

MEDIAWEEK

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NBC's *Dog Eat Dog*, *Spy TV*, Fox's *Idol* pull ratings

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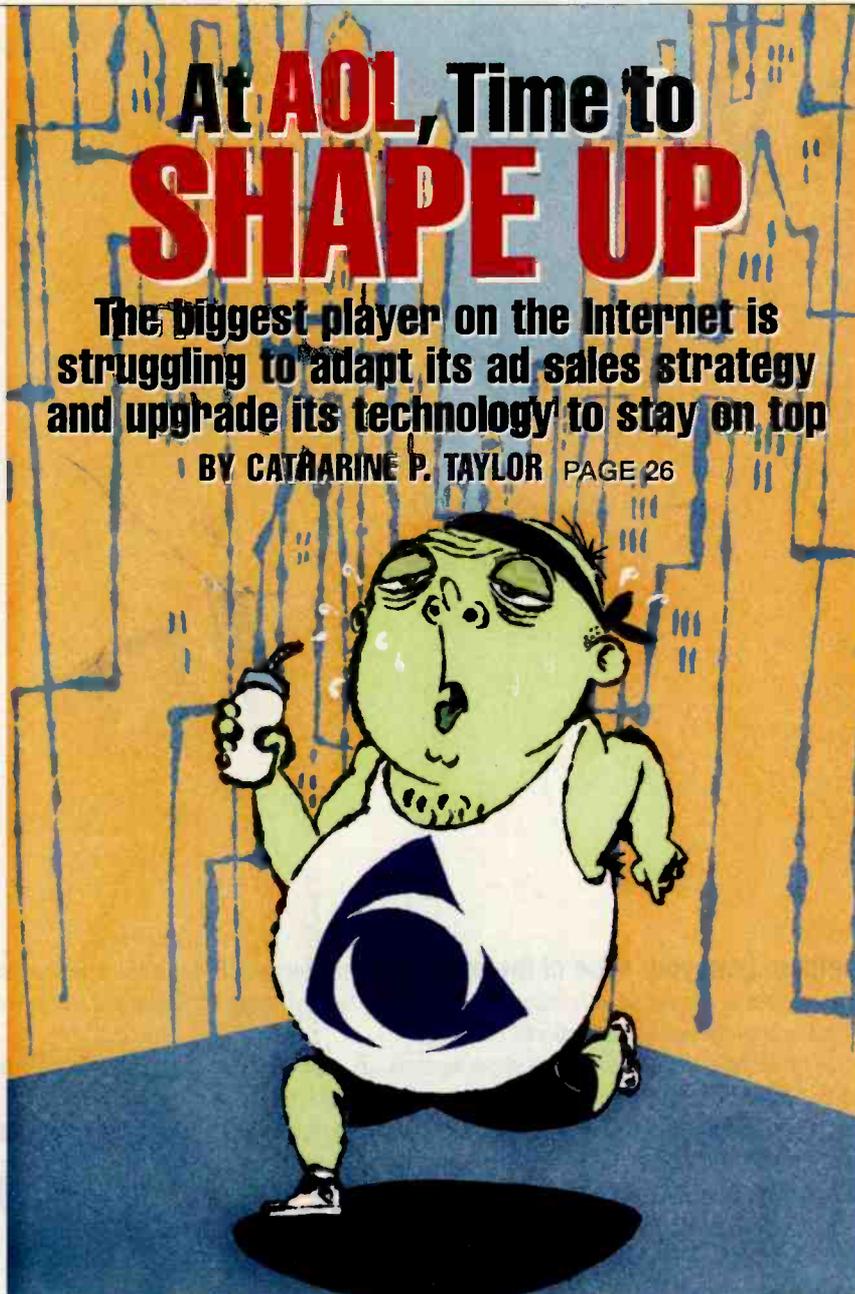
RESEARCH

Arbitron Draws Queries on PPM

Radio owners may balk at cost of portable meter

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At AOL, Time to SHAPE UP

The biggest player on the Internet is struggling to adapt its ad sales strategy and upgrade its technology to stay on top

BY CATARINE P. TAYLOR **PAGE 26**

MARKET INDICATORS

NATIONAL TV: CALM
 Third-quarter scatter inventory is tightening, and many network sales execs are heading off to the golf course and resting up before fourth-quarter cancellation options come due in August.

NET CABLE: MOVING
 Some networks were completing more upfront deals than others last week, at varying prices. Advertiser budgets for young-skewing cable channels are up.

SPOT TV: ACTIVE
 Tight conditions continue in markets including Boston, Los Angeles, Chicago, Philadelphia, Dallas and Houston. General Motors and Ford are leading solid auto spending. Political, retail and entertainment are also up.

RADIO: BUILDING
 July inventory is moving quickly at top stations. Auto, retail, beverages, entertainment and promotions pushing July 4 weekend events are kicking in.

MAGAZINES: QUIET
 Audit and consulting firms have put the brakes on third-quarter spending in magazines as a result of fallout from the Enron fiasco.

ED FOTHERINGHAM

Google will receive
more than **10 billion**
B2B search queries
this year.

Don't let the competition grab your slice of the pie. Across markets, B2B decision makers use Google. For good reason: It's the Internet's fastest, most accurate search engine. It's also the fastest-growing (Google's audience increased 202% in the past year*) with the most comprehensive international coverage.

If you don't advertise on Google, that audience is slipping through your fingers. Google's targeted ads deliver prequalified leads, offering opportunities to convert search users into customers at every point in the buying cycle. One caveat: Don't wait too long. The way to reach Google users is to advertise on Google. And if *you* don't own the keywords that define your business, your competitors certainly will. For details, visit www.google.com/ads2.

* Source: Jupiter Media Metrix, March 2002, compared to 29% average growth rate for the digital media universe. © Copyright 2002 Google, Inc. All rights reserved.

The Google logo, featuring the word "Google" in its signature multi-colored font (blue, red, yellow, blue, green, red).

At Deadline

■ FCC TO DISCUSS REVIVAL OF EEO RULES

Hoping to revive equal employment opportunity rules for broadcasters and cable companies that have been rejected by the courts, the Federal Communications Commission plans to hold a hearing today to get ideas on how to proceed. In January 2001, the District of Columbia Circuit Court of Appeals vacated the EEO rules adopted by the FCC in January 2000 as unconstitutional. The FCC will hear opinions from more than a dozen industry representatives, including Henry Rivera, former FCC commissioner and a partner with Shook, Hardy & Bacon; Cathy Hughes, founder and chairperson of Radio One; Michael Jack, president/general manager of NBC-owned WRC-TV in Washington and head of diversity for the network; and Steve White, senior vp of AT&T Broadband.

■ ARBITRON TO MEASURE OUTDOOR

Arbitron said last week that it will develop a syndicated ratings service to measure outdoor advertising, a \$5 billion business that has not had audience ratings save for periodic audits of consumer exposure provided by the Traffic Audit Bureau. This summer, Arbitron said it will begin exploring methods to measure the outdoor industry that conform to existing audience-measurement standards used by radio, TV, magazines and newspapers. Based on the results, Arbitron plans an extensive test in Atlanta this fall, with results delivered in the first quarter.

■ SPECTRUM AUCTION BILL DELAYED

Congress last week approved a bill to indefinitely delay the auction of spectrum in the 700 MHz band, and President Bush signed the measure on the day the oft-delayed auction was to have taken place. Legislators said they want time to plan how to use the spectrum now used by television channels 52 to 69. One result: less of a payday for Paxson Communications Corp., which stood to reap millions in fees from auction winners in return for vacating spectrum.

■ EMMIS' LEBOW JOINS AOL

Jimmy DeCastro, a veteran radio executive who was hired in April as president of AOL Interactive Services, has tapped another radio executive to help him breathe new life into America Online. David Lebow will join AOL Interactive Services in early July as executive vp of programming and strategy, reporting to DeCastro. Lebow comes to AOL from Emmis Communications, where he was senior vp of radio operations. Lebow and DeCastro's career paths crossed once

before at AMFM Inc., where DeCastro was president before the company was sold to Clear Channel Worldwide.

■ ADELPHIA TROUBLES DEEPEN

Adelphia Communications Corp. inched closer to bankruptcy last week when it missed \$40.5 million in interest and dividend payments, bringing the total to \$96 million in missed payments. The cash-strapped cable television company is expected to file for protection under Chapter 11 bankruptcy laws as early as today.

■ **ADDENDA:** Due to a decline in ratings, CBS has decided to opt out of its deal to air **Donald Trump's** *Miss Teen USA*,

Miss USA and *Miss Universe* pageants; NBC is expected to pick up the events, which will be televised on both NBC and its recently acquired Hispanic network, Telemundo... **Toon Disney** announced the addition of eight new series to its fall schedule, including *Toad Patrol*; *Ultimate Book of Spells*; *Sabrina, the Animated Series*; *Mary-Kate & Ashley in Action*; and *House of Mouse*... Court TV's **Dominick Dunne's Power, Privilege and Justice** scored a 1.5 rating (1.07 million households) on June 19 at 10 p.m., the largest rating for any program in the network's history... **Soap Opera Update**, the 13-year-old, 145,000-circulation biweekly published by Bauer Publishing USA, will fold in the fourth quarter and be merged into sister title *Soaps in Depth*... Bob Gruthers, most recently director of media services for Sony Electronics, is joining Condé Nast's **The New Yorker** as director of marketing and strategic planning... **FX** announced plans for a new comedy series about a down-and-out gambler entitled *Lucky*, starring *Sex in the City's* John Corbett... Wenner Media's **Us Weekly** promoted Ken Baker, West Coast senior editor, to bureau chief, and veteran celebrity writer Jeanne Wolf joins the weekly as an editor at large... The two-night original movie *Stranded* generated the second-highest ratings for the **Hallmark Channel** on June 15 and 16. The first night earned a 1.0 rating and Part 2 earned a 0.8.

INSIDE MEDIWEEK



NBA chief David Stern weighs two options for a new cable network Page 25

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■ **CORRECTIONS:** In last week's Media Plan of the Year special section, a story on Starcom Worldwide's outdoor "Streetbeam" campaign for Morgan Stanley had the incorrect budget. Starcom's budget was \$530,000. Also, the cover of the section should have included an illustration credit for Christoph Niemann.

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Lawmakers to Expand Push for Free Air Time

The architects of the McCain-Feingold campaign finance reform initiative say they want more changes, specifically free air time for politicians. Sen. John McCain (R-Ariz.), Sen. Russ Feingold (D-Wisc.) and U.S. Rep. Marty Meehan (D-Mass.) last week said they soon will introduce legislation requiring broadcasters to devote two free hours per week to candidates or political events just prior to elections. Broadcasters oppose such measures.

The chances for passage are problematic. Congress has declined to force broadcasters to offer cheap air time to politicians, even when it approved the McCain-Feingold ban on big, unregulated "soft money" political contributions. President Bush signed that bill this spring. Even so, there are renewed signs that soft money will continue to play a role and bring in ad revenue for TV and radio outlets. The Federal Election Commission last week ruled that state and local parties may raise and spend soft money. —Todd Shields

Tribune, Gannett Irked By FCC Media Review Plan

A number of companies that are hoping to expand their cross-media holdings, including Tribune Co. and Gannett, are unhappy with the Federal Communications Commission's plan to decide major ownership regulations in tandem.

The FCC last week said it will bundle six major rulemakings involving ownership limits in television and radio broadcasting and newspapers. A decision is due next spring. Cable ownership limits will be considered separately, said Ken Ferree, chief of the FCC's media bureau.

The FCC is under pressure from federal courts that have ruled the agency needs to better justify media ownership restrictions and from some on Capitol Hill who are nervous about media consolidation. Tribune and Gannett worry that the cross-ownership rules could force them to sell a TV station or a newspaper after their broadcast licenses begin coming up for renewal in 2005. "The world's spin- (continued on page 6)

Battles Looming For Big Radio

Top station groups facing heightened scrutiny by lawmakers, regulator

WASHINGTON By Todd Shields

For the country's largest radio station groups, and top gun Clear Channel Worldwide in particular, problems in Washington are cropping up like early summer crabgrass. Pockets of vocal opposition are forming against radio consolidation, and the long-term fortunes of the biggest groups could rise or fall depending on how lawmakers and regulators respond to the political ebb and flow surrounding media ownership.

