New York	16,500*	16,500*	0%	96
36	XM (Cordiant) **	New York	16,000	32,687	-51%	400
37	Jack Morton Worldwide (Interpublic) ** †	New York	16,000	14,400	11%	65
38	Campbell-Ewald Digital (Interpublic)	Warren, Mich.	15,234	15,071	1%	85
39	Rtsdall Linnihan Interactive	New Brighton, Minn.	14,000	16,000	-9%	51
40	Nine Dots (MDC) ## **	Irvine, Calif.	14,000*	15,000	-7%	85
41	SimStar Internet Solutions	Princeton, N.J.	14,000	9,400	49%	102
42	Blast Radius	New York	12,500	10,000	25%	160
43	Aspen Interactive	St. Petersburg, Fla.	12,000	10,000	20%	65
44	Fuel North America (Havas)	New York	11,944	7,902	51%	91
45	Genex	Los Angeles	11,500	11,600	-1%	95
46	imc2	Dallas	11,000	12,000	-8%	90
47	Multimedia Solutions	Englewood Cliffs, N.J.	10,500	13,000	-19%	75
48	atmosphere (Omnicom)	New York	10,500	8,500	24%	75
49	One To One Interactive	Boston	9,700	5,661	71%	55
50	Chemistri (Bcom3)	Chicago	9,600	6,000	60%	49

* Estimated numbers

** Numbers impacted by merger/acquisition

† Interactive advertising revenues only

†† Includes Giant Step

¥ Acquired by eSynergies

¥¥ Formerly TVisions

Does not include i-traffic, includes Red Sky

Formerly CyberSight

§ Formerly Grey New Technologies

§§ Includes Lot21

Δ Includes Critical Mass

This list includes only interactive agencies that have primary headquarters in North America.

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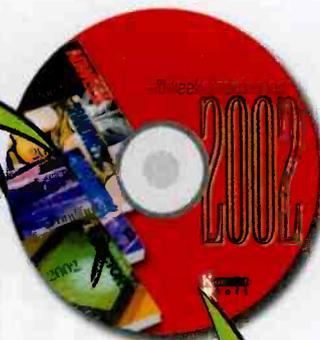
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(continued from page 18) fare. At the outset, the station does not have broadcast rights to any local sports franchises, so its impact on the market may be limited.

Another new station in the market is KFME-FM, owned by Jesscom Inc. The station, which launched six months ago, transferred its license from Garden City, Mo.

Bob Zuroweste, vp/market manager for Entercom's properties in Kansas City, says the local radio business has become more competitive over the past two years. Previously, one station largely dominated each programming niche, including Rock, Urban and Contemporary Hit Radio, Zuroweste says.

The CHR format, which used to be occupied only by Infinity Broadcasting's KMXV-FM, now has two other fairly strong players. In 2000, Entercom changed the format of its KRBZ-FM to CHR. KM-XV soon after suffered a precipitous share decline, which has continued. Jesscom's new KFME has made the CHR format a three-horse race.

"Over the last two to three years, you've seen the Pop/Contemporary format start to become more fragmented," says Zuroweste. In the Fall Arbitrons, all three CHR outlets finished within a half share point of each other among female 18-49 and 25-54 listeners.

About the same time that Entercom flipped KRBZ, the company shifted the market's lone Classical outlet, KXTR-FM, to the AM dial. KXTR first moved to 1250 AM, then to 1660. As a result of the transfer to AM, an unusual spot for a Classical outlet, KXTR has seen its ratings erode.

Entercom also introduced the market's first Hot Adult Contemporary station, KCHZ-FM. The outlet performed strongly after launching, but its ratings have tapered off, according to Arbitron data.

Another major radio broadcaster in the market is Susquehanna Radio, which has about a 17 percent annual market share in advertising via its three properties. Susquehanna's Classic Rock KCFX-FM has the rights to the Kansas City Chiefs.

In local cable, Time Warner is the largest operator in the Kansas City market, serving about 300,000 subscribers. Comcast, which has about 100,000 subs, has an arrangement with Time Warner Cable to handle its ad sales. Time Warner inserts local commercials on 37 cable networks.

The Kansas City out-of-home advertising market is dominated by Viacom Outdoor, the only full-service outdoor player in

NIELSEN RATINGS / KANSAS CITY

EVENING AND LATE-NEWS DAYPARTS, WEEKDAYS

Evening News

Time	Network	Station	Rating	Share	
5-5:30 p.m.	ABC	KMBC	10.0	20	
	CBS	KCTV	8.2	16	
	Fox	WDAF	6.4	12	
	NBC	KSHB	2.3	5	
	WB	KSMO*	1.6	3	
	UPN	KCWE*	1.4	3	
	Pax	KPXE*	0.9	2	
5:30-6 p.m.	Independent	KMCI*	0.9	2	
	Fox	WDAF	6.4	12	
	6-6:30 p.m.	ABC	KMBC	11.3	19
		CBS	KCTV	10.2	17
		Fox	WDAF	6.6	11
		WB	KSMO*	3.3	6
		NBC	KSHB	3.2	5
UPN		KCWE*	2.9	5	
Independent	KMCI*	1.3	2		
Pax	KPXE*	1.0	2		

Late News

9-9:30 p.m.	ox	WDAF	7.1	10
	Independent	KMCI	0.7	1
9:30-10 p.m.	Fox	WDAF	7.1	10
	Independent	KMCI*	0.7	1
10-10:30 p.m.	ABC	KMBC	12.	20
	CBS	KCTV	9.9	16
	Fox	WDAF	7.0	11
	NBC	KSHB	6.9	11
	WB	KSMO*	3.9	6
	Independent	KMCI*	2.2	4
	UPN	KCWE*	1.4	2
Pax	KPXE*	1.3	2	

*Non-news programming Source: Nielsen Media Research, November 2001

RADIO OWNERSHIP

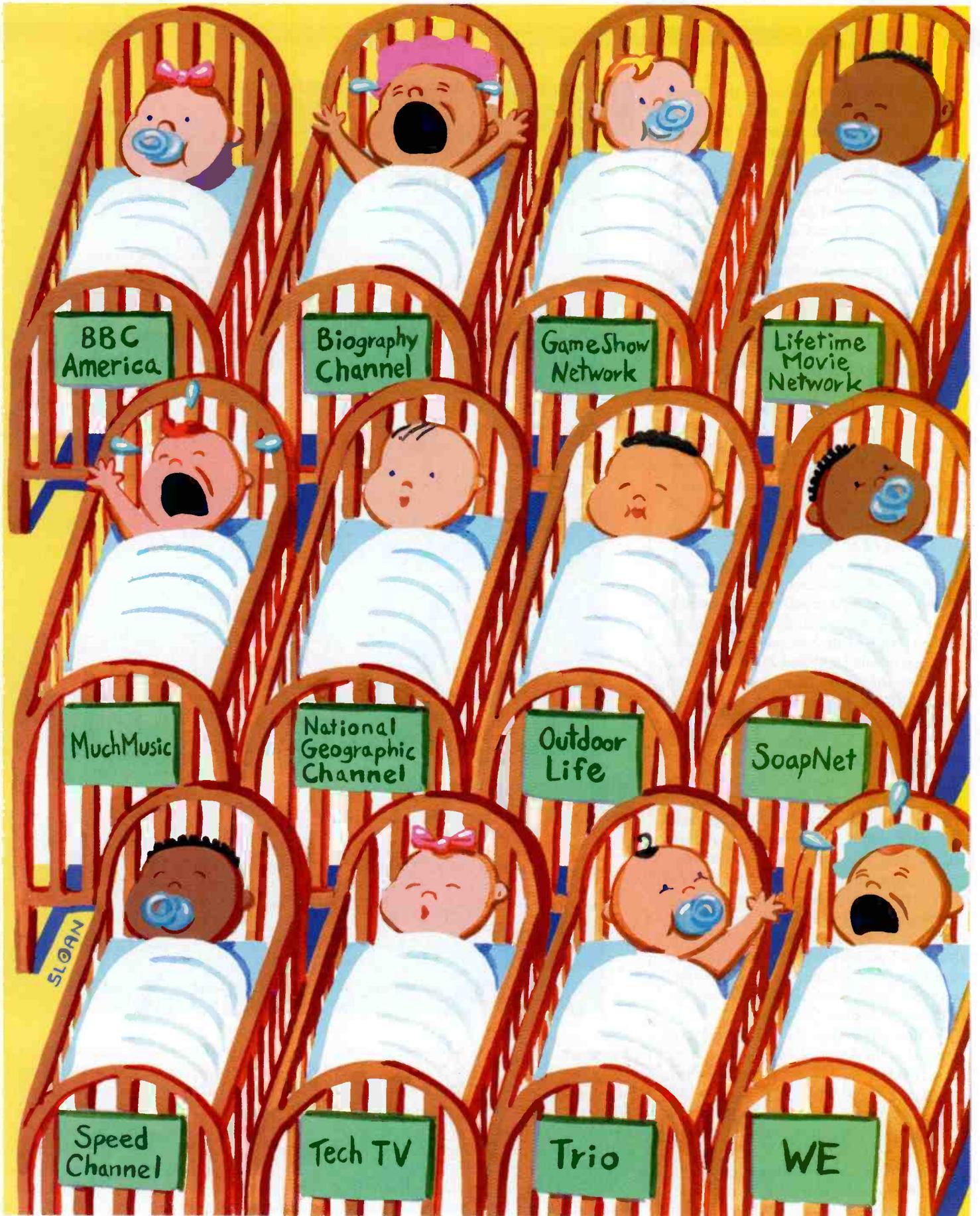
OWNER	STATIONS	Avg. Qtr.-Hour Share	Revenue (in millions)	Share of Total
Entercom Communications	4 AM, 5 FM	36.4	\$38.8	40.6%
Infinity Broadcasting	4 FM	17.1	\$25.4	26.5%
Susquehanna Radio	1 AM, 2 FM	11.0	\$16.3	17.0%
Carter Broadcast Group	1 AM, 1 FM	8.7	\$7.1	7.4%
Syncom Radio	2 FM	5.9	\$4.8	5.0%
Union Broadcasting	1 AM	3.5	\$4.0	4.2%