Radio enjoyed several years of relative inattention from Washington during the industry's merger boom of the late 1990s, but now the industry faces an increasingly challenging regulatory and legislative landscape. Lawmakers, music artists, record labels and consumer groups all are clamoring for restrictions on the radio giants that emerged following passage of the 1996 Telecommunications Act and its abolition of national station-ownership limits.

An industry whose top owner was limited by law to holding 40 stations prior to 1996 (and just 2 FMs and 2 AMs in a single market) is now led by the 1,200-station, \$3.2 billion (in radio revenue) behemoth Clear Channel, followed by Viacom's Infinity Broadcasting (revenue: \$2 billion) and two other companies, Cumulus Broadcasting and Citadel Communications, that have more than 200 outlets each. Those kind of numbers are starting to generate some heavy static on Capitol Hill.

U.S. Sen. Russell Feingold (D-Wis.) is planning to soon introduce legislation to curb big radio. In comments this month on the Senate floor, Feingold made very clear his perception that consolidation has brought problems. Using words such as "startling," "seismic" and "mind-boggling" to describe radio industry practices, Feingold said large radio groups have restricted programmers' access to the airwaves, accepted large payments for putting songs on



Feingold, who championed campaign finance reform, now has radio consolidation up high on his legislative calendar.

their playlists and have inflated ticket prices for live events at the venues they control.

Feingold was among the few senators to vote against the 1996 Telecom Act, and he recently called the legislation an example of influence by large, unregulated soft-money campaign contributions. Feingold was a co-sponsor of the recently enacted campaign finance reform laws.

Meanwhile, the Justice Department is investigating practices in the radio industry. And the Federal Communications Commission, as it considers whether to further relax rules on radio ownership, is looking into whether national consolidation has reduced programming choices for listeners.

Members of Congress say they are hearing more complaints from constituents about large station owners. In January, Rep. Howard Berman (D-Calif.) asked the FCC and the Justice Department to investigate whether Clear Channel violates regulations by using third-party owners of stations, and whether the company denies airplay to artists not using its venues for live shows.

Outside of Washington, Clear Channel is contesting a number of lawsuits concerning its business practices. In a suit filed on June 12, Spanish Broadcasting System alleges that Clear

Channel tried to depress SBS' stock price and engaged in bidding wars for radio stations solely to increase SBS' costs. Clear Channel has described the allegations as false and "frivolous." In a June 14 suit filed in federal court in New York, a Chicago-area woman alleges that Clear Channel has gouged concertgoers with high ticket prices at its venues.

All of these developments have Clear Channel and other top radio groups working on several fronts to defend their turf. In recent weeks, San Antonio, Texas-based Clear Channel has made several moves to mount a counteroffensive to foes of consolidation, including the formation of a political action committee financed in part by donations from its employees.

Clear Channel's overall message in the upcoming battles in Washington and elsewhere will be clear: Consolidation is good for listeners and for business. "The Telecommunications Act of 1996 was actually good for radio," said Pam Taylor, a CC representative. The law "strengthened the media," she added, by allowing new corporate synergies and economies of scale.

Of course, Feingold and other critics argue otherwise. Last week, the nonprofit Future of Music Coalition released a survey of consumers in which most respondents said they want a greater variety of music on the radio, with more programming choices left to local disk jockeys rather than the centralized playlists employed by the large groups.

Big radio probably does not have much to fear this year. The congressional calendar is jammed, an election is coming up in November, and there is little chance of moving new radio legislation before the current term expires.

And when the battle heats up, Clear Channel will be ready to defend itself. In recent FCC filings, the company has said that consolidation has brought more program formats to listeners, as individual owners no longer have stations competing for the same demographic. Similarly, CC has given regulators studies showing that radio advertising rates are unaffected by consolidation but do rise if other local rates—for television and newspapers, for example—go up.

Such arguments are likely to encounter resistance. "Any time you eliminate competition, I don't think you're doing [advertisers] a favor," said Allen Banks, executive vp of Saatchi & Saatchi.

Opponents of big radio expect to play upon that concern, if not in this Congress, then in the next session. "The idea that we hustle something through the door and get it passed—that isn't necessarily the goal this year," said Michael Bracy, a Future of Music co-founder. "But there's a sense that consolidation has reached a critical mass. Enough is enough, and it's time to push back." —with Katy Bachman ■

Originals Click for Cable

Broad-based networks USA, TNT attracting sizable summer audiences

TV PROGRAMMING By Alan James Frutkin

Summer traditionally marks cable programming's high season, and this summer is no exception. With the launch of several new and returning series in prime time, most of the major cable networks once again have proven that audience appetite for original content remains strong throughout the year.

USA Network's June 16 launch of *The Dead Zone* drew 6.4 million viewers, making it the highest-ranking basic cable premiere ever of an original dramatic series, according to Nielsen Media Research. Also on June 16, TNT's second-season debut of *Witchblade* drew 3.2 million viewers. Following its June 2 premiere, Comedy Central's *Crank Yankers* is averaging about 1.2 million viewers.

Early sampling rarely ensures a series' long-term success. But this month's numbers underscore the fact that cable is attracting a greater audience share than broadcast. From May 27 to June 16, ad-supported cable drew a 53.5 share versus the seven-broadcast-network weighted aggregate share of 40, according to the Cabletelevision Advertising Bureau.

Some advertisers believe broadcasters have backed themselves into a corner. "The networks know that they need to be doing more over the summer, but whenever they've gone out and put on original series, most of those series don't do as well as repeats," said Stacey

Lynn Koerner, senior vp/director of broadcast research at Initiative Media. One exception this summer is the successful spate of reality programming (see story below).

Most cable executives were cautious not to overstate their success at this stage of the season, but the strategy is clear: Distinctive programming is key. "The surest way to fail in cable is to do some watered-down version of

what the networks are doing," said Doug Herzog, president of USA Network.

Next, once you've nailed down a genre, sell the heck out of it. "I believe in the power of marketing," said Steve Koonin, executive vp and gm of TNT. He added that promoting *Witchblade* in such unconventional places as movie theaters, on AOL and on billboards "created great awareness and buzz" for the show.

Just when ratings growth translates to hard cash remains uncertain. Several buyers observed that ratings on the broad-based cable

nets have outpaced advertiser demand, which led to a softer cable marketplace this year. "Audience growth on cable can have a depressive effect on cost per thousands," said one buyer, who declined to be identified.

The marketplace aside, cable programmers say better ratings indicate a healthy industry. "I don't think the broadcast networks are the first point of call for people anymore," said Bill Hilary, Comedy Central executive vp/gm. ■



The Dead Zone, with Anthony Michael Hall, got hot numbers.

ENE SCHROTER/USA NETWORK

Reality Retains Viewers

Fox, NBC prop up their off-season ratings with *Idol*, *Dog Eat Dog*, *Spy TV*

NETWORK TV By John Consoli

Media buyers are lauding the broadcast networks' moves over the past few weeks to schedule original reality programming as an alternative to reruns of scripted shows from the past season. While the new reality fare is not going to win any awards for originality, buyers say it is helping to keep some viewers from fleeing broad-

cast TV for cable, which traditionally premieres new scripted programming in summer.

American Idol: The Search for a Superstar on Fox, as well as *Spy TV*, *Dog Eat Dog* and *Crime and Punishment* on NBC, have all landed in the top 20 ratings rankings since they premiered this month. Fox reports that *American Idol* has overdelivered its projected share esti-

Media Wire

ning around on its axis, and they've got us all tied up," said Shaun Sheehan, a Washington-based vp of Tribune. —TS

Decision on Streaming Fees Threatens Webcasters

Webcasters are unhappy with last week's decision by the U.S. Copyright Office to set royalty rates for music streamed over the Internet. Despite a huge grassroots campaign, the Copyright Office decided to charge 7 cents per song for streaming. The first royalty payments are due in November, and all fees are retroactive to 1998.

"The decision places a prohibitive financial burden on radio station streaming and will likely result in the termination of this fledgling service to listeners," said Eddie Fritts, National Association of Broadcasters president.

Some broadcasters have already shut down their Webcasting operations. Entercom Communications, owner of 101 stations in 19 markets, halted its streaming on June 1. —Katy Bachman

Nielsen Earns Low Grades In New International Survey

Nielsen Media Research customers are the least satisfied users of television people meter systems, according to a survey of audience measurement systems used in 23 countries. The study was conducted by U.K. research consultant Peter Menneer and was presented last week at the Week of Audience Measurement Conference in Cannes, France.

The 100 survey participants rated the service of their TV audience measurement supplier on customer satisfaction criteria such as geographical coverage and timeliness. "To observers from other regions of the world, [Nielsen's system] is in a number of respects almost primitive," Menneer said.

"The companies that came out on top are those that are owned by the measured media," Nielsen spokesman Jack Loftus said in response to the survey. "[The U.S.] has the most complex TV environment on the planet. No other company produces overnight ratings in this kind of environment. And we don't often get it wrong." —KB

mates by up to 40 percent across all audience demos since it launched on June 4. Fox says the show, which will air at 9 p.m. on Tuesdays and Wednesdays through the summer, is sold out through its Sept. 4 season finale.

One advertiser definitely benefiting from *Idol's* strong performance so far is Coca-Cola, the show's only soft-drink advertiser (Coke also has product placements). According to Nielsen Media Research, *Idol's* June 19 episode recorded a 5.6 rating/15 share among teens, a major target for soft drinks. The first four episodes also have averaged a strong 7.1/22 among women 18-34, a solid number for Fox, which usually does better among young men.

NBC's new Dick Wolf reality series *Crime and Punishment* premiered June 16 with a 7.6/13, ranking it 7th for the week in households, while *Spy TV* ranked 20th with a 6.1/10. *Dog Eat Dog* premiered June 17 with a

6.4/11 in households and a 4.6 in adults 18-49, sure to rank it among the top 10 shows for the week ended June 23.

"This is something the broadcast networks have to do," said Mike Drexler, CEO of media buying agency Optimedia. "If they continue to go with just reruns during the summer, they will continue to lose audience to cable. Some [reality] shows might be too edgy for some advertisers, but overall [having original programming] is better for most advertisers."

"I applaud all their efforts," agreed Andy Donchin, senior vp and director of national broadcast for Carat North America. "Most drama repeats have never worked that well, and most sitcom repeats lately also have been repeating poorly. Reality gives the networks a way to produce new programming for summer more cheaply than scripted programming, and still enables them to get the mass reach advertisers are looking for year-round." ■

Arbitron Hits Snag on PPM

Radio execs want more data before committing to new portable meter

RESEARCH By Katy Bachman

As it nears the end of the Philadelphia test of its portable people meter, Arbitron is bracing for a tougher sell of the new audience-measurement device than it expected. At a meeting last week, executives of radio companies that account for 86 percent of Arbitron's annual revenue raised concerns about how audience data generated by the pager-sized PPM might affect their bottom lines. Ironically, the concerns are being raised after decades of industry complaints about Arbitron's existing paper-diary system for measuring listenership.

"The diary isn't perfect, but let's not trash it until we understand where we're going," said Peter Smyth, CEO of Greater Media. "Arbitron should test more markets, so we get some history. I don't even know what this will cost."

Smyth joined execs from Clear Channel Worldwide, Infinity Broadcasting, ABC Radio, Emmis Communications and other groups at a meeting called by the Radio Advertising Bureau to discuss the industry's concerns, which bubbled up last month when Arbitron released the first PPM data for individual stations.

Of the media measured by the new meters in the Philly test, radio has received the least positive news. Ratings changed little, with the exception of the lucrative morning-drive daypart, which declined 10 percent. Conversely, TV and cable ratings were up 57 and 118 percent respectively. So radio execs are worried that

with the PPM their medium will get less of the ad pie. "This freight train is coming, and we need to take a breath," said RAB president Gary Fries. Agency research execs, who note that radio's total cume audience has climbed in the PPM test, see it differently.

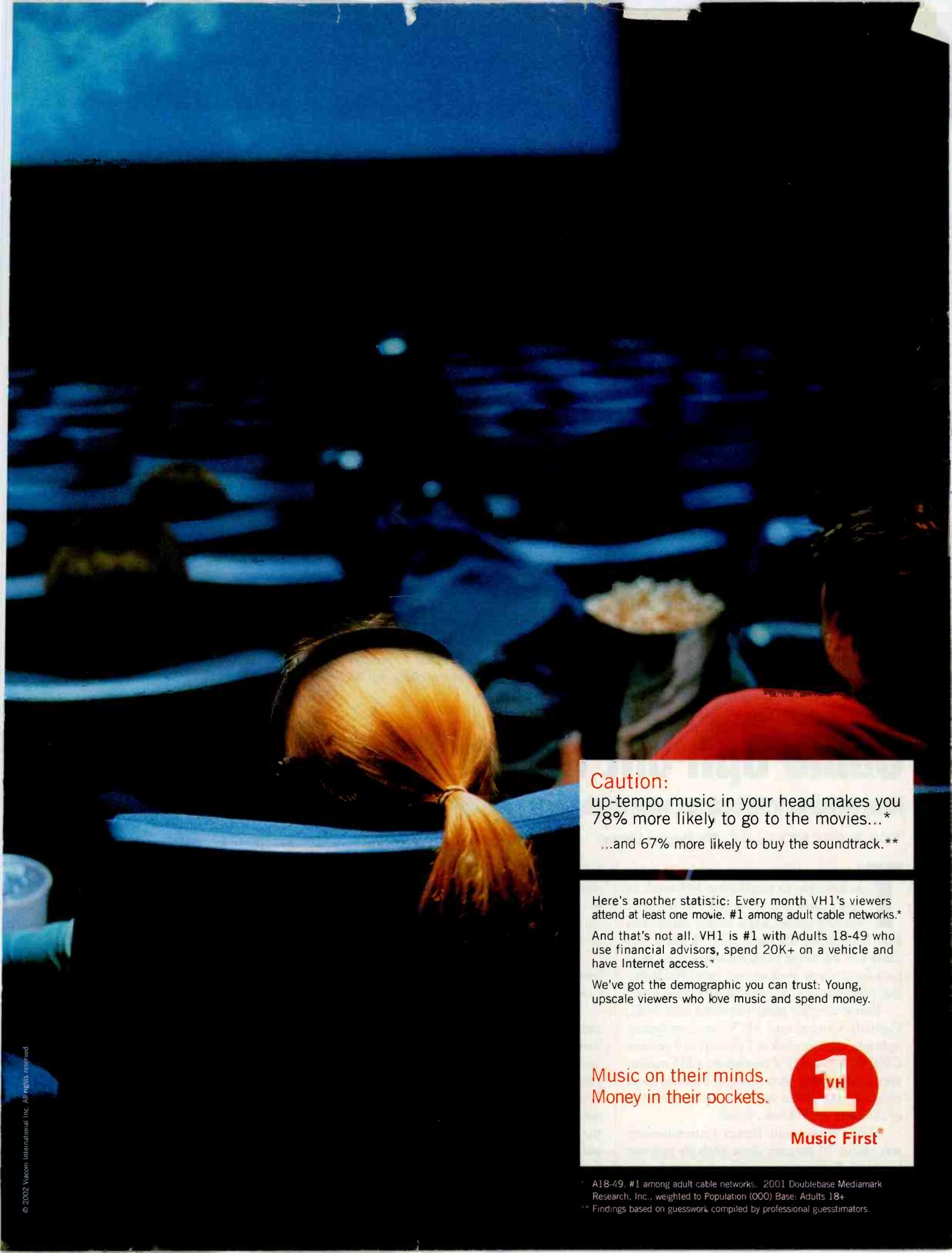
"If radio wants to continue to be treated as a low-CPM, high-frequency medium, merely an add-on to TV, then stay with the diary," warned Tony Jarvis, Mediacom senior vp/director of strategic insights.

Also last week, Nielsen Media Research—which is expected to decide by year's end whether it will join with Arbitron to deploy the PPM—held a meeting with TV and agency clients. Arbitron has said it will not go ahead with the PPM without Nielsen's support. Some TV execs would prefer Nielsen change its strategy from local people meters to the PPM. Others, like the radio execs, still want more info.

Arbitron welcomes the dialogue. "We have other releases of data planned, and we'll walk them through it," said Owen Charlebois, pres-



Jarvis: Radio needs to back the PPM.



Caution:

up-tempo music in your head makes you 78% more likely to go to the movies...*

...and 67% more likely to buy the soundtrack.**

Here's another statistic: Every month VH1's viewers attend at least one movie. #1 among adult cable networks.*

And that's not all. VH1 is #1 with Adults 18-49 who use financial advisors, spend 20K+ on a vehicle and have Internet access.†

We've got the demographic you can trust: Young, upscale viewers who love music and spend money.

Music on their minds.
Money in their pockets.



* A18-49. #1 among adult cable networks. 2001 Doublebase Mediamark Research, Inc., weighted to Population (OOO) Base: Adults 18+

** Findings based on guesswork compiled by professional guesstimators.

World Cup Scores Ad Goals

Sponsors enjoy ratings over-delivery on ESPN; Univision hikes CPMs 12-15%

TV SPORTS By John Consoli

Advertisers that made buys on Univision and ESPN's telecasts of the World Cup, particularly sponsorships of the time clock during games, have benefited from strong ratings that have exceeded guarantees. On Univision, the audience over-delivery has enabled the Spanish-language network to sell the 15 percent to 20 percent of ad inventory that it saved for scatter sales at cost-per-thousand rates 12 percent to 15 percent higher than prior to the start of the month-long tournament, which concludes June 30.

The first 55 World Cup telecasts on Univision averaged a 6.5 rating/34 share in Hispanic households, reaching 662,000 homes per telecast. On ESPN's first 19 telecasts, the average was an 0.7/4 for all U.S. homes, reaching 760,000 homes per telecast. On ESPN2, through 42 telecasts the average was a 0.5/3, or 476,000 homes. On ABC, the first six Cup games averaged a 1.3/4, or 1.3 million homes.

Media buyers said the ESPN telecasts, boosted by the strong performance of the U.S. team, over-delivered the network's ratings guarantees by as much as fourfold in overnight and early-morning time periods. The U.S. team's win over Mexico, which began at 2:30



DAVID LEVINE/SPORTS

Miroslav Klose (l.) tangles with the U.S.' Eddie Pope during Germany's 1-0 victory last Friday.

a.m. ET on June 18, was seen in 1.98 million households, about 160 percent more than ESPN's average audience for all time periods.

Last Friday, Univision was close to sold out, with only a handful of ad spots left for the Cup semifinals and final. Buyers said ESPN had more inventory left, at advertiser-friendly prices.

"Considering many of the games are being telecast in the middle of the night, the ratings have been gangbuster," said Andy Donchin, senior vp/director of national broadcast for Carat North America, whose client Adidas is a major Cup advertiser. ■

Cable Upfront Drags On

Niche networks write business, while big players continue fight against discounts

THE MARKETPLACE By Megan Larson

The cable upfront continued its haphazard course to conclusion last week as some networks completed business at varying prices, while others decided to keep waiting for the right offer. "I think that cable will continue to move along at its own pace for the next week or two," said Mel Berning, president of U.S. broadcast for Mediavest.

Young-skewing niche networks such as E!, Comedy Central and MTV were wrapping upfront deals last week at 5 percent to 9 percent CPM increases. MTV announced a \$15 million upfront deal with Taco Bell that includes spots on the *The Osbournes* and exclusive sponsorship of the 2003 *MTV Music Awards*.

Media buyers said Turner Entertainment was about 70 percent done with its upfront business. Some agencies were continuing to

hold off on dealing with Turner because of its refusal to discount pricing. Agencies are expected to strike compromises with Turner this week on deals that are flat to 1 percent above 2002 prices in order to move business.

Discovery Networks last week finalized a one-year, multinetwork deal with Procter & Gamble for about \$50 million.

The question still remains: How much money is available for cable in this upfront when inventory supply is up and USA Networks undercut the market in a grab for volume in June? Game Show Network head of ad sales Michael Sakin has a decidedly sober view of the marketplace. Networks must "put something on the table that is unique, and be realistic," Sakin said. "Agencies are not going to go back and forth with us for five rounds of negotiations." ■

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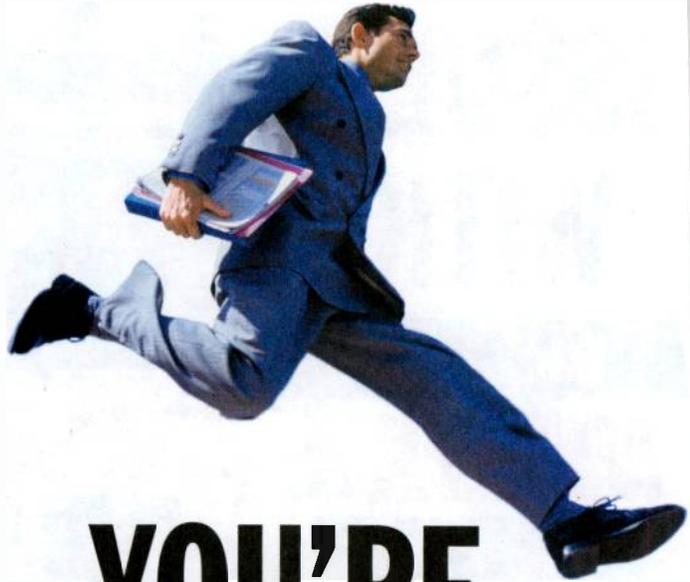
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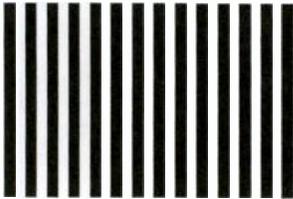
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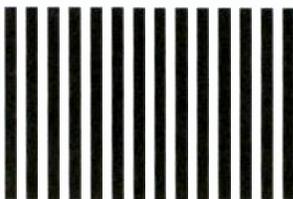
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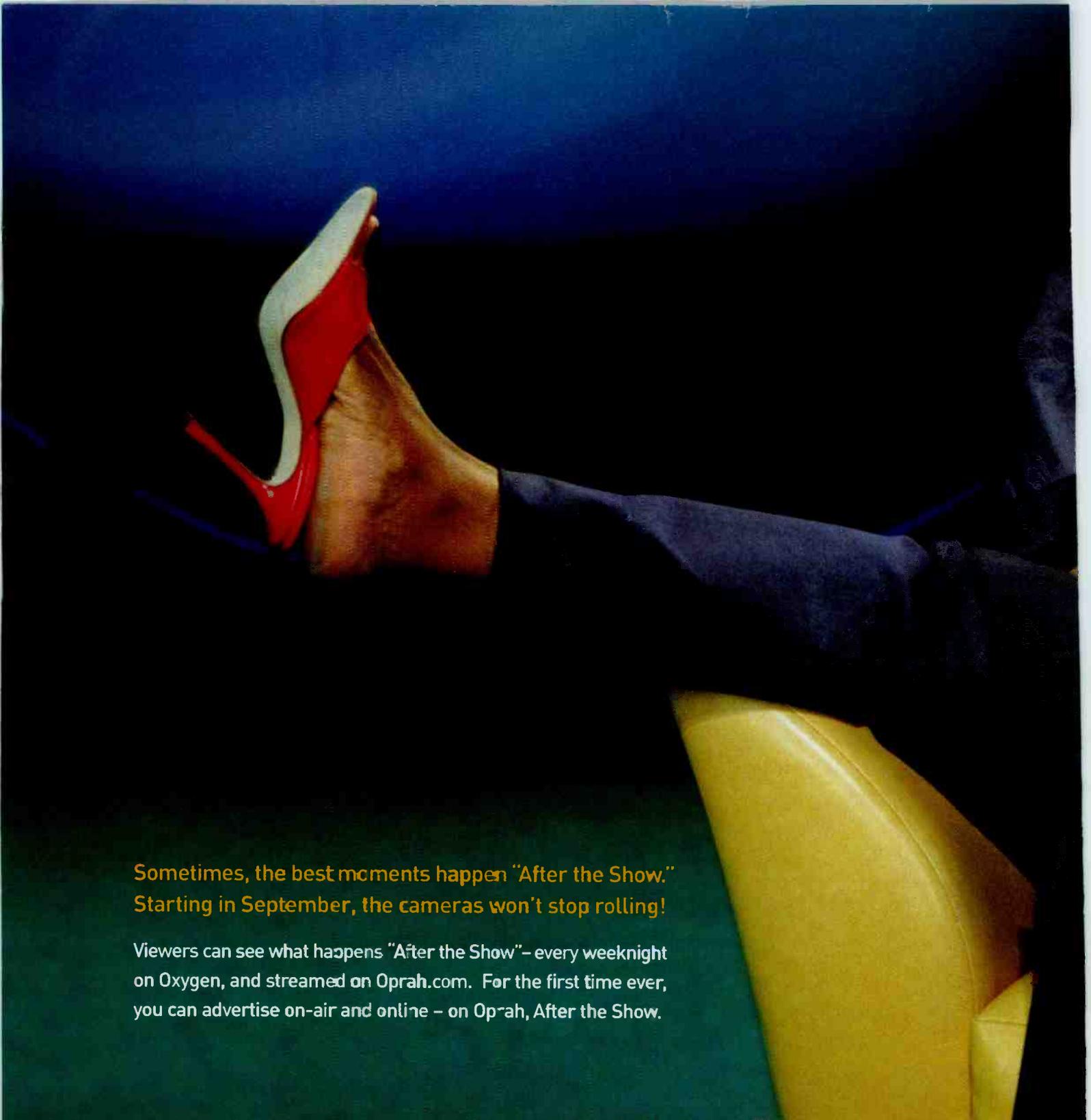
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Local Media

TV STATIONS | NEWSPAPERS | RADIO STATIONS | OUTDOOR | MAGAZINES

TV STATIONS

Acme to Chase A.M. Ads With Group Newscast

BY EILEEN DAVIS HUDSON

St. Louis-based Acme Television plans to enter the increasingly competitive fight for morning news viewers with the Sept. 16 launch of a live, three-hour morning news program. The three-anchor show, which is being called *The Morning Buzz*, will air from 6 a.m. to 9 a.m.