Includes only stations with significant registration in Arbitron diary returns and licensed in Kansas City or immediate area. Ratings from Arbitron Fall 2001 book; revenue and owner information provided by BIA Financial Network.

the market, and Lamar Advertising, which has 14-by-48-foot bulletins along the interstate highways—I-35, I-29, I-70, I-435 and I-470. Viacom, which offers a more diverse array of out-of-home inventory, recently won a contract to develop bus shelter advertising in the DMA.

Over the past three years, Lamar has acquired about a half-dozen local outdoor

companies. The acquisitions boosted Lamar's inventory in the region (the company's Kansas City office covers 26 counties in Missouri, Kansas, Iowa and Nebraska) to about 1,500 facings, says Bob Fessler, general manager for Lamar's Kansas City office. The company's inventory is concentrated in five metro counties, where 600 of its bulletin facings are located. ■



The economic boom of the late 1990s gave rise to an explosion of new cable networks. Major cable operators had begun to generate digital-cable counts in the millions of subscribers (now at 13.7 million), and new programming was needed to fill the hundreds of available channel slots. Naturally, the big boys of cable programming hatched numerous spinoff channels—MTV2, all the Discovery spinoff services, Fine Living (from HGTV), Toon Disney—while stand-alone services like Oxygen generated sufficient buzz to secure carriage.

Then the marketplace went bust, and many fledgling services swallowed hard and empty. The trickle-down in ad dollars they were enjoying largely dried up, leaving them little choice but to either get packaged with corporate siblings or drop CPMs (cost-per-thousand viewers). Naturally, their sales executives insist the latter almost never happens.

But to borrow from Nietzsche, those that didn't die have emerged stronger—ready to graduate past afterthought status in the eyes of media planners and buyers. Not all are digital networks. And a few have been around awhile, but improved under new ownership or with beefed-up sales staffs. At this point, all count fewer than 50 million subscribers.

It's not a good time to be a younger network, because in a buyer's market there's little reason to buy them, whereas two years ago small networks were bought to land better deals with their bigger, higher-priced parent networks. "What reason is there to go to an emerging network when you are getting good CPMs with the middle-tier networks?" wondered one media buyer.

That doesn't mean they aren't trying. So here they are, a dozen small cable networks media buyers should know about, if they don't already.

Broadband Babies

AS THE DIGITAL-CABLE UNIVERSE EXPANDS, A DOZEN SMALL NETWORKS TRY TO CRAWL OUT OF THE CRADLE AND PLAY IN THE MARKETPLACE BY MEGAN LARSON

ILLUSTRATION BY MICHAEL SLOAN

BBC America



Paul Lee

Backed by the British Broadcasting Company's \$3 billion annual programming budget and the advertising and affiliate-sales prowess of Discovery Networks, BBC America's pitch to buyers is: We're going places, baby, so get in bed with us now to secure a good position for the future. The U.S. counterpart of the BBC was launched when the first digital wave began to crest in 1998 and is currently available to 25 million subscribers on satellite and digital cable, plus a few analog systems.

Though the channel is not yet measured by Nielsen Media Research, media buyers said they do recognize the quality of its programming. According to BBC America president/COO Paul Lee, "Two years ago, people were asking, 'Who are you?' But now people are familiar with what we do, and many of the media buyers have a relationship with our programming on another network [*Absolutely Fabulous* on Comedy Central], so they know its value."

Amy Baker, vp of national sales at Discovery, represents BBC America, though it's 100-percent owned by BBC. The network is typically packaged with Discovery Networks, many of which carry Americanized versions of BBCA programs (TLC's *Trading Spaces* is adapted from BBC's *Changing Rooms*). That kind of makes them compete with each other, but BBCA also has its similarities to A&E.

Here's why: The target demo is the upscale 25-to-54 year old, like it is for both Discovery and A&E. With a range of programming genres, from comedy to drama to nonfiction celebrity profiles to news, BBC America seeks out automotive, travel, pharmaceutical and financial dollars. "There is a sense that the digital revolution has collapsed with the fall of dot-coms, but satellite operators and cable companies like Time Warner have really been aggressive with the rollout of digital platforms," Lee says. BBC America expects to reach 34 million homes by the end of 2003.

The Biography Channel



Tom Heymann

Positioned as a "pure people environment," The Biography Channel is an extension of A&E's popular programming staple, *Biography*, which celebrates its 15th anniversary this year after inspiring several copycat shows on other cable nets. Launched in 1998 on mostly digital tiers, the network "is a place where viewers can go to find inspiration for their own lives in other's life stories," says Tom Heymann, Biography's senior vp and general manager.

The Biography Channel is sold within the A&E Networks family, which includes The History Channel. But on another level, it serves as the main component to a Biography franchise that also includes a Web site and a monthly magazine. "Biography is sold as a stand-alone network, but its strongest value is in creating the integrated deal," Heymann reasons.

So what keeps Biography from poaching audiences from its parent network, from which it gets the bulk of its programming? Heymann's explanation: Biography complements A&E by way of companion retrospectives to the *Biography* series. Besides, he adds, the network doesn't draw all its ideas from A&E—it has adapted segments from *Biography*

magazine into interstitial pieces like the "Who Am I? puzzle" with celebrities' childhood photos. The network is programmed vertically with themes each night, like "Action Heroes," which, for example, will air a *Biography* episode on John Wayne's life paired with one of his films.

Though the network is so small that Heymann is prevented from divulging a subscriber count because company rules forbid it, he says he is optimistic about future growth based on consumer-awareness studies.

Game Show Network



Michael Sakin

For all those folks who keep dreaming that Bob Barker will beckon them to "Come on down!" but don't have the wherewithal to actually show up for a taping of *The Price is Right*, Game Show Network should be their channel of choice. Featuring originally produced contemporary game shows blended with a selection of vintage game shows from the '80s on back, GSN lets viewers choose to passively watch the network or participate via the network's Web site. And if you jump in late, it's not like you missed

a major plot development. "Game is a marriage of a tried-and-true format and cutting-edge technology," explains Michael Sakin, the network's senior vp of ad sales.

Previously sold by Columbia TriStar Television Sales, GSN enters its first upfront this year with a dedicated sales staff and a promise to reach 50 million subscribers by the fourth quarter. The network offers product placement and customized sponsorship vignettes leading into a show, but interactivity is what sets GSN apart from the competition. Of course, Sakin has his work cut out for him, having to explain the advertising benefits of ITV technology, which is still in its infancy. "We know people like to play," says Sakin, adding that 24,000 people in a month registered for sync-to-broadcast technology for original show *Greed* after the network promoted it with a crawl at the bottom of the screen. "If we can demonstrate its edge over a pure entertainment network, then we can finalize how to incorporate the client's message."