WBDT, Acme's WB affiliate in Dayton, Ohio, will produce the show and feed it via satellite to the other nine WB affiliates in the Acme group. The other markets are: Salt Lake City; Knoxville, Tenn.; Decatur/Springfield/

International news from CNN that will air in five- to seven-minute blocks at the top and bottom of every hour. Each affiliate will team up with the local newspaper or News/Talk radio station to generate local news copy that will crawl along the bottom quarter of the station's screen.

In addition, the company is in the process of hiring three additional weathercasters, who will pre-feed two-and-a-half-minute local weather cut-ins to four of the stations. Three of the stations already have their own weath-



"Revenue in mornings is so soft [that] for anybody that doesn't have news, it's really a wasteland." DOUG GEALY

Champaign, Ill.; Portland, Ore.; Albuquerque, N.M.; Green Bay, Wisc.; Madison, Wisc.; and Ft. Myers/Naples, Fla.

The brainstorm of Acme president and COO Doug Gealy, *The Morning Buzz* is a news show with slightly wacky entertainment segments targeting a young demo. Gealy said that since the WB network has abandoned its kids animation in the mornings, his stations have resorted to airing infomercials in the time period. "[*The Buzz*] will be a lot edgier, a lot more fun [than traditional newscasts]," said Gealy, who added that the show, which will compete with local news and network news, is designed to get some of the a.m. ad revenue that for the most part bypasses his stations.

"Revenue in mornings is so soft [that] for anybody that doesn't have news, it's really a 'wasteland,'" Gealy says. "We're not trying to be No. 1, we're just trying to be in the game."

The show will repackage national and in-

tercasters. Gealy says the end-of-year goal is for all 10 Acme WB affiliates in the group to have a dedicated weatherperson or a local personality who would do both weather and local news cut-ins.

The Buzz will feature various segments tailored to a younger, more mobile audience, said Bill Scaffide, vp/general manager at WTVK-TV, Acme's station in Ft. Myers. The show will target adults 18-49. Among the segments being planned are *The Frying Nunn*, which will feature Richard Nunn, a meteorologist at Acme's KWBP in Portland who is also a gourmet chef; *Dumbass*, a takeoff of MTV's *Jackass*, which will show zany stunts and other things people shouldn't try at home; *Singleton*, which will give singles ideas on how to live the high-life on their own; and *Webheads*, which will feature two folks from Intel Corp. who do a regular segment on such topics as online fraud and getting free stuff via the Internet.

ORLANDO, FLA. TV STATIONS

Fox Ties Knott Into Duop

Fox Television last week named Stan Knott as vp and general manager of its newly created duopoly in Orlando, Fla. Fox owns affiliate WOFL and UPN affiliate WRBW in the market. Knott, who reports to Mitch Stern, chairman and CEO of Fox TV, comes to Orlando from Kansas City, Mo., where he had been vp/gm of WDAF, Fox Television's owned-and-operated station since 1998.

Knott's appointment was announced the same day Fox and Meredith Corp. closed on their previously announced station swap, which resulted in TV duopolies for Fox in Orlando and Meredith in Portland, Ore. In late March, Fox agreed to transfer ownership of KPTV, its UPN affiliate, to Meredith in exchange for two Fox affiliates, WOFL in Orlando and WOGX in Ocala-Gainesville, Fla. Days after the swap was announced in late March, Meredith named Teresa Burgess vp and gm of Meredith's Portland, Ore. TV duopoly, Fox affiliate KPDX and KPTV.

Mark Higgins, the former vp/gm of Fox's WOFL, recently landed in Phoenix as vp/gm of Belo duopoly KASW-TV, a WB affiliate, and KTVK-TV, its independent. —Katy Bachman

TV STATIONS

Emmis Up on Satellite

After holding out for more than two years, Emmis Communications last week finally reached a retransmission agreement with DirecTV for KOIN-TV, its CBS affiliate in Portland, Ore. The Indianapolis-based company also signed a retransmission pact for WKCF-TV, its WB affiliate in Orlando, Fla. The two stations are the only outlets in Emmis' 15-station portfolio that have an agreement with DirecTV. Terms of the deal were not disclosed.

"The biggest thing that will come out of this is that DirecTV will benefit. We have had thousands of phone calls from people who weren't going to sign up because KOIN wasn't offered," said Peter Maroney, vp and general manager of KOIN.

Leading up to the agreement, Jeff Smulyan, CEO of Emmis, had rejected DirecTV's offer of 8 to 10 cents per subscriber per month. "Seventy percent of the population is paying to watch TV, but what they're watching is us. We should get paid for that," said Smulyan. —KB

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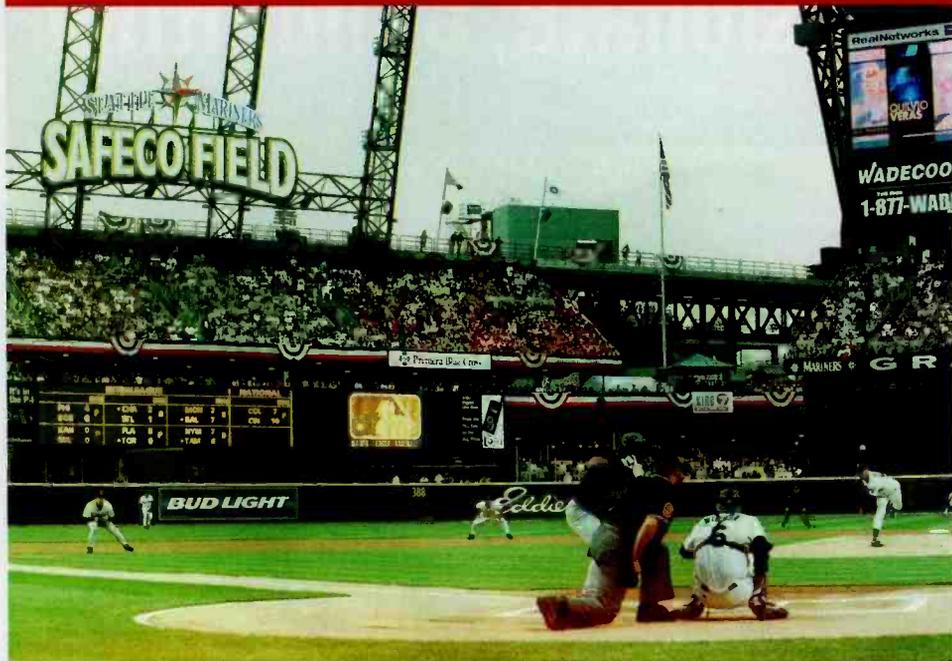
** Mendelsohn Media Research, 2001 Affluent Survey, HHI \$75K+

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Market Profile

BY EILEEN DAVIS HUDSON



Seattle's fervent Mariners fans catch their team's games on Fox Sports Northwest and KIRO-TV.

DAN LEVINS/AP PHOTO

Seattle

BEHIND OREGON, THE UNEMPLOYMENT RATE IN WASHINGTON STATE IS THE SECOND-highest in the nation. For the month of January alone this year, the state's jobless rate was 7.5 percent, compared to the national average of 5.6 percent. A combination of factors have contributed to the

high loss of jobs in the area. Most significant, Boeing, the largest aerospace company in the world, laid off more than 25,000 people in the past year and relocated its corporate headquarters to Chicago. The collapse of the high-tech bubble, of which Seattle was an integral part—Microsoft is based in nearby Redmond, Wash.—also had a major impact.

The state's bleak economic picture in 2001 took its toll on local media in the Seattle-Tacoma market, which ranks No. 12 in the nation with 1.6 million television households, according to Nielsen Media Research. Nielsen Monitor-Plus estimates that the market lost more than \$70 million in spot-TV revenue, which it estimates fell to \$329.5 million in 2001 compared to \$400.1 million in 2000 (see *Nielsen Monitor-Plus chart*).

Belo Corp.'s Seattle duopoly, KING-TV and KONG-TV, like the

fabled gorilla, are a force to be reckoned with in the market. KING has been the longstanding market leader. Its morning news, for example, is the dominant early-morning newscast in western Washington, recording a 63 percent margin of victory in the May sweeps with an average 4.4 rating/24 share at 6 a.m. That bests second-place ABC affiliate KOMO-TV, owned by Seattle-based Fisher Broadcasting, which pulled a 2.7/15. KIRO-TV, Cox Broadcasting's CBS affiliate, was third

with a 2.5/14 and KCPQ, Tribune Broadcasting's Fox affiliate in the market, was fourth with a 0.7/14.

On May 6, Joyce Taylor returned to KING to co-anchor the top-rated *King 5 Morning News* and *King 5 at Noon* newscasts. Taylor had jumped to rival KIRO in 1993, where she held a variety of anchor positions. Upon her return to KING, Taylor replaced Mark Mullen, who had left earlier in the year for an anchor job at Young Broadcasting's KRON-TV in San Francisco. Mullen's former morning co-anchor, Julie Francavilla, is now anchoring the noon newscast with Taylor. Allen Schaffler co-anchors the station's morning news show.

Besides local news, KING also has a locally produced magazine show. *Evening Magazine*, the market's only such show in the 7 p.m. time period, finished in first place in the May sweeps, beating high-profile syndicated fare such as *Entertainment Tonight* on KIRO and *Friends* on KCPQ.

KING also produces news programming under its own K5 News brand for sister outlet KONG. That live, half-hour newscast at 10 p.m. competes directly with the first half hour of an hourlong 10 p.m. newscast on KCPQ. While KCPQ has held the top spot for 10 p.m. news in the past, KONG has managed to narrow the ratings race in the last year. In the February Nielsen sweeps this year, the gap between the two stations was just three-tenths of a rating point. In May, KONG finally surpassed KCPQ, earning a 3.7/7 weeknights (a 16 percent ratings gain over the previous May), compared to KCPQ's 3.5/7 (a May-to-May drop of 17 percent). KING and KONG are also the exclusive broadcast-TV home of the NBA's Seattle SuperSonics and the WNBA's Seattle Storm.

The market's No. 2 news station, KOMO, swapped positions with KIRO in the late-news race, slipping to third place in the May sweeps. Dick Warsinske, KOMO senior vp and general manager, attributes the late-news declines to the poor performance of ABC's prime-time schedule. However, the station did experience ratings growth in other dayparts. For instance, the outlet's 5 a.m. newscast climbed from a 1.2 to a 1.5 and its 5 p.m. news went from a 6.5 to a 6.9.

NIelsen MONITOR-PLUS

AD SPENDING BY MEDIA / SEATTLE

	Jan.-Dec. 2000	Jan.-Dec. 2001
Spot TV	\$400,133,180	\$329,509,578
Local Newspaper	\$223,428,307	\$211,785,282
Local Magazine	\$15,050,722	\$12,737,875
Local Sunday Supplement	\$4,237,345	\$4,558,642
Outdoor	\$3,071,697	\$3,379,789
Total	\$645,921,251	\$561,971,166

Source: Nielsen Monitor-Plus

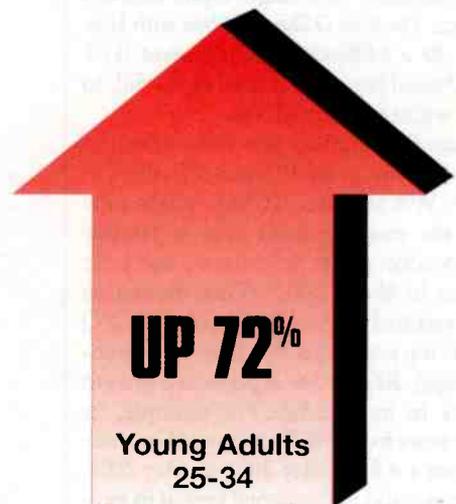
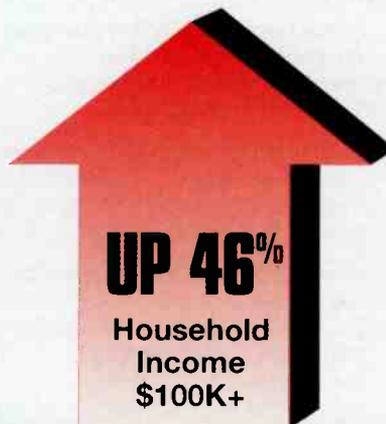
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Market Profile

"We're No. 2 in virtually every time period except prime and late news," Warsinske says.

KIRO has a big advantage because it carries more than 30 Seattle Mariners Major League Baseball games, which it sublicenses from Fox Sports Northwest (the regional sports net holds both broadcast-TV and cable rights for the team). The majority of the games in the market are seen on FSNW. And if Seattle is known for anything, it's the diehard adoration of the Mariners by its fans. "It's not just baseball; it's part of the culture," says Warsinske. KIRO executives did not return phone calls seeking comment.

KOMO produces a local show, *Northwest Afternoon*, which airs from 3 to 4 p.m. The show, now in its 18th year, opens with a 15-minute soap opera update, followed by a 40-minute discussion of a single topic. KOMO will replace *The Rosie O'Donnell Show* with *Who Wants to Be a Millionaire* and *Pyramid With Donnie Osmond* from 4 to 5 p.m. in the fall, to compete with *Oprah* on KING.

Tribune Broadcasting also owns a Seattle-Tacoma duopoly in KCPQ and KTWB-TV, the city's WB affiliate. KCPQ, which only entered the morning-news race in January 2000, expanded its late news from a half hour to an hour in March 2001. While the station has not retained its lead at 10 p.m. (KCPQ claims the top position at that hour on a seven-day average), KCPQ has experienced growth elsewhere in its schedule. For example, its morning news from 7 to 9 a.m. upped its share to a 6 from a 4 from May 2001 to May 2002. The station is also in the second year of its two-year contract to carry the National Football League's Seattle Seahawks' preseason games.

KTWB, which acquired *Just Shoot Me* and *Everybody Loves Raymond* in syndication last fall, will pick up *Will & Grace* and *Dharma & Greg* as its new syndie fare this fall. Pam Pearson, KCPQ and KTWB vp/gm, says with the addition of all the new programming, she will build a late-fringe sitcom block from 10 to 11:30 p.m. this fall. Currently, the only choice viewers in the market have for sitcoms in that time period is on UPN affiliate KSTW, which airs *Spin City* at 11 p.m.

KSTW picked up a double-run of *The Weakest Link* in syndication from 5 to 6 p.m. this year, with tepid results. The station hopes to fare better with *That '70s Show*, which it will acquire for fall. KSTW has also purchased *The Hughleys* for fall, likely airing in daytime, says Phil Kane, program director for KSTW. The station also picked up a second run of *Frasier* for early fringe this fall, as well as *Becker* for 2003.

RADIO LISTENERSHIP / SEATTLE

STATION	FORMAT	Avg. Qtr.-Hour Share	
		Morning Drive, 12+	Evening Drive, 12+
KIRO-AM	News/Talk/Sports	7.9	5.3
KMPS-FM	Country	7.3	6.8
KVI-AM	Talk	5.9	4.1
KUBE-FM	Contemporary Hit Radio	5.3	4.8
KZOK-FM	Classic Rock	5.1	4.2
KBSG-FM	Oldies	4.6	4.6
KRWM-FM	Soft Adult Contemporary	4.2	4.9
KISW-FM	Rock	4.2	2.8
KOMO-AM	News/Talk	3.7	2.2
KWJZ-FM	Smooth Jazz	3.5	3.6

Source: Arbitron Winter 2002 Radio Market Report

NEWSPAPERS: THE ABCS

	Daily Circulation	Sunday Circulation	Daily Market Penetration	Sunday Market Penetration
King County: 740,018 Households				
<i>The Seattle Times/Post-Intelligencer</i>	310,687*	372,624	42.0%	50.4%
<i>The Seattle Post-Intelligencer</i>	122,536#		15.6%	
<i>Eastside Journal</i>	26,376	26,124	3.6%	3.5%
<i>South County Journal</i>	21,906	23,543	3.0%	3.2%
<i>The (Tacoma) News Tribune</i>	9,815	10,223	1.3%	1.4%
Pierce County: 262,354 Households				
<i>The (Tacoma) News Tribune</i>	110,984	126,648	42.3%	48.3%
<i>The Seattle Times/Post-Intelligencer</i>	9,230*	12,496	3.5%	4.8%
<i>The Seattle Post-Intelligencer</i>	7,330#		2.8%	
Snohomish County: 229,370 Households				
<i>The Everett Herald</i>	49,891	57,335	21.8%	25.0%
<i>The Seattle Times/Post-Intelligencer</i>	37,215*	52,826	16.2%	23.0%
<i>The Seattle Post-Intelligencer</i>	16,035#		7.0%	
Kitsap County: 86,876 Households				
<i>The Bremerton Sun</i>	30,435	33,748	35.0%	38.8%
<i>The Seattle Times/Post-Intelligencer</i>	9,322*	13,132	10.7%	15.1%
<i>The Seattle Post-Intelligencer</i>	6,668#		7.7%	
<i>The (Tacoma) News Tribune</i>	1,774	1,859	2.0%	2.1%
Thurston County: 82,943 Households				
<i>The Olympian</i>	33,540	39,323	40.4%	47.4%
<i>The (Tacoma) News Tribune</i>	4,202	4,506	5.1%	5.4%
<i>The Seattle Times/Post-Intelligencer</i>	2,464*	3,761	3.0%	4.5%
<i>The Seattle Post-Intelligencer</i>	2,028#		2.4%	
<i>Centralia Chronicle</i>	1,022		1.2%	

*Combined daily circulations. #Seattle P-I also reports its circ separately. Source: Audit Bureau of Circulations

AT&T Broadband is the dominant cable service provider in the market, where cable enjoys a 69 percent penetration rate, on par with the national average for the top 50 markets, according to Scarborough Research (see *Scarborough chart on page 20*). The number of households with satellite TV service, 15 percent, also matches the top 50-market average.

Entercom Communications is the dominant radio broadcaster in the 14th-ranked Seattle-Tacoma radio market. The company owns eight stations that pulled in a combined 24.7 share in the Winter 2002 book (among persons 12-plus) and generated a total of \$78.5 million, according to BIA Financial Network estimates (see *Radio Ownership chart on page 22*).

The company controls about 35 percent of the market's radio ad revenue.

Entercom's News/Talk powerhouse KIRO-AM has historically been the market's leading station in both share and revenue. As the radio home of the Mariners and the Seahawks, KIRO typically does phenomenal numbers in the warmer months but sees its numbers tumble considerably in the Winter Arbitrons (post-football season). This year was no exception. The station's average share among listeners 12-plus dropped from a peak of 11.5 listener share in the Summer 2001 to a 6.2 in the Winter book. Despite the setback, the station remains the market's highest biller, taking in an est- (continued on page 20)

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Market Profile

SCARBOROUGH PROFILE

(continued from page 16) imated \$29.3 million last year, according to BIA.

Infinity Broadcasting is the No. 2-ranked radio broadcaster in the market with five stations (one doesn't receive enough listenership to show up in the Arbitrons). Its four strongest stations generated a collective 16.9 share and pulled in an estimated \$49.2 million in ad revenue, giving Infinity a 21.7 percent share of the market. Infinity's Country outlet KMPS-FM is not only its strongest Seattle station but also the No.1 Country station in the market. Its sister Country station, KYCW-AM, does not show up in the ratings.

On June 14, Clear Channel finalized its purchase of The Ackerley Group. As part of its acquisition, CC now owns Ackerley's radio unit New Century Radio. In Seattle, CC now runs the four former New Century stations (one of which does not register in Arbitron's ratings), including Sports outlet KJR-AM, home of the Seattle SuperSonics' NBA games. Ackerley sold the SuperSonics and Storm franchises in March 2001 to a group led by Howard Schultz, founder of Seattle-based Starbucks.

Besides owning one of the top TV stations in the market, Fisher Broadcasting also owns three radio stations here. The company's News/Talk outlet KOMO-AM stands to see a sizable uptick in listener share next spring when it begins the first season of a six-year deal as the home of the Mariners. The Seahawks will stay on KIRO. Fisher's Talk station KVI-AM shot up to a 5.2 share in the Winter Arbitrons from a 4.2 share in the Fall book. Paul Duckworth, program director for KVI and KOMO, attributes the increase to a change in the station's on-air talent. KVI also added syndicated *The Sean Hannity Show* last fall. It also expanded local personality John Carlson's show by an hour; he's now heard from 3 to 6 p.m. Carlson, who had worked at the station previously, took a year off to run for governor in 2000. He lost, but he received about 40 percent of the vote.

"Over the last several months, Talk has been a good place to be with everything going on in the world," says Duckworth, adding, "We've tried to position ourselves a little less as the 'Republican station.' We have more dissenting guests on the air."

Sandusky Radio owns four outlets in the market, including Adult Contemporary station KLSY-AM and Soft AC outlet KRWM-FM. KKNW-AM, which the station flipped to CNN Headline News last June, carries the Storm and University of Washington women's basketball, men's baseball and women's softball, as well as local high school football.

Beethoven Broadcasting's KING-FM, the

Comparison of Seattle

TO THE TOP 50 MARKET AVERAGE

	Top 50 Market Average %	Seattle Composition %	Seattle Index
DEMOGRAPHICS			
Age 18-34	31	30	98
Age 35-54	41	43	105
Age 55+	28	27	94
HHI \$75,000+	28	25	89
College Graduate	12	13	105
Any Postgraduate Work	11	12	109
Professional/Managerial	23	25	109
African American	13	3	27
Hispanic	13	5	43
MEDIA USAGE - AVERAGE AUDIENCES*			
Read Any Daily Newspaper	56	55	98
Read Any Sunday Newspaper	64	59	92
Total Radio Morning Drive M-F	22	20	93
Total Radio Evening Drive M-F	18	17	97
Total TV Early Evening M-F	29	30	104
Total TV Prime Time M-Sun	38	34	88
Total Cable Prime Time M-Sun	13	12	89
MEDIA USAGE - CUME AUDIENCES**			
Read Any Daily Newspaper	74	73	98
Read Any Sunday Newspaper	77	75	97
Total Radio Morning Drive M-F	75	74	98
Total Radio Evening Drive M-F	73	75	102
Total TV Early Evening M-F	71	70	98
Total TV Prime Time M-Sun	91	87	96
Total Cable Prime Time M-Sun	59	57	98
MEDIA USAGE - OTHER			
Access Internet/WWW	62	72	116
HOME TECHNOLOGY			
Own a Personal Computer	68	74	109
Purchase using Internet	37	45	122
Connected to Cable	69	69	101
Connected to Satellite/Microwave Dish	15	15	98

#Respondent level too low to report. *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 (August 2000-September 2001)

only Classical station in the market, continues to hold its own, thanks to a loyal following. The station had a 3.2 listener share in the Winter book and generated nearly \$5 million in revenue last year, according to BIA.

Seattle is home to two major daily newspapers, *The Seattle Times* and *The Seattle Post-Intelligencer*, which are published under a joint operating agreement. The *Times* is majority-owned by the local Blethen family. Knight Ridder owns the remaining 49 percent of the paper. The *Times'* daily circulation average for the six-month period ended in March was 228,372; its Sunday circ was 473,232, according to the Audit Bureau of Circulations. While its daily circ was up fractionally, its Sunday circ slid 2.7 percent. *The Seattle Times*

publishes the Sunday paper, which includes three editorial pages from the *P-I*.