GSN generated a nominal 0.5 household rating in fourth quarter 2001, delivering 190,000 homes, but delivery of adults 18-49 more than



LARRY ENGEL/ENGELE BROTHERS MEDIA

THEY SEE DEAD PEOPLE: Nat Geo's brand is synonymous with scientific discovery and documentaries on exotic lands and cultures.



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Outdoor Life Network has worked hard to bring you some of the most intense adventure action on television, including exclusive daily live coverage of the *Tour de France*. In the last two years, OLN has added 18 million subscribers to reach a total audience of over 40 million. But we're not even thinking about slowing down now. This year OLN will deliver even more excitement, like our in-depth coverage of the 2002 U.S. Olympic Team Trials and the Louis Vuitton Cup Challenger Races for the America's Cup. Because as every great athlete knows, you can't slow down when you're in the lead.

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doubled over the same period last year. A single viewer sticks around for an average of 25 minutes and, according to Nielsen, is most likely to go to the opening night of a movie, which Sakin is using to lure more studio dollars. Maybe his best sales tactic could be the informal testimonials from Billy Bob Thornton and wife Angelina Jolie, who say they love the network.

Lifetime Movie Network



Lynn Picard

The network speaks for itself: tear-jerker flicks about women struggling to overcome the odds—abuse, handicaps, the parents of a dead lover who try to take away the child you raised together—only to succeed in the end. Though ad-supported, Lifetime Movie Network is more like an HBO or Showtime than its parent Lifetime, says executive vp of ad sales Lynn Picard, because it is a pure movie channel. “Viewers know exactly what to expect, and it does not cannibalize Lifetime in any way, because

Lifetime has different types of programming.”

LMN airs Lifetime-produced movies, as well as acquired made-for-TV movies. In addition, there is less commercial clutter on the network than on most ad-supported cable networks.

Currently in 22 million homes on digital and analog tiers, LMN is expected to reach 30 million by the end of the year. Media buyers say it's a great extension of the Lifetime buy, but due to its minimal reach, CPMs average around \$3 to \$4 for women 25-54. Picard says that while those estimates may apply to a few total-day buys, prime time is valued at a lot more. “Our CPMs are different depending when and where you buy it,” she notes. LMN finished last year fully sold out, attracting packaged goods, retail, pharmaceutical and studio ad dollars. In fourth quarter, the network drew a 0.7 rating and delivered 141,000 households, according to Nielsen. But being the daughter of the top-rated network in cable may well help the network grow.

MuchMusic USA



Bob Dahill

MuchMusic USA is striving to be what MTV used to be: a pure music channel that showcases videos and other music-oriented programming. It wants so much to be like MTV, it's launching *Dedicate Live!*, a live request show that plans to challenge MTV's *TRL*, on Feb. 14.

Though it has languished for years under a dual-ownership structure (a Canadian company created it), the network has come into its own under 100 percent ownership by Cablevision Systems Corp's

Rainbow Media programming unit. MuchMusic has new programming, new graphics and a new president, Marc Juris. “We are all-music, all the time, and because younger audiences want music and music-devoted programming, we believe we are certainly filling a void,” says Bob Dahill, senior vp of ad sales and marketing.

For a mostly digital network with 23 million subscribers, its ratings are weak—at around 9,000 households in prime time for the first few weeks in January, according to Horizon Media. But all Dahill asks of buyers is to think of MuchMusic when looking to reach a young demographic. The target demo is 12-17 and 18-34.

Media buyers agree that now that MuchMusic is operating under one owner, it is shaping to be a good vehicle for targeting youth. But the network's small size makes it hard to even gauge CPMs. Advertising categories drawn to MuchMusic include studios, music labels, retail and, most recently, automotives. Prior to relaunching last June with new programming, sell-out rates were low, Dahill admits, but in fourth quarter 2001, MuchMusic sold 95 percent of its inventory. “A year ago, MuchMusic was not much of an alternative, but now buyers want to work with us,” Dahill says. “We hope to expand our relationships with categories like movies and record labels into longer-term partnerships.”

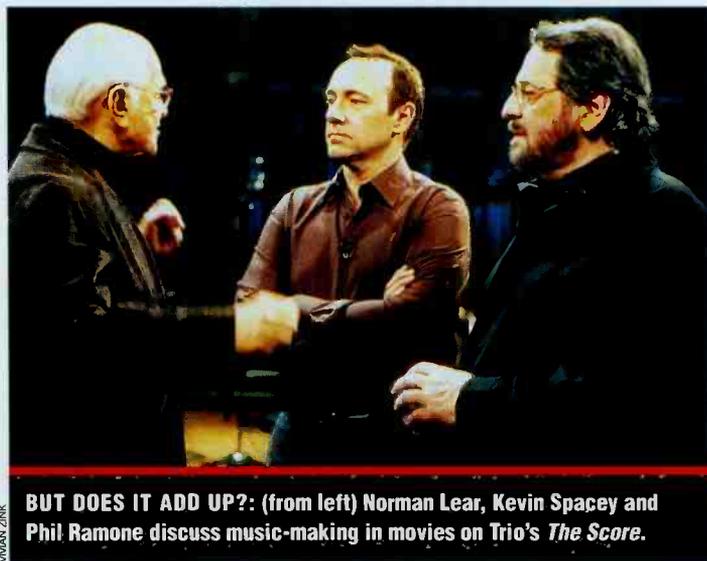
National Geographic Channel U.S.



Rich Goldfarb

The greatest thing the National Geographic Channel U.S. has going for it is that no one has to explain its premise and programming. The latest media extension of the 114-year-old National Geographic Society, Nat Geo's brand is synonymous in minds around the world with scientific discovery, environmental preservation and award-winning documentaries on exotic peoples and lands. “We have succeeded in taking that heritage and making it relevant to the channel format with a more contemporary feel,” said Rich Goldfarb, senior vp of ad sales. Moreover, unlike its main competitors, the Discovery Networks, which spread subject matters across several different niche networks, “Nat Geo is a destination where you can get multiple genres in one stop,” Goldfarb says.

Part of the Fox Cable Networks Group, the service recently celebrated its first birthday and already counts 24 million homes, including analog systems. It's expected to pass 30 million by year-end, including carriage in New York on Time Warner Cable in time for the start of the next broadcast season in fourth quarter, which matters because it brings the network closer to many key media buyers who, after all, like to see what they are purchasing for their client. Sold on its own or as part of a cross-platform deal with National Geographic's many magazine titles or international cable channel, Nat Geo has so far attracted more than 60 advertisers that range from autos to financial companies to travel. Though the network can boast the highest quality programming and is



BUT DOES IT ADD UP?: (from left) Norman Lear, Kevin Spacey and Phil Ramone discuss music-making in movies on Trio's *The Score*.

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already rated by Nielsen, it's still a small play on its own, buyers say, and CPMs average around \$2 for an adult 25-54 daypart buy and \$4 to \$5 for program sponsorship or a cross-platform deal. Goldfarb insists that some deals exceed a \$20 CPM, which lifts the network's average higher than what buyers are quoting. "We have overachieved our goals at every benchmark, including pricing," said Goldfarb. "Instead of being evaluated as an emerging network with low distribution, one has to look at the intrinsic value the channel has."

Outdoor Life Network



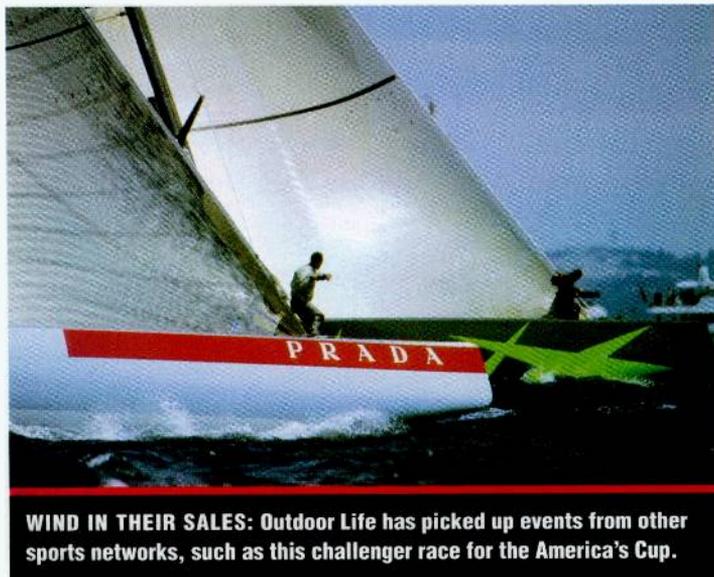
John West

Snowboarding? Fishing? Hang gliding? All in the same place? Outdoor Life Network is the channel for the passionate outdoorsman who would rather climb a mountain than watch TV—a tricky feat, if you think about it—and the advertiser who wants to reach him. Outdoorswomen watch the network, too, but the network's key target is men 18-49 and 25-54. "Our viewer is young, active and affluent," says senior vp of ad sales John West.

Once joined at the hip with Speedvision—now Speedchannel—under multiple owners, OLN is now fully owned by Comcast Corp. and will sell in the upfront with a sales staff of its own for the first time. It launched in 1996 and, due in part to the schizophrenic ownership structure, hovers only at 38 million homes, but it will grow to 55 million by the end of this year. Nielsen started measuring OLN last month.

The network is programmed vertically each night to target the specific interests of its viewers: "Outdoor Adventure," "Animals and the Environment," "Action Sports" and "Field and Stream." The schedule has been enhanced by some recent rights acquisitions to major sailing events and the Tour de France, but OLN also produces original series. Major competition obviously includes the sports networks—which have actually dropped much of the event programming OLN has picked up—but it's also Discovery and Animal Planet, and National Geographic, which often showcase outdoors programming.

Though small and on the lower end of the CPM scale, media buy-



WIND IN THEIR SALES: Outdoor Life has picked up events from other sports networks, such as this challenger race for the America's Cup.

PHOTO: GUY WIREIMAGE.COM

ers say that OLN offers some interesting marketing opportunities, which have attracted auto dollars from the likes of Ford and Toyota, and other categories like beverages, energy bars and retail. OLN finished the year at 70 percent sell-out. "We have tried to position ourselves as a marketing-solutions media company," West says. "We are looking to integrate off-channel opportunities, direct mail and more into our TV buys, so if you want to reach a mountain-biking audience, we will do something top to bottom for you." A fourth of OLN's deals last year were with new advertisers, West says, and "I expect that to continue."

SoapNet



Gail Sullivan

PHOTO: GUY WIREIMAGE.COM

Afternoon soap operas have lost much of their ratings lather since "housewife" became a dirty word, but the genre has bubbled up again on SoapNet, demonstrating that, job or no job, women—and men—still want to know if Luke and Laura will rekindle their flame. Launched in 2000 by the Walt Disney Co., which also owns ABC, SoapNet airs ABC soaps, like *General Hospital*, in addition to vintage prime-time dramas, like *Knots Landing*, *Falcon Crest* and *Hotel*.

SoapNet is sold on a five-day part rotation with ABC Daytime and, as a 24-hour network, is positioned as a way to reach a more specific audience than general soaps. SoapNet skews younger than daytime, according to Gail Sullivan, senior vp of ad sales for ABC Daytime and SoapNet, and men do tune in. "It is more than just buying a schedule," Sullivan says. "We try to create synergies across the two platforms by offering, for example, a sponsorship of a Luke and Laura-themed special or a "This Week in Soap History" segment."

SoapNet became ad-supported last April when Nielsen started measuring it and was 97 percent sold out in 2001. The CPM on women 18-49 is around \$3.50, buyers say, though Sullivan says that's a bit low. The network typically attracts the same ad categories that buy ABC Daytime, such as packaged goods, retail and pharmaceuticals. Currently in 20 million homes, SoapNet earned a 0.7 rating in fourth quarter 2001 and reached 133,000 homes, tying with USA as the fourth-ranked cable network in prime for women 25-54 and fifth for women 18-49. Moreover, the network launched a West Coast feed this week so that programming will run on the same schedule as the East Coast.

Speedchannel



Richy Glassberg

The racing industry, with its cars and motorcycles covered by corporate emblems of gasoline giants and motor-oil brands, makes for very visible sponsorship opportunities. Speedchannel, the network devoted to fast-moving vehicles, is trying its best to attract that level of interest. So says Richy Glassberg, Speedchannel's senior vp of ad sales. "We have been and will continue to be about total entitlement across the board with vignettes, series sponsorships and off-shelf marketing," he says.

Officially relaunching this week from its former incarnation as Speedvision, the network will hit its first upfront with a dedicated sales staff under new parent company Fox Cable Networks Group (previ-

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ously, the network shared its ad-sales team with its former sister network Outdoor Life Network). The network boasts a nearly pure male audience (83 percent) and 48 million subscribers, which is expected to shoot to 66 million by year's end. It's a solid media buy among male-skewing networks, media buyers say, offering cool added-value opportunities for clients like sponsored in-car cameras or satellite-programming uplinks into car dealerships. The CPM averages around \$6 for the adult-male demos, depending on the inventory, buyers say, making it a real bargain. Speed execs wouldn't comment on CPMs.

Though Speed's siblings Fox and FX also carry Nascar events, Glassberg says his network carries support programming when the other nets air live races and, together, they can sell packages across all platforms. "It is more complementary than cannibalizing," he explains. In addition to Nascar, the network carries events like Le Mans, Formula One, CART and World Rally, as well as vintage races, news and analysis.

Tech TV



George Ehinger

Launched in 1998 as a computing channel by Ziff Davis, Tech TV, under current owner Paul Allen, has become the network of the early-adopter gadget geek, for whom the latest color-coded palm pilot with an internal modem is a must-have. With series like *AudioFile* or *Extended Play*, Tech TV examines the technological aspects of various fields, ranging from music to video games. Or if that new operating system is giving you headaches, the network has troubleshooting tips, news programs and how-to shows to help viewers navigate. "It is impossible to go through life without touching something tech-oriented—the telephone, the car," said George Ehinger, Tech's vp of ad sales. "Tech TV addresses how technology affects your life."

The target is the upscale 25-to-54-year-old male, and while male-targeted sports nets charge around \$20 per thousand viewers, media buyers agree that Tech TV is a good value for reaching that affluent-male demo. At only 30 million subs, CPMs hover around \$4 for adults 18-54, buyers say. "Every deal we work out with clients is unique, so our range is very wide, but \$4 would go to a very low-end run-of-schedule buy," counters Ehinger. Tech TV offers custom product placement for advertisers and integration with its Web sites, which receive around 1.7 million unique visitors per month. Nearly all of Tech TV's lineup is original programming, which allows for some creative advertising, such as incorporating the clients' message into a program.

Trio



Patrick Vien

As Bravo becomes more mainstream—networks tend to do so when their reach grows to include a greater cross-section of viewers—with off-network acquisitions like *The West Wing*, Trio aims to that niche. Though the channel has been around in some form since 1994, Trio as a digital network was officially introduced to media buyers last year as part of USA Networks' smorgasbord of emerging channels. Trio's distinction is its original programming, said Patrick Vien, president of USA's emerging networks division. "We have to be creative and financially able to

build our programming lineup from scratch," Vien says. "The digital subscriber demands freshness. If I am paying \$10 extra to get more networks, then I want new stuff, not repurposed programming from a parent channel."

Trio covers fashion, music, film and beyond, with series like *Trio World Fashion Tour With Elsa Klensch*, entering its second season, and the soon-to-launch *The Score*, a five-part celebrity-driven series about the making of a film's music score.

Represented by USA sales executive Marcy Avelow, Trio is sold in conjunction with the other USA nets. It reaches only 14 million homes and is not yet measured by Nielsen Media Research, but Trio does carry fewer commercial breaks compared to most TV channels and offers program entitlements to advertisers in the style of the old Texaco Theater. Current categories include autos, film and home video, insurance, credit cards, jewelry and travel.

From an ad-sales perspective, Trio's closest competitor would appear to be Bravo and PBS. But Vien considers HBO his greatest rival. "We think there is a gap between networks serving the performing arts, which we can fill, but HBO is a big competitor because it can keep viewers in a zone," he says. "Their whole model is one to respect."

WE



Lee Heffernan

Formerly known as Rainbow Media's Romance Classics, WE: Women's Entertainment was relaunched in December 2000 and enters its first upfront this year as a totally ad-supported network. Though the universe of female-targeted cable networks is getting a bit crowded, WE executives think it fills a void the competition does not. "If you look at the cable networks as magazines, Lifetime is more like *Redbook* or *Good Housekeeping*, more for everyone, whereas we are more like *Self* or *In Style*: aspirational, upbeat, inclusive and fun," explains Lee Heffernan, senior vp of marketing, speaking for Rainbow's ad-sales president Arlene Manos, who was just named to the position three weeks ago. "Lifetime has more information and issue-based programming, whereas WE has a no-issues policy. It is strictly an entertainment outlet."