The Hearst Corp.-owned *P-I* had a daily circ for the period of 164,190, a 3.5 percent decline from the same period in 2001.

There has been continued speculation that the *Times* is up for sale, but Kerry Coughlin, corporate communications manager for the Seattle Times Co., says there is no validity to the reports. Coughlin says the financial impact of the employee strike at both the *Times* and the *P-I* that ended in January 2001 was substantial. Coming out of the strike, the paper also found that the economy was spiraling toward recession. The combination forced the family to eliminate about 20 percent of its workforce across the board.

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country music television

Market Profile

Coughlin concedes that the *Times* continues to lose money but says the family is committed to riding out the economic downturn. The Blethens have refinanced their debt to come up with additional working capital to rebuild. For instance, the paper has hired 10 people in its main newsroom and filled a few positions in the JOA's business offices, including circulation, marketing and operations. The paper intends to tackle some major issues affecting Seattleites, including traffic and transportation, taxes and spending, and the economy.

On June 5, the *Times* launched a new stand-alone food section, which includes a full-color page on the back devoted to regional wine coverage. Since the food section moved out of its previous home in the Northwest Life section, the health coverage in Northwest Life has been expanded. In addition, a new, weekly gardening page has been added to the back of Northwest Life. "These are areas we've heard from readers are very important," Coughlin says.

The *Times* switched to a morning publishing schedule in March 2000. Since then, its single-copy sales have jumped 24 percent year-to-year, says Coughlin, adding, "A lot of [the increase] is in response to going to morning."

In the past year, the *P-I* has gradually added back all of the features, columns and other content that were eliminated as a result of the strike. Unlike the *Times*, the *P-I* did not have any layoffs, but it did institute a hiring freeze last year. That freeze has been lifted and the paper has several unfilled positions.

"We don't have zoned coverage, but we're increasing the amount of news coverage of the region—what we call Central Puget Sound," which consists of south Snohomish County; King County, where Seattle is located; and northern Pierce County, says *P-I* spokesperson John Joly. In other recent news, the *P-I* this month promoted Ron Matthews from assistant sports editor to sports editor.

Among the handful of alternative papers in the market, *Seattle Weekly* is the largest and oldest. Published by Village Voice Media, *Seattle Weekly* has a free circulation of 104,000. Publisher Alisa Cromer left last December and the paper is currently conducting a national search for a replacement.

Seattle Weekly is distributed in the Seattle metro, Tacoma and Vancouver, Canada, areas. The paper strives to be atypical for a tabloid in terms of its content, readership and advertisers. "We're very different from our competition in this market," says Dana Faust, *Seattle Weekly* associate publisher. She says the paper is more literary and less focused on the club

NIELSEN RATINGS / SEATTLE

EVENING AND LATE-NEWS DAYPARTS, WEEKDAYS

Evening News

Time	Network	Station	Rating	Share
5-5:30 p.m.	NBC	KING	10.3	22
	ABC	KOMO	7.3	15
	CBS	KIRO	5.7	12
	Fox	KCPQ*	1.6	4
	UPN	KSTW*	0.9	2
	Pax	KWPX*	0.7	1
	Independent	KONG*	0.6	1
5:30-6 p.m.	WB	KTWB*	0.6	1
	NBC	KING	10.3	22
	ABC	KOMO	7.3	15
	CBS	KIRO	5.7	12
	Fox	KCPQ*	3.3	7
	UPN	KSTW*	1.0	2
	Independent	KONG*	0.9	2
6:30-7 p.m.	WB	KTWB*	0.9	2
	Pax	KWPX*	0.7	1
	NBC	KING	11.8	21
	ABC	KOMO	8.0	14
	CBS	KIRO	4.7	8
	Fox	KCPQ*	4.2	7
	UPN	KSTW*	2.9	5
6:30-7 p.m.	WB	KTWB*	2.7	5
	Independent	KONG*	0.7	1
	Pax	KWPX*	0.4	1

Late News

10-10:30 p.m.	Fox	KCPQ	3.3	6
	Independent	KONG	3.0	5
10:30-11 p.m.	Fox	KCPQ	3.3	6
	Independent	KONG*	1.2	2
11-11:30 p.m.	NBC	KING	12.0	31
	CBS	KIRO	4.5	11
	ABC	KOMO	4.3	10
	Fox	KCPQ*	1.9	5
	UPN	KSTW*	1.4	3
	Independent	KONG*	0.7	2
	WB	KTWB*	0.6	1
Pax	KWPX*	0.6	1	

*Non-news programming. Data includes Olympics/Late News telecasts.
Source: Nielsen Media Research, February 2002

RADIO OWNERSHIP

OWNER	STATIONS	Avg. Qtr.-Hour Share	Revenue (in millions)	Share of Total
Entercom Communications	3 AM, 5 FM	24.7	\$78.5	34.6%
Infinity Broadcasting	4 FM	16.9	\$49.2	21.7%
Sandusky Radio	1 AM, 3 FM	14.8	\$28.8	12.7%
Fisher Communications	2 AM, 1 FM	11.2	\$26.0	11.5%
Clear Channel Communications	1 AM, 2 FM	8.9	\$20.5	9.0%
Beethoven Broadcasting	1 FM	3.2	\$4.9	2.2%
Crista Ministries	1 FM	2.5	\$3.5	1.5%

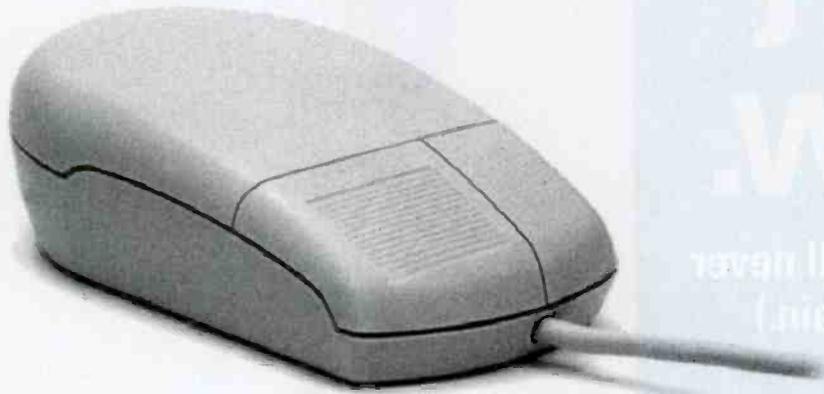
Includes only stations with significant registration in Arbitron diary returns and licensed in Seattle or immediate area. Ratings from Arbitron Winter 2002 book; revenue and owner information provided by BIA Financial Network.

scene. It also targets an older and more affluent demographic and attracts advertising segments not usually associated with alternative weeklies, including higher-end retail, books, and home furnishings. The paper will launch a redesign on June 27.

With its purchase of Ackerley and its out-

door division, AK Media, Clear Channel is now the dominant outdoor player in Seattle. Clear Channel now has about 200 standardized bulletin faces in the market (and about 80 odd-sized units), 1,600 30-sheet poster panel faces, 180 8-sheets, 27 trivision faces, and 11 walls.

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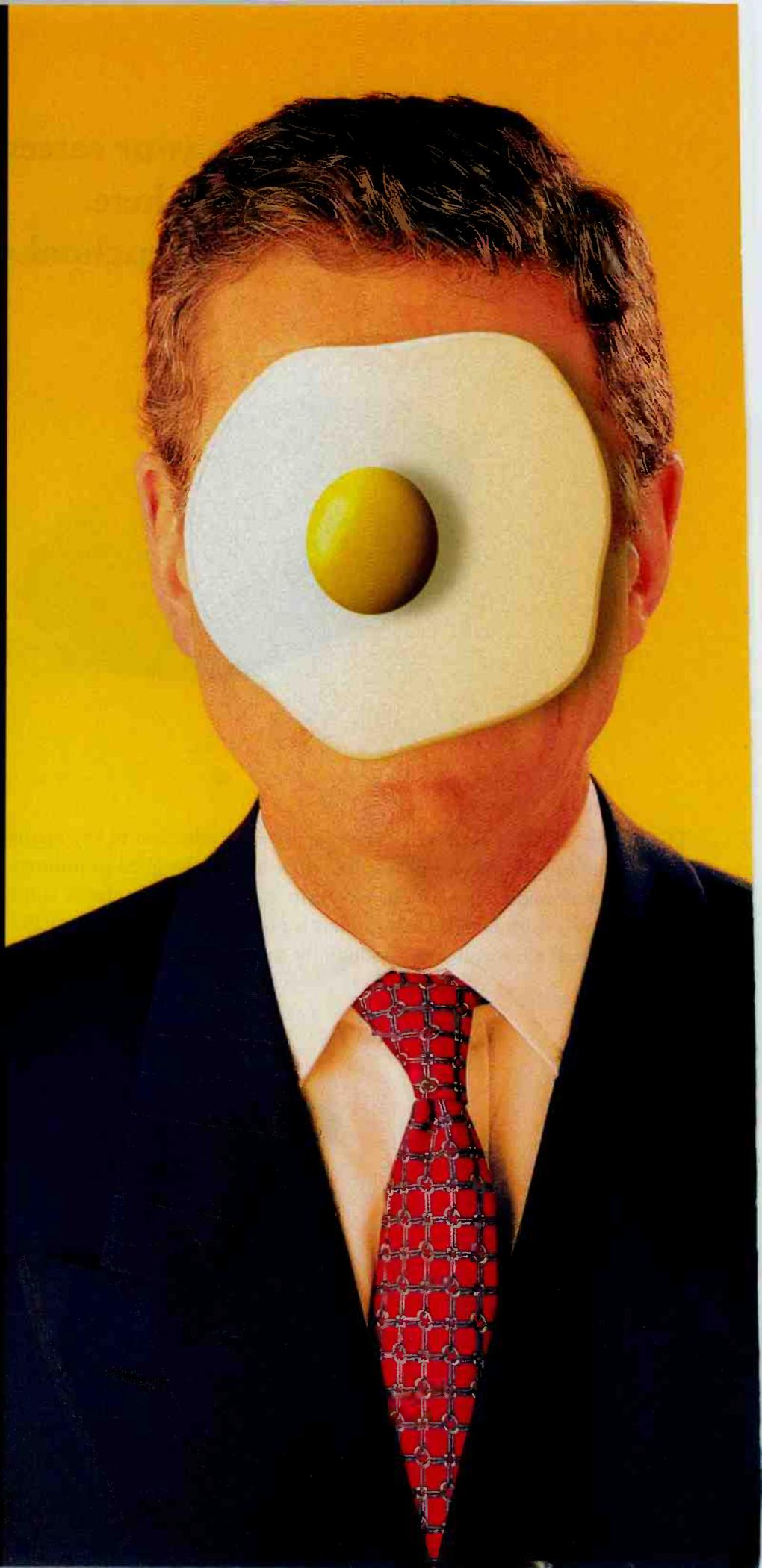
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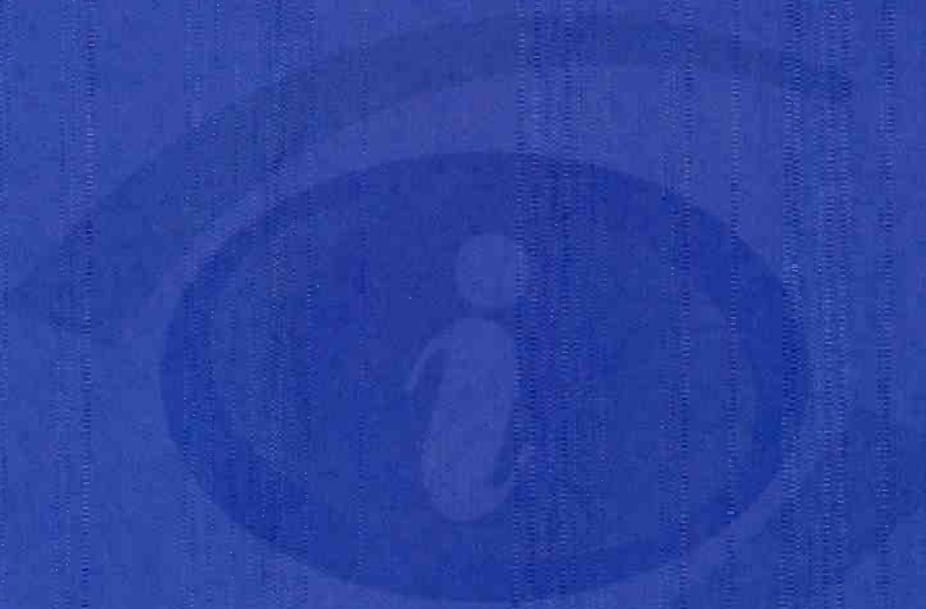
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plus

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The Interactive Advantage

You are about to read about an extraordinary advertising campaign that the Interactive Advertising Bureau (IAB) is launching today. I believe that it is unprecedented in its scope, theme and—more importantly—in the fact that the Interactive Advertising industry has come together as one entity to brand the medium that we all do business in. As you read about the details, the rationale and see the creative, please bear in mind that all of the participants involved are donating their goods and services for the overall benefit of the industry. This multimillion-dollar campaign represents smart investment spending by the key players in our industry, for the overall good.