Backed by celebrity spokeswomen like Naomi Judd, Faye Dunaway and Cindy Crawford, who have hosted or produced shows, WE offers a mix of original fare and acquired product, including films that would likely alienate fans of *Dirty Harry* marathons, such as *Mystic Pizza* and *Lorenzo's Oil*. Original series include *Everyday Elegance* and a yet-to-be named astrology series for the fourth quarter. WE also acquired off-net rights to the WB show *Felicity*, which premieres in the fourth quarter.

Lifetime is its biggest competition, but Heffernan acknowledges that all nets who appeal to female viewers 18-49 have the potential to eat into WE's share. However, she notes, "The great thing for us is that there are many advertisers who have never worked with a woman's network that want to get in the ground floor."

Nielsen just started measuring WE, but there's a long ratings climb ahead: year to date through Jan. 20, in prime time, WE delivered just a 0.1 rating, reaching 115,000 homes, based on Horizon Media's analysis of Nielsen data. Media buyers said they are curious to see the audience data for the 44 million-subscriber network. CPMs are expected to be on par with Lifetime Movie Network. ■

Senior editor Megan Larson covers cable from her home office in San Francisco. She can be reached at mlarson@mediaweek.com.

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1. Nielsen Media Research Feb. 02 universe estimate for Toon Disney (30,171,000 homes). 2. Nielsen Media Research 4Q01 (10/1/01-12/30/01) vs. 3Q01 (7/2/01-9/30/01), coverage ratings where applicable.

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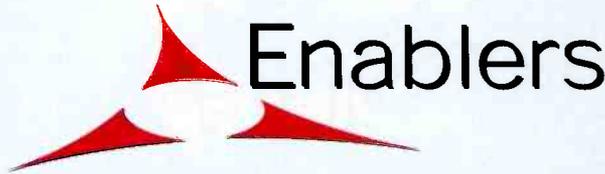
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TransitCenter, Inc. is a nonprofit corporation that represents the public transit operators in the New York metropolitan area in promoting the use of transit to businesses and their employees. It operates the nation's largest transit tax benefit program called the TransitChek Program. TransitCenter is seeking the services of a full service agency to support its programs and activities consisting of approximately two to three major marketing campaigns a year. Each campaign utilizes a mix of radio, outdoor and print advertising and direct mail. Collateral activities are also conducted several times each year. Annual advertising and direct marketing budget is \$3 to \$4 MM. Agency compensation has averaged 10% to 12%; other fee/commission arrangements may be considered.

Further information on TransitCenter is available at www.transitcenter.com

Agencies will be considered if they have no more than \$175 MM in billings a year and demonstrate a mix of small and medium sized accounts. Agencies interested in being considered must submit their Agency's credentials including the following information:

- List of current clients
- List of lost clients during past two years
- Demonstrate with actual case studies of existing clients Agency's expertise in generating sales through consumer advertising, B2B advertising and direct marketing
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- Provide four client references of which two are from former clients

Please send your submissions to:

Search Committee, TransitCenter, Inc
1065 Avenue of the Americas, 16th floor
New York, NY 10018

Agency submissions must be received no later than 5:00 PM, February 18, 2002 for consideration. It is anticipated that semi-finalists will be notified by March 1, 2002. Final consideration will involve the response to an Agency assignment. Selection of the successful applicant is anticipated on or about May 15, 2002.

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Movers

MAGAZINES

Eileen McCarthy has been promoted to marketing director for G+J USA's *Inc* and *Fast Company*. She has overseen the marketing efforts at *Inc* since 1994...**Jill Klrschenbaum**, formerly senior editor at *Fast Company*, has been named editor in chief of Working Mother Media's *Working Mother*...**Kiplinger's Personal Finance** has appointed **Robert H. Kelly** publisher. He was most recently vp of sales at *BusinessWeek*.

AGENCIES

Deborah Burns has been appointed vp of global advertising at the U.S. office of Interdeco Global Advertising, a worldwide agency that recently joined the domestic sales and marketing operations of Hachette Filipacchi Media U.S. Burns is a 17-year veteran of HFM U.S.

RADIO

Michael Martin was promoted to director of programming and operations for Clear Channel's radio stations in San Francisco and San Jose, Calif., from program director of KMEL-FM and KYLD-FM in San Francisco...**Andy Santoro** was named vp and sales manager for Millennium Radio Group's radio stations in New Jersey. He was previously vp and general manager of Greater Media's WCTC-AM and WMGQ-FM in New Brunswick, N.J....**Steve Candullo** was promoted to executive vp of Metro Networks/Shadow Broadcast Services, the local radio and TV traffic service of Westwood One, from senior vp for the Eastern region.

CABLE TV

Amy Introcaso-Davis, previously vp of series at Lifetime, was named vp of production and development at Bravo.

NETWORK TV

Evan Messinger was named senior vp of sales development and marketing at Univision Communications, responsible for business development and integrated cross-platform ventures. Messinger was senior vp of business development for Reciprocal.com, a joint venture with Microsoft and Reuters. Before that, from 1987 to 1999, he was senior vp of sales and marketing for Turner Broadcasting/Time Warner.

Media Elite

EDITED BY ANNE TORPEY-KEMPH

Quicktakes

INC VP/PUBLISHER LEE JONES and J. Scott Crystal, president/CEO of G+J's Business Innovator Group, led some top agency folks down a slippery slope last week when they hosted clients in Stowe, Vt., for a few days of skiing and entertainment. Each evening featured different live musicians and themes, including a tribute to the upcoming Salt Lake City Winter Olympics and a night of mysticism, complete with a hypnotist and a tarot-card reader. Jones went to bed happy that night: He'd had his cards read, and the soothsayer "assured me that *Inc's* ad pages would double in 2002," he said...Just call him downtown **Don Browne**—again. When the president/gm of Miami NBC O&O WTVJ moved the station to a multimillion-dollar digital facility in the 'burbs more than a year ago, he promised that wouldn't be the last downtown would see of WTVJ. Last week marked the station's return, with Browne presiding over the ribbon-cutting on a second site, a new glass-fronted, 5,000-sq.-ft. studio in the American Airlines Arena (home of the NBA's Miami Heat). The station plans to feature the downtown studio prominently in its local programming (à la NBC's *Today* show studio at Rockefeller Center in New York) and launch a 4 p.m. newscast from there later this month. Browne says the double exposure in the diverse market "allows us to really reflect our communities"...In today's tough advertising marketplace, programmers have to go the extra mile to get media buyers to listen. To wit, **Game Show Network president Rich Cronin** found himself in a "pitch-off" in Las Vegas at the recent NATPE confab, playing to a "celebrity" panel of

major-advertiser judges in front of a crowd of 200-plus. In his first appearance since being appointed skipper of the cable net last May, Cronin beat out four other programmers in the "Best of the Ad Client Pitches Competition," presenting three months' worth of inventory, including *Russian Roulette*, the first of six new original shows premiering on GSN this year. The price tag? \$250,000. Cronin now gets to move on to Round 2: pitching to the advertising big guns on the Association of National Advertisers' TV committee next month in New York. Said Cronin: "We have a good ratings story to tell at Game Show and our offer was competitively priced. And the timing was right to let the ad community know what we were up to."...**Chris Herrmann**, program director

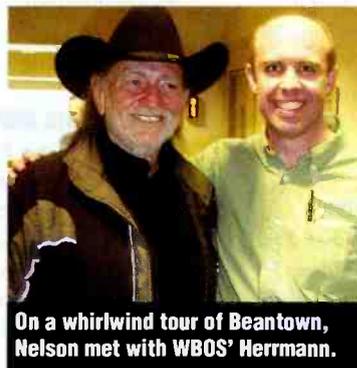


All downhill from here: *Inc* ad sales should get easier for Jones.

for Boston's WBOS-FM, got to meet the ever-congenial Willie Nelson when the 68-year-old music legend stopped by the studio last week as part of a multicity tour, hitting nine Beantown media outlets in one day before putting on a concert that night at the Orpheum Theatre in support of his latest, all-duets record, *The Great Divide* (Lost Highway Records)...**Joel Gregory**, publisher of enthusiast magazine *Chile Pepper*, will be a featured speaker at the expo of the National Barbecue Association later this month, offering predictions for the future of the industry. Our prediction for his predictions: hot. ■



Sited: WTVJ gm Browne



On a whirlwind tour of Beantown, Nelson met with WBOS' Herrmann.

Inside Media

NEWS OF THE MARKET

Condé Nast Changes Top Execs

Condé Nast last week shuffled its publishing deck, ending weeks of speculation. Pete King Hunsinger, executive vp/chief marketing officer, has left the company and been replaced by Richard Beckman, *Vogue* vp/publisher. Hunsinger, a veteran of CN's *Vanity Fair*, *Architectural Digest* and *Gourmet*, had taken on the corporate sales role only 10 months ago, after Mitch Fox left to head up Advance Publications' *Golf Digest* Properties. Also moving offices is *GQ* vp/publisher Tom Florio (brother of CN president/CEO Steve Florio), who will succeed Beckman at *Vogue*. While a replacement for Florio has not been named, Ron Galotti, president of shuttered *Talk* magazine and former *Vogue* publisher, is said to be a contender.

AAF Pro-Ads Campaign Expands Into TV

The American Advertising Federation's 2-year-old newspaper and magazine ad campaign aimed at motivating corporate CEOs, COOs and CFOs to maintain budget levels for advertising, will expand into television in the next few weeks, with two 15-second spots featuring the brands of Coca-Cola and Intel. The slogan of the campaign is "Advertising. The way great brands get to be great brands," and the pro bono spots are slated to run on CBS, ESPN, CNN, A&E and the History Channel, among others—networks that are likely to have corporate decision-makers watching.

Peretz Takes on Co-Owners for *TNR*

Martin Peretz, editor in chief and chairman of *The New Republic*, has agreed to share ownership of the 88-year-old political-news weekly. Partnering with Peretz, who bought the independent title in 1974, are Michael Steinhardt, founder of Steinhardt Partners, and Roger Hertog, the vice chairman of Alliance Capital Management Corp. Through its Jan. 28 issue, the 91,000-circulation *TNR* declined 33.9 percent in ad pages compared to the previous year, according to the *Mediaweek* Magazine Monitor.

Jones' Radio Syndie Stable in Flux

A month after syndicated radio host Clark Howard's contract with Jones Media Networks expired, the two parties have yet to reach agreement on a new contract. Howard's daily consumer advice show,

broadcast out of Cox Radio's WSB-AM in Atlanta from 1 to 4 p.m. ET, has grown to 140 affiliates in three years since Jones began syndicating it. Amy Bolton, general manager of News and Talk for Jones, said the company would still like to come to terms with Howard. But until there's ink on paper, Jones isn't selling the show or signing new affiliates, and Howard is without a syndicator. In other JRN news, blaming the economy, the syndicator is dropping *Great American Country Weekly Hit Countdown*, a weekly four-hour program hosted by Dallas Turner that launched last September. Turner continues to host *Country Request Live* on Jones' Great American Cable. The cable TV show has about 90 affiliates.

MTV Radio Net Adds New Show

MTV Radio Network has launched a two-hour weekly version of *MTV's TRL (Total Request Live) Weekend Countdown*. Hosted by MTV's Quddus, the new version of the popular countdown show plays the top 20 Contemporary Hit Radio rhythmic and hip-hop tunes of the week, along with artist interviews and performances and MTV news and reports. The first *MTV TRL* countdown show launched about a year ago and is hosted by Brian McFayden. The MTV Radio Network is distributed by Westwood One on more than 165 radio stations. Westwood is managed by Infinity Broadcasting and, like MTV, is a subsidiary of Viacom. Separately, MTV competitor Much Music USA will launch a Web-based request/dedication music show to challenge *TRL*. *Dedicate Live!* launches Feb. 14 at 5:30 p.m. and will air Monday-through-Thursday. Viewers who want to dedicate a music video can e-mail a request via www.mmusa.tv. Dedications will be telecast live as text messages overlaid on the videos. Much Music eventually plans to advance the technology so viewers can request videos and make dedications using live voice commands.

Brando Gets SNR Radio Show

Sporting News Radio last week launched *The Tim Brando Show* airing 2 to 6 p.m. ET. Brando is the former host of *CBS Sports' College Football Today* and *At the Half*, CBS Sports' college-basketball halftime show. He also provides commentary for SEC and ACC basketball broadcasts on Jefferson Pilot radio stations. ■

Calendar

The Cabletelevision Advertising Bureau will present the **CAB Cable Advertising Conference** Feb. 5 at the New York Marriott Marquis. Luncheon keynote speaker will be Lou Dobbs, anchor/managing editor, CNN's *Lou Dobbs Moneyline*. Contact: 212-508-1214.

Editor & Publisher's Interactive Newspapers Conference and Trade Show will be presented Feb. 6-9 at the San Jose Convention Center in San Jose, Calif. Contact: 888-536-8536.

The **RAB2002 Radio Sales, Management & Leadership Conference**, presented by the Radio Advertising Bureau, will be held Feb. 7-10 at Disney's Coronado Springs Resort at Walt Disney World in Orlando, Fla. Contact: 800-917-4269.

The **American Association of Advertising Agencies** will present the **AAAA Media Conference and Trade Show**, this year themed "Media: Going Forward," Feb. 13-15 at Disney's Contemporary Resort in Orlando, Fla. The event includes discussion groups with media directors from 4A's agencies; general session with journalists from ABC News; breakout sessions on account planning, out-of-home and interactive media. Contact: 212-850-0850.

International Radio & Television Society Foundation will host the **IRTS Foundation Gold Medal Dinner** March 5 at the New York Marriott Marquis. This year's event honors Robert W. Pittman, co-chief operating officer, AOL Time Warner. Contact: Maggie Pritikin, 212-867-6650, ext. 302.

Cabletelevision Association of Marketers will present the **CTAM Digital Conference** entitled *Behind the Screen: Insider Essentials for Selling SVOD, VOD, PPV, and iTV*, March 5-8 at the Century Plaza Hotel in Los Angeles. Contact: 703-549-4200 or visit www.ctam.com.

American Women in Radio and Television will host the New York market winners of the **2002 Gracie Allen Awards**, honoring outstanding women in radio behind the scenes and on the air, at a luncheon on April 16 at Tavern on the Green in New York. Contact: (703) 506-3290 or visit www.awrt.org.

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By the Numbers

New *Parade* readership study aims to help fine-tune measurement of Sunday magazines BY TONY CASE

FOR A QUARTER CENTURY, THE READERSHIP OF NATIONALLY CIRCULATED SUNDAY MAGAZINES like *Parade*, published by Advance Publications, and Gannett's *USA Weekend* has been based on reader data for the local newspapers that carry the publications, rather than on the magazines themselves.

In recent years, Sunday-magazine readership has become an even bigger part of newspapers' advertising equation—and has come under more scrutiny—as newspaper circulation continues to decline. Media buyers have expressed concerns about the reliability of readership figures.

Critics have complained that the methodology of Mediarmark Research Inc. (which tracks magazine readership and helps publishers set advertising rates) exaggerates the readership of Sunday magazines, as the MRI data assumes that every person reading the Sunday newspaper is also reading the magazine. (Readership pertains to the number of people reading a given publication, as opposed to circulation, which is the number of copies sold.)

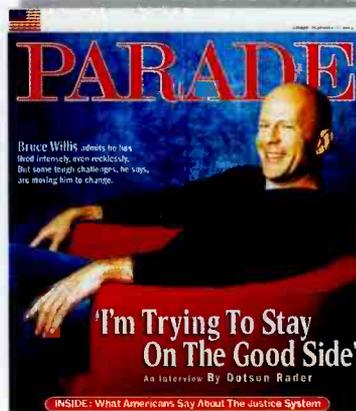
To resolve this longstanding problem, *Parade*, along with media consultancy McPheters & Co., this month will initiate a five-month field study to assess the current MRI methodology. "We want the advertising community to have the most confidence they can have," says Jack Griffin, *Parade* president.

The Media Ratings Council—which audits and accredits MRI, and whose members include ad agencies and publishers such as Time Inc., Condé Nast and Hearst Magazines—has given the *Parade*/McPheters study its blessing. George Ivie, MRC executive director, calls the study "a good first step."

Julian Baim, chief research officer for MRI, admits there are nagging questions about his firm's methods. "What proportion [of Sunday newspaper readers] read the supplement? Is it 100 percent? 50 percent? We don't produce a number." Baim says MRI is "actively involved" in clarifying its techniques, but he also suggests



Griffin hopes to reassure advertisers about *Parade's* audience.



that the industry may never fully sort out the issue. "Some are concerned that in the long run, there are insurmountable obstacles to arriving at a consensus," he says.