Virtually all IAB member publishers are donating inventory and/or facilities. *Adweek* Magazines is producing this ad-supported special section and will be carrying this campaign within their pages. Atlas DMT has provided their ad-serving capabilities and Stein Rogan + Partners has done the initial research and is providing all of the creative services. Underscore Marketing LLC has provided all media-planning services and campaign-management strategy. The industry owes these companies a tremendous debt of gratitude, and we salute their enthusiasm and dedication to the interactive medium.

Last year, the Interactive industry was experiencing the swoon that has affected all advertising sectors. However unlike those other sectors, Interactive has the advantage of immediacy. When I joined the IAB late last year, one of the themes that was played back to me time and again was that the IAB needed to be front-and-center in helping the industry to overcome the existing obstacles to growth, and identify future areas of concern and move to address them head on.

The IAB is fortunate to have a very active and interested Board of Directors, the senior leaders of our industry, all of whom unanimously realize that we are all in this together. Among the IAB member companies are the best minds in the industry, and working together they have enabled us to fashion a branding campaign for the industry, one that will clearly position the medium to our customers.

Over the past year, the IAB has stepped up by providing voluntary guidelines and best practices for audience measurement and campaign audits, terms and conditions for Internet advertising, rich-media guidelines, and has formed committees geared to meeting pressing needs of our membership, including the Chief Financial Officer Council and Interactive Broadcasting and Sponsorship. We continue to field research designed to demonstrate, over and again, the advantages of the interactive medium for marketers.

The IAB is the only organization that is able to address these issues on an ongoing, pro-active basis. I am extremely proud of our accomplishments on behalf of the Interactive Advertising and Marketing industry and welcome the participation of all like-minded companies. If you're not a member yet, call me, we'll do lunch.

Greg Stuart
President & CEO
Interactive Advertising Bureau

what's inside

4 The Right Mix

The evidence is in: Interactive is an integral component to a successful brand-building campaign. The experts give proof beyond the hype.

10 Brand Impact: Dove Nutrium Bar Cross-Media Study

When Unilever marketed its Dove Nutrium Bar on MSN, metrics for brand recall and brand image soared. Here's how online compared to TV and print.

14 The Medium's Swell

The IAB launches its first marketing campaign. The story behind the effort.

20 IAB Campaign Contributors

A Who's Who of Interactive's best and most influential.

22 5 Myths About Interactive Debunked

Think you know everything about maximizing ROI on the Internet? Think again.



The Right Mix

Talk is cheap. And for the past several years, there's been a lot of talk about interactive's role in marketing and advertising that couldn't adequately address traditionally minded marketers' qualms. While the questions—What's the clickthrough rate? How many impressions will I get?—were themselves often off-track, the answers could be equally frustrating to those involved in the still evolving Interactive space.

To be sure, marketers were rightly concerned with maximizing their return on investment. "Where's the data?" marketers would ask.

In the not-too-distant past, media plans for online were often created using more intuition and luck than actual strategic planning. Insufficient metrics such as clickthrough and impressions didn't help matters. In fact, these data points—while useful in measuring some powerful components of online—failed to illustrate interactive media's total strength.

"We are seven-years-old as an industry," says Greg Stuart, president and CEO at the IAB. "So it took some time to aggregate enough data and have it make sense within the context of the larger media world."

Now with the surge of data, the tide has started to turn.

Today, branding metrics that apply to traditional media can be gathered from online efforts, and marketers can derive a clear picture of consumers' attitudinal and behavioral responses to online ads, thereby enhancing the effectiveness and efficacy of their marketing programs. In fact, every one of the dozens of research studies conducted regarding branding on the Internet has consistently demonstrated that online advertising effectively brands. No single study has shown otherwise.

A Unique Selling Proposition

It may seem obvious, but it's a fact worth repeating: interactive media's Unique Selling Proposition lies in its ability to interact with consumers. Harnessing the power of consumer interaction led many marketers to consider Interactive only for its direct response opportunities. However, utilizing the Web only for direct response gives the medium short shrift.

The Internet was once an afterthought in the marketer's bag of tricks. Now, it's become an *active ingredient* in the perfect blend of a successful overall campaign.

"Those of us working in the industry wonder why all online ads were measured based on DM metrics," says Mark Naples, vice president of marketing at 24/7 Real Media. "What was it about clickthroughs? We're just now beginning to understand how to measure the branding effectiveness of the Web."

Indeed, measuring clicks represents a metric that online can provide, but it's a metric that doesn't fully illustrate the capacity of the medium. For some marketers, such as consumer packaged goods companies, clickthroughs may be of little value, if their goal is to build brand.

"People have known from the beginning of online advertising that it could work for direct response," says Kelly Colbert, vice president of marketing at the IAB. "And many have leveraged that opportunity. But the fact that we now know that online can complement a branding campaign means that marketers can be more effective and cost efficient in achieving a range of branding goals, from awareness to brand image to impact on sales."

And by incorporating the lessons learned from the early days of marketing on the Web with the new intelligence gathered from the growing number of studies, interactive media has proven that it has grown into the *brand-action medium*.

"Online advertising is a grossly untapped marketing vehicle, and advertisers are just beginning to scratch the surface in terms of its power," says Wendy Boehm, director of marketing communications at Atlas DMT. "The IAB is leading the industry in an effort to put our money where our mouth is and demonstrate the power of online advertising."

“Online advertising is a grossly untapped marketing vehicle, and advertisers are just beginning to scratch the surface in terms of its power. The IAB is leading the industry in an effort to put our money where our mouth is and demonstrate the power of online advertising.”

Wendy Boehm,
Atlas DMT

The Proof Is Out There

Until recently, Web advertisers have lacked the capacity to gather the same type of information and feedback that's currently collected for TV advertising. The IAB and its members, along with research firms such as Marketing Evolution and Dynamic Logic, have developed comprehensive systems and research methodologies that can track all major online marketing activity—ranging from ad banners to targeted Web site communications.

For its new branding campaign (See page 14), the IAB has partnered with Atlas DMT to serve all online ads. Boehm says Atlas DMT's Integrated Campaign Management System will report, analyze and optimize the effort to achieve the best results. “Third-party ad serving is a must,” says Boehm. “It enables marketers to understand what's working and what's not, then optimize their campaigns.”

Brands that had previously relied on impressions, clickthroughs and the “gut feeling” that Web advertising works now have the type of scientific research—currently non-existent for TV or magazines—that allows marketers to tangibly measure the value of specific elements of a Web site or performance of specific ads. And beyond that, the value of key elements of online marketing programs now can be compared to traditional marketing communications programs.

“As I've transitioned from positions in traditional media, I have become a true believer in the marketing potential of the online space relative to TV and print,” says Debbie Reichig, senior vice president of marketing and research at iVillage. “The Internet is in very early phases of development. We haven't begun to fully explore the depth and range of possibilities as they apply to marketing.”

With new research tools, marketers can create more effective and efficient programs and be assured that ROI can be quantified.

“I think there's almost a feeling of relief that we're now being realistic about how we're approaching the medium,” says Wenda Harris Millard, chief advertising sales executive at Yahoo! “We're at a point of maturation in the industry, and we're acknowledging that online is one of the powerful pieces in a marketing campaign. We're no longer standing completely separate and apart.”

Applying the Research

The past five years of Internet marketing have proven that online advertising is much more than a direct response mechanism. But how can marketers apply the research to real-life campaigns? How does Interactive factor into the overall marketing mix?

A groundbreaking Cross-Media case study (See page 10) looking at Unilever's Dove Nutrium Bar illuminates how online works with TV and print.

“Interactive marketing programs have delivered strong, measured results for scores of major brands,” says Matt Freeman, CEO at Tribal DDB, a leading Interactive Agency. “Yet, the value of online media is still often underestimated or ignored.”

Freeman says successfully optimizing an online effort can be as simple as increasing frequency and reach of a given campaign.

“Even those marketers who understand that online can be very powerful for branding sometimes aren't fully aware of how to optimize their campaigns,” adds Colbert. “Lack of planning leads to sub-optimal results, and marketers end up with less effective campaigns, while they're paying more for the results they are getting than they would be if online was a bigger part of the mix.”

In case study after case study, there's proof that shows increases across all branding metrics when online spending is adjusted upward.

When America Online, for example, participated in the online-only launch of Volvo's S60, one of the objectives of the campaign was to establish a brand image for the new car model. The campaign maximized AOL's promotional resources, with banners appearing on AOL's welcome screen and auto section, as well as promotions via member sweepstakes and member perks.

“While others saw the decision to choose online media over national TV and radio as a risk, we saw it as an opportunity to advance the role of the Web in marketing,” says Mark LaNeve, president and CEO at Volvo Cars of North America.

The campaign yielded impressive results: Volvo reached 85 percent of its sales objective during the run of the campaign, despite declining sales throughout the entire ad sector during the same quarter. More than 13,000 AOL members requested member packages, and more than 1 million users visited the Volvo S60 site.

“Our job at AOL is to solve problems for marketers,” says Bob Sherman, president of Interactive Marketing at AOL. “And pure brand advertising is just one piece of the puzzle. The one-to-one relationship with the consumer and the ability to create context for their advertising is unique.”

Costs and Effects

Despite the decline in online advertising spending, which was down 12 percent last year, online ad revenue still



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"A few years ago, you were either an Interactive advertiser or you were not. What we're saying today is, 'You don't have to be one or the other.' This medium has a place for everyone in the overall marketing mix."

Greg Stuart,
IAB

out-performed broadcast TV (down 13.8 percent), and spot radio (down 20.4 percent). Additionally, online advertising is still growing at a faster pace than the first six years of cable and broadcast television.

Fortune 100 companies that advertised online in the first half of 2001 grew to 87, a 21 percent increase over the previous year. The effectiveness of online hasn't fundamentally changed from when the first study was done. But smart marketers have recognized the changes in the industry.

Indeed, marketers are likely drawn to interactive media by the innovations in larger marketing units which have proven to be more effective than standard banners. "Maybe standard banners aren't as effective now as they were," says Rex Briggs, principal at Marketing Evolution, "but newer units have come out that are even more effective. There's a kind of cycle of innovation that's producing good solid results in the increase in brand awareness and purchase intent."

But beyond more effective interactive advertising units, the costs associated with tracking and measuring results are significantly lower than those in traditional media measurement.

"The bottom line is that basically about \$1 billion to \$1.5 billion is spent annually trying to quantify the branding effect of television," says Briggs. "Only the major marketers can afford to do this kind of research because it's so expensive." Briggs says a basic study looking at the effect of branding online start at \$10,000.

Mixin' It Up

When it comes to adding online into the marketing mix, marketers may not be fully aware of the equation.

"I tell marketers that when they think about online to accomplish their branding goals, they should think of it very similarly to the way they think about magazines or even television," says Briggs. "In fact, if you compared online to magazines on how it affects people's branding levels, they are not all that different."

Bruce Rogers, vice president of marketing at Forbes.com, says while past discussions with advertisers focused on how Interactive benefited campaigns without other media, today, talks center around developing well-thought out and integrated media mix plans.

"The discussion that we have now are, 'How should this fit into your media mix? Where are you in your media mix on this and how can we help you better understand how to integrate Interactive Marketing into your overall

campaign,' rather than looking at Interactive as a replacement for—or independent of—anything else," Rogers says.