The debate centers on the very definition of Sunday magazines—whether *Parade* (circulation 36 million) and *USA Weekend* (24 million) are magazines that happen to be distributed in newspapers, or are sections of their carrier papers. *Parade* and *USA Weekend* maintain that readers see the publications as bona fide sections of the paper, noting that local editions of the magazines are "branded" with the names of their host papers (in *The Washington Post*, for example, the paper's logo runs alongside the *Parade* flag). If readers largely share that view, it would help legitimize the current linkage of Sunday-magazine readership with readership of the Sunday papers as a whole, not of individual sections.

Magazines that aggressively sell their pages against the Sunday magazines, along with many media buyers, contend that formula gives

Parade and *USA Weekend* an unfair advantage over other titles. "*Parade* and *USA Weekend* have a vested interest in making sure their numbers are as close to the carrier papers' as possible," says Susan Boller, associate director of audience analysis for Time Inc., publisher of mass-circ weeklies such as *Time* and *People*.

Gemstar's *TV Guide*, which has been especially vocal about Sunday-mag readership data, "questions measurement principles [pertaining to] Sunday circulation when there's no guarantee people will read" the magazine, says Lauren Snyder, a Gemstar representative.

"We are in full agreement that the readership numbers of Sunday magazines are over-reported," says Richard Fielding, media research director for Starcom.

If there is any change in methodology, it likely will not take place for at least two or three years, according to those involved with the project.

Anne Billups, vp of research and readership for the trade group Newspaper Association of America, believes there is an "almost 100 percent" chance MRI's methods will see a makeover. "The publishers...realize it's been a problem for a long time," Billups says. "The challenge is how to undo a process that's been in place for more than 20 years."

For his part, *USA Weekend* publisher Chuck Gabrielson says he's eager for some consensus. "We don't want to keep dealing with questions from the agencies and the holding back of [ad] schedules," he says.

Cover Story

TNY cashing in on a franchise

Often whimsical and occasionally controversial and poignant, *The New Yorker's* covers have long been celebrated by its readers. Now, in an effort to generate a bit more revenue in a down market, the Condé Nast weekly is aiming to cash in on its cover cachet with both readers and advertisers.

The New Yorker will publish its second annual polybagged onsert with the Feb. 18/25 anniversary double issue, featuring many of its modern art-themed covers. *The New Yorker* covers editor Françoise Mouly mined the 77-

Mediaweek Magazine Monitor

WEEKLIES February 4, 2002

Though *The Economist* had a miserable January, with ad pages down 29.91 percent from last year, to 150 pages, its vp/ad director Oily Comyn remains confident. "In January '01, we were still benefitting from the dot-coms," he says. With blue-chip software and IT companies such as Microsoft and IBM still on board and the return of airline business, second quarter looks promising, he notes. —Aimee Deeken



Works of art: *TNY* covers to go on tour.

year-old title's archives for ranged from parodies of famous artworks to examples of cubism and surrealism. The 32-page onsert will include ads from Merrill Lynch, Volkswagen, Absolut and Crystal Cruises. From March through June, *The New Yorker* (and the onsert

sponsors) will take the covers on the road, making stops at art galleries in San Francisco, Los Angeles, Miami and New York.

"We don't do much about the covers in the magazine itself. [Editor] David [Remnick] doesn't like self-promotion," says David Carey, vp/publisher of *The New Yorker*. "This gives us a venue to do that. People have a strong interest in the historical flavor of the magazine."

The gallery shows will include invitees from the sponsors' target audiences and customers. "The connection of *The New Yorker* and the readers is important," says Steve Moynihan, senior vp/group media director of Arnold MPC, which handles Volkswagen. "But equally as important is that they take us on the road...the four markets we go to are all very important Volkswagen markets, and we'll get vehicle display in two of the markets."

Since last July, *The New Yorker* has been selling prints of its covers on its Web site, cartoonbank.com. "It's a great little business for us," says Carey. A limited lithographic edition of the arresting "9-11" black-on-black Twin Towers cover by Art Spiegelman generated sales of \$150,000 (all of which was donated to the 9-11 fund). Dec. 10's "New-yorkistan," which featured an image of New York with a hilarious overlay of Afghanistan, sold \$600,000 worth of prints. In all, *The New Yorker* last year took in \$1 million for its cover sales; since Jan. 1, the weekly has already had revenue of \$500,000 this year.

Limited editions cost \$350, and other unlimited prints are \$240. Currently, there are about five signed limited-edition covers available, and another 100 unsigned prints.

Paid circulation for *The New Yorker* grew slightly in last year's first half, up 1.7 percent to 857,495, according to the Audit Bureau of Circulations. Ad pages through Feb. 5 this year were down 19.4 percent, to 107 pages, reports the *Mediaweek* Monitor. —Lisa Granatstein

	ISSUE DATE	CURRENT PAGES	ISSUE DATE LAST YEAR	PAGES LAST YEAR	PERCENT CHANGE	YTD PAGES	YTD LAST YEAR	PERCENT CHANGE
NEWS/BUSINESS								
BusinessWeek ^X	4-Feb	51.91	5-Feb	67.59	-23.20%	164.28	341.03	-51.83%
The Economist	26-Jan	50.00	27-Jan	68.00	-26.47%	150.00	214.00	-29.91%
Newsweek ^E X	4-Feb	20.26	5-Feb	31.11	-34.86%	142.14	133.48	6.49%
The New Republic ¹	4-Feb	8.16	5-Feb	5.58	46.24%	23.98	27.24	-11.97%
Time ^E X	4-Feb	28.78	5-Feb	38.57	-25.37%	140.88	201.66	-30.14%
US News & World Report		NO ISSUE	5-Feb	27.28	N.A.	68.27	104.85	-34.89%
The Weekly Standard	11-Feb	8.33	12-Feb	9.31	-10.53%	45.85	45.05	1.78%
Category Total		167.45		247.44	-32.33%	735.40	1,067.34	-31.10%
SPORTS/ENTERTAINMENT/LEISURE								
AutoWeek	4-Feb	19.96	5-Feb	21.30	-6.29%	89.37	127.62	-29.97%
Entertainment Weekly		NO ISSUE				123.79	120.18	3.00%
Golf World	1-Feb	12.16	2-Feb	17.65	-31.10%	96.56	90.28	6.96%
New York ⁴ X	4-Feb	30.50	5-Feb	33.50	-8.96%	178.00	202.90	-12.27%
People ^X	4-Feb	70.32	5-Feb	74.87	-6.08%	268.20	311.51	-13.90%
The Sporting News	4-Feb	16.83	5-Feb	12.13	38.75%	64.36	48.29	33.28%
Sports Illustrated	4-Feb	70.17	5-Feb	55.32	26.84%	188.77	188.95	-0.10%
The New Yorker	4-Feb	17.49	5-Feb	26.69	-34.47%	106.48	132.03	-19.35%
Time Out New York	30-Jan	48.88	31-Jan	62.26	-21.49%	246.75	292.88	-15.75%
TV Guide	2-Feb	52.56	3-Feb	66.96	-21.51%	226.20	298.65	-24.26%
US Weekly ^D 6	4-Feb	21.50	5-Feb	14.33	50.03%	89.17	69.66	28.01%
Category Total		360.37		385.01	-6.40%	1,877.65	1,882.95	-10.90%
SUNDAY MAGAZINES								
Parade	3-Feb	8.42	4-Feb	10.11	-16.72%	61.49	59.49	3.36%
USA Weekend	3-Feb	19.74	4-Feb	8.20	140.73%	69.23	62.85	10.15%
Category Total		28.16		18.31	53.80%	130.72	122.34	6.85%
TOTALS		555.97		650.76	-14.56%	2,543.77	3,072.60	-17.21%

D=double issue; E=estimated page counts; X=2001 YTD includes an out-of-cycle issue; 1=one more issue in 2001; 4=four fewer issues in 2002; 6=six more issues in 2001

Studin to Parents

Publishing veteran joins G+J

Dan Brewster, G+J USA president/CEO, cleaned house last week at flagship *Parents* magazine. Sharon Summer, who returned to *Parents* last November as group president after an 11-month stint at sister title *Rosie*, left the company, along with *Parents* publisher Mary Jo Romeo. One G+J executive described the management team as "defensive and faltering."

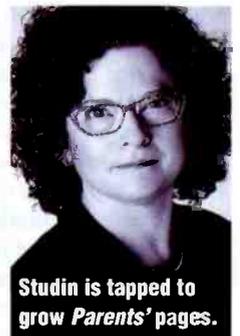
Joining the 2 million-circulation *Parents* this week as vp/publisher is Jan Studin, who has been vp/publisher of Hachette Filipacchi Media's *Woman's Day* since 1996 and with that service title since 1982. Studin will oversee the Parents Group, which includes *Parents Baby*, *Parents Expecting* and *Ser Padres*.

A hard-charger, Studin says she will draw on her strong ties to packaged goods and pharmaceuticals to help grow ad pages. "Dan is bringing me in to use my experience," she says. "I have tremendous relationships with my clients, and there is obviously a lot of cross-over with respect to *Parents*."

"We feel we've matched the best talents

with the needs of our clients," Brewster says of Studin. And as a bonus, G+J, publisher of *Family Circle*, nicked Studin from *FC*'s chief competitor in women's service. (John Miller, HFM senior vp and group publishing director, will oversee *Woman's Day* until a successor is named.)

The changes at *Parents* come as the parenting category is in major churn mode. Last year saw the folding of Time Inc.'s *Family Life*; *Offspring*, published jointly by Hearst Magazines and Dow Jones & Co.; *Sesame Street Parents*, published by Sesame Street Workshop; and *Dads*. Meanwhile the monthly *Parents*, one of G+J's most profitable titles, has seen a decline in advertising, while rival Time Inc.'s *Parenting* (published 10 times yearly) is on the rise. Through February this year, *Parents* was down 12.7 percent, to 156 ad pages; the 1.6 million-circ *Parenting* advanced 1.6 percent, to 86 pages, according to the *Mediaweek* Monitor. —LG



Studin is tapped to grow *Parents*' pages.

Media Person

BY LEWIS GROSSBERGER



All Downhill From Here

THIS YEAR'S EDITION OF MEDIA PERSON'S ALWAYS EAGERLY

awaited Olympics Preview will be something of a challenge for both MP and you, his loyal reader. Due to the extraordinary security precautions arising from the war against terrorism—which, by the way, MP whole-

heartedly endorses!—the media are not being allowed to reveal certain details, mostly insignificant ones, such as where and when the Winter Olympics are being held or what network will be broadcasting it. (Or is it “them”? MP has never been sure.)

But rest assured, these special measures will by no means leach the fun out of the Winter Games! The athletes are psyched, the Zambonis are gassed up, and the SWAT teams are in top shape and ready to rumble. So settle back with a beer and a snack (but not a pretzel! they're dangerous) as MP describes, with the typically keen analytical insights that only he can bring to bear, which events are the must-sees. (To find them, MP advises just keeping your TV on from now on until some guys on skis appear on the screen; that'll be the Olympics.)

Normally the **biathlon** is the single most boring event in all of modern sports, but this year it takes on unprecedented excitement. When briefed by Olympics officials on how biathlon works, Homeland Security Director Tom Ridge exclaimed, “This is a joke, right? Cut the horseplay, damn it; we're in a war here. Come on, what's biathlon, really?” According to reliable sources, it took almost an hour to convince Ridge that the sport actually involves contestants carrying rifles loaded with live ammunition. He then fainted upon being told that Iraq had entered a team in the event. But a small, though ingenious, compromise reached after two months of negotiations has now made biathlon totally secure. Contestants will be blindfolded to insure that even if a terrorist assassin manages to infiltrate the event, his chances of taking out his primary target will be considerably reduced.

Figure skating is always an exquisite vision

of grace and beauty, and Attorney General Ashcroft's edict that the skirts of female contestants must be ankle-length and both their skates must be kept on the ice at all times to eliminate offensive crotch peeks can only add a new dimension of elegance to the competition. Security at the event will be completely unobtrusive, so as not to interfere with its loveliness; Media Person is assured that the newly installed land mines to foil terrorist infiltrators will be completely invisible beneath the ice.

In the always thrilling sport of **speed-skating**, keep your eyes on 19-year-old [name withheld for security reasons], America's greatest hope for gold at the '02 Olympics. What makes this great young athlete's story even more compelling is the heart-rending struggle he or she successfully waged against [nature of athlete's tragic handicap withheld to avoid pinpointing strategic vulnerability on American team that

What then, eh, gentlemen?” The solution arrived at after intense brainstorming sessions is totally classified, of course, but Media Person can reveal that it involves deploying a squadron of hovering Cobra gunship helicopters armed with Stinger air-to-air missiles and 12.75 mm machine guns all along the course, ready to shoot down in an eye blink any jumpers who look as though they are about to explode without permission.

One of the more exotic events featured in the Winter Olympics is men's and women's **curling**, the only sport known to make use of common household cleaning equipment. From the start, some of the security officials assigned to the curling detail expressed alarm that the “stone” that curlers slide across the ice while sweepers frantically flail away with brooms just ahead of it has an unfortunate resemblance to the old-fashioned bombs of the kind hurled by anarchists at robber barons and archdukes in days gone by. “We don't want to give anybody ideas,” as one official of the Federal Emergency Management Agency told Media Person in strictest confidence. A representative of the Bureau of Tobacco, Firearms, Alcohol and Xanax came up with a resourceful

KEEP YOUR EYES ON 19-YEAR-OLD [NAME WITHHELD FOR SECURITY REASONS], AMERICA'S GREATEST HOPE FOR GOLD AT THE '02 OLYMPICS.

could be exploited by terrorists]. Talk about role models! This is a true hero for all of us, tree trunk-sized thighs notwithstanding.

The fact that **ski jumping** includes an aerial component, in which competitors must by necessity violate the strictly enforced Olympics “no-fly zone,” obviously required calling in U.S. Air Force and NASA officials for consultation on air-defense arrangements. One Air Force general raised the troubling question: “What if a rogue nation such as North Korea manages to assemble and launch a guided missile that resembles a Norwegian ski jumper?

and creative solution to the problem: Curling was banned from the Olympics. “After all, who the hell watches curling anyway?” as one agitated member of the Olympic Committee told Media Person in an anonymous Instant Message on AOL.

The one sport that presented no security problems of any kind was **men's hockey**. CIA officials tell Media Person that any terrorist unfortunate enough to get near a game will be instantly beaten to a bloody pulp. In fact, terrorists are being encouraged to attempt to infiltrate hockey. ■

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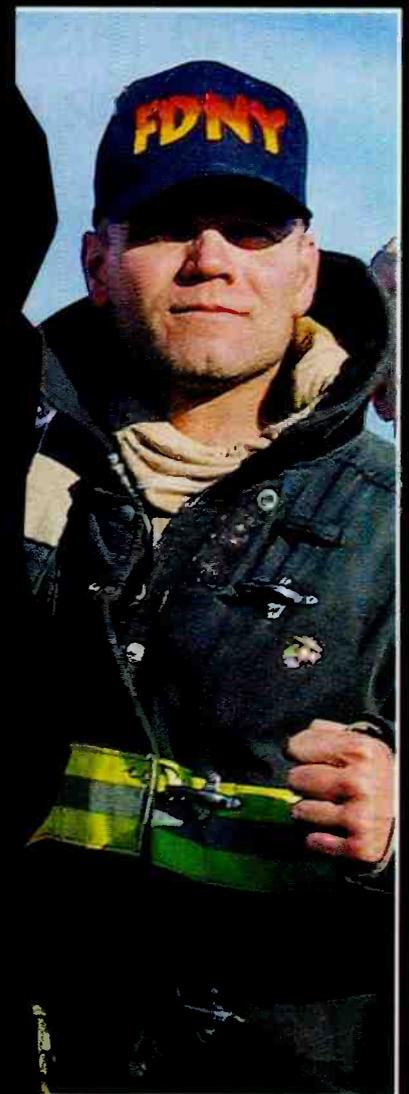
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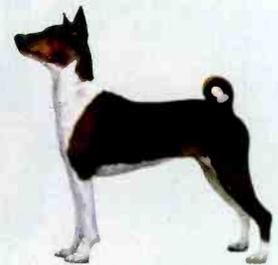
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SOURCES: Audit Bureau of Circulations, subject to audit; six months ending September 30th, 2001; 2001 Scarborough Report.



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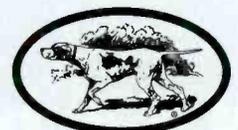
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