The Right Stuff

The greatest strength of interactive media is its ability to allow interaction with consumers, to make connections and establish dialog.

"No other medium has the ability to interact," says Rogers. "But while Interactive is still a new medium, human nature doesn't change. Online simply offers a new channel for distribution, an addition to the arsenal in the media mix."

Reichig says the opportunity for dialog and communication is such a strong dimension of the online medium, "once that power is harnessed, Interactive will become the central platform for integrated media campaigns."

"Interactive offers the only opportunity to advertise in a medium that is both broad and uniquely individualistic. It's the opportunity to reach marketer's target audiences in a highly contextual format," adds Colbert.

"It's the contextual relevance that draws consumers to online ads," says Harris Millard. Therefore, she adds, "it's incumbent, with our partners at agencies, on the client side and in the media, to get focused on creative. Consumers are smart and they have certain expectations. Interactivity is inherent to the definition of what we do."

The IAB's new branding campaign—which highlights the successes of various brands—will serve to invite marketers to the interactive medium, rather than to show that there's a difference between traditional and Interactive.

"A few years ago, you were either an Interactive advertiser or you were not," says Stuart. "What we're saying today is, 'You don't have to be one or the other.' This medium has a place in the overall marketing mix."

The IAB has brought together many key people to work on its marketing effort, and Stuart says, that's the only way this massive undertaking could have been accomplished.

"Individual companies can't do it alone," Stuart says. "The thing that differentiates us as an industry from TV and print is our ability to garner resources and turn something around quickly for the better of the marketer."

Since 1996, the Interactive Advertising Bureau has worked to better understand interactive media's role in the overall marketing communications process via the IAB's Online Advertising Effectiveness Study and other research. For more information, visit www.iab.net.

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case study

Brand Impact: Dove Nutrium on MSN

In a groundbreaking cross-media study, brand metrics for Unilever's Dove Nutrium Bar were measured across TV, print and on the Internet. The results? Online significantly boosted brand recall and brand image

Advertisers can reach consumers through any number of advertising vehicles. From TV to print to radio to the Internet, consumers can choose from a wide variety of media outlets to receive content—and marketing messages.

Today, consumers are increasingly choosing the Internet. According to a report from Jupiter Media Metrix, 12 percent of media consumption happens online. However, a mere 2.5 percent of ad spending is online.

A report from the University of California, Los Angeles, found that American consumers are online an average of 9.8 hours per week. That's up 4 percent from 2000 and will only increase as the price of PCs decline and broadband access proliferates.

Research has shown that Internet users are spending less time with books, magazines and newspapers. And perhaps most tellingly, TV consumption of Internet users is 37 percent lower than that of non-Internet users.

Because of the Web's growing influence, marketers can't afford to ignore these facts. Consumers are waiting—but they will not wait for long.

With marketers searching for data to justify their return on investment, the MSN-Dove Nutrium Bar Cross-Media case study sheds light on whether marketers should increase their online ad spending and by how much.

METHODOLOGY

The MSN-Dove Nutrium Bar Cross-Media case study is the first in an ongoing series of real-life and industry-wide research projects.

Commissioned by MSN,

conducted by Marketing Evolution, and sanctioned by the Advertising Research Foundation and the Interactive Advertising Bureau, the study is one of the most ambitious and comprehensive looks at the impact of brand building in a real-life, cross-media environment.

The objective of the study was to measure the interaction between advertising to consumers across media types. The brand impact of Dove Nutrium Bar across TV, print and the Internet was examined and weighed.

Fielded over a six-week period between October and November 2001, the consumer sample was screened to include only U.S. adult females, Unilever's target consumer for Dove Nutrium Bar.

The branding level of each consumer was measured, along with the pattern of advertising exposure across all media. Actual national advertising campaigns on TV and in print were compared to online.

The study focused on measuring key branding variables: Unaided brand awareness and aided brand awareness. Additionally, recall of brand image and brand attributes for Dove Nutrium Bar—such as the product containing vitamin E, being two soaps in one, nourishing to your skin, among other attributes—were measured.

And finally, intent to take action and purchase intent were measured across the sample.

TRACKING EXPOSURES

For the online component, a transparent pixel was imbedded in ads linked to research ad servers to

measure how many ads each consumer was exposed to, using Dynamic Logic's Ad Scout System.

For print, the use of date of issue and reported "read or looked at in the past week" was considered. For TV, past week viewing by time period and then programs within time periods were reported.

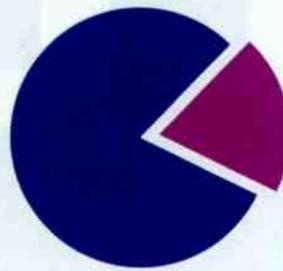
HISTORY

A number of studies have been conducted in the past. Previous research has demonstrated that online advertising is as effective as traditional advertising in communicating brand messages.

Indeed, the first study to look at the impact of online in branding was conducted in 1996. HotWired's Advertising Effectiveness Study looked at three brands: AT&T, Levi's Dockers and Microsoft IE 2.0. Key findings from this study showed that four ads on HotWired averaged a higher ad recall than TV efforts for the same brands.

The conclusions drawn from that study helped to create a benchmark for further studies.

CONVERSION RATES BASED ON BANNER EXPOSURE



Studies showed an 80 percent conversion rate after an impression even without a clickthrough

Source: Avenue A, 2000

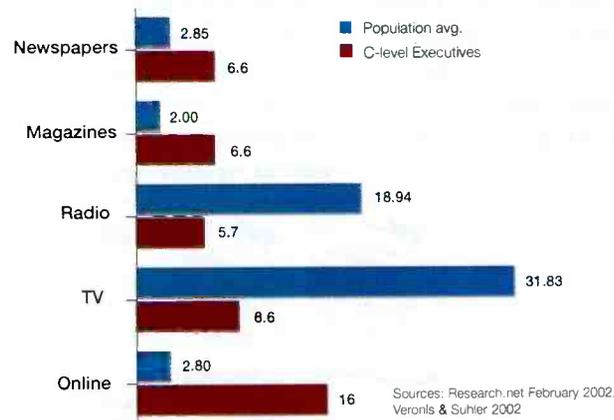
Reach CEOs

Where They Live

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New research from Research.net proves that C-level executives live on the Web. In fact, they spend more time on the Web than they do with any other medium—an astonishing 16 hours per week. That's more than 5 times the average time spent online by the general population.

Media consumption in hours per week:



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case study

While technology has evolved and changed since 1996, and consumers' Internet usage has increased and matured, the effectiveness of online ads have changed little.

According to a recent report from Morgan Stanley Dean Witter, online banners were found to "exceed or are as good as magazines, newspapers and television in generating brand recall and brand interest. When branding is considered in terms of cost effectiveness, banners look even better."

FINDINGS

Banners for Unilever's Home and Personal Care brand Dove Nutrium Bar were compared to TV and print efforts. The key was establishing the same messaging across the ads.

The Cross-Media study revealed that brand and purchase intent increased by 3 points over the six-week period. Additionally, aided awareness was boosted 12 points and brand image—being able to recall an average of five attributes—spiked 13 points over the same period.

The data confirmed that online provides a great contribution to brand impact, when compared to TV and print.

CONCLUSIONS

The data provides actionable information for marketers to gain a competitive advantage over those marketers that have not yet integrated online into their marketing media mix.

Recommendations for optimizing campaigns include increasing frequency and reach. Even slight modifications, such as an increase in reach, significantly boosted brand image, and in some cases, by as much as 32 percent. And purchase intent lifted 49 percent with increased reach.

When frequency was increased,

brand image was lifted 73 percent and purchase intent lifted by 152 percent.

The study showed that online is most cost efficient compared to traditional media, in terms of lowest cost-per-branding increase from pre-branding levels.

And indeed, the highest branding levels were achieved with multimedia advertising programs, showing that integrating media was the most cost efficient method when compared to advertising on TV or in print alone.

RECOMMENDATIONS

In a scenario where online reach was increased to 60 percent and frequency to 3.1, significant gains were achieved. Additional dollars invested in online advertising can boost overall branding results. The study found a 5 percent boost in branding metrics by increasing online reach to 60 percent.

Increasing online frequency saw a 3 percent boost by upping frequency from 1.7 to 3.1. Doing both, an 8 percent boost in overall branding metrics was achieved.

Simply put, for most marketers, increasing online budgets will better optimize branding results across all media.

Whether the Unilever data can be projected to other marketers' efforts is yet to be seen. New studies, sanctioned by the IAB, will address this issue. The key lesson as to why online made such a huge contribution is clear, according to researchers.

"In a very short period of time, consumers have embraced the Internet and are using it more and more of the time," says Rex Briggs, principal at Marketing Evolution and lead on the Cross-Media study. "There are a lot of packaged-goods companies that are only buying 15 million to 20 million impressions as part of their campaign for online, but if you stacked that up or counted them as GRPs, most people would look at that and say, 'We should be buying a lot more if we want to have an effect.'"

"I believe the Dove-MSN Cross-Media case study is the tipping point for the industry," says IAB president and CEO Greg Stuart. "The lessons tell us about how media interoperate together."

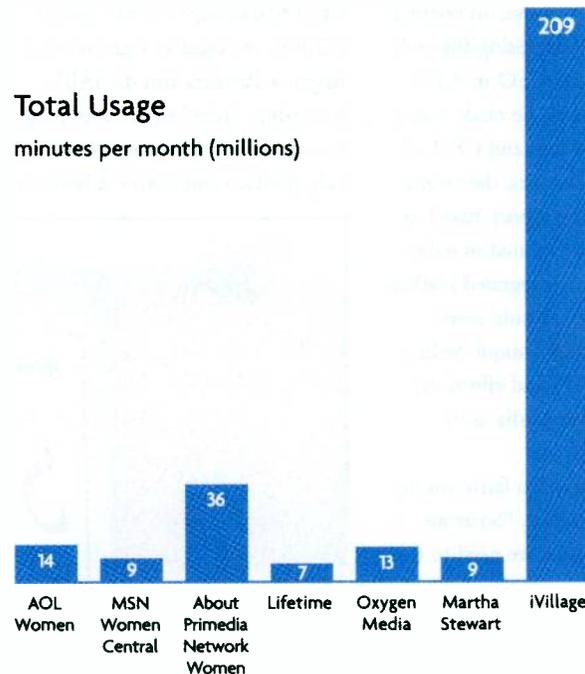
The IAB works with leading marketers for its marketing mix research studies. For more information about this or other case studies, visit advantage.msn.com and www.iab.net/measuringsuccess.



As seen on the Net: Banner ads for Dove Nutrium Bar helped boost brand in key metrics such as recall and image.

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Source: Jupiter/Media Metrix May 2002 Women 18+

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The Medium's Swell

The IAB's new marketing campaign showcases the successes of myriad well-known brands that sizzled on the Web

"As we continue to mature, we need to treat interactive media as a brand. The manner in which we position ourselves as an industry today is critical to driving the success and adoption of the interactive platform in the years ahead."

Greg Stuart,
IAB

When Greg Stuart came on board as the Interactive Advertising Bureau's new president and CEO in April, one of the first calls he made was to Tom Stein, president and CEO of Stein Rogan + Partners, the award-winning branding agency based in New York. Stuart wanted to enlist Stein to create an integrated marketing campaign that would reveal online advertising's Unique Selling Proposition (USP) and effectively launch interactive media as its own brand.

"Interactive is still a fairly young medium," says Stuart. "So as we continue to mature, we need to treat interactive media as a brand. The manner in which we position ourselves as an industry today is critical to driving the success and adoption of the interactive platform in the years ahead."

For Stein, the offer to participate in a project of such magnitude—broadening and branding the Interactive Advertising industry as a whole—was simply irresistible.

"The medium is still finding its level somewhat," Stein says. "However, we've clearly moved from the early-adopter phase of the medium into the early-mainstream phase. The pendulum has started to swing toward Interactive as a natural, integral part of an overall marketing mix, and telling this message was a challenge I couldn't pass up."

So with input from the IAB's Chief Marketing Officer Council (CMO), the creative team at Stein Rogan + Partners and the IAB's leadership, Stein began developing a strategy for the campaign that would help position Interactive Advertising

in its proper place: namely, as an integral component in the overall marketing mix.

But before the campaign could be developed, Stein Rogan launched a comprehensive research study to find out what marketing and agency

They added the active ingredient.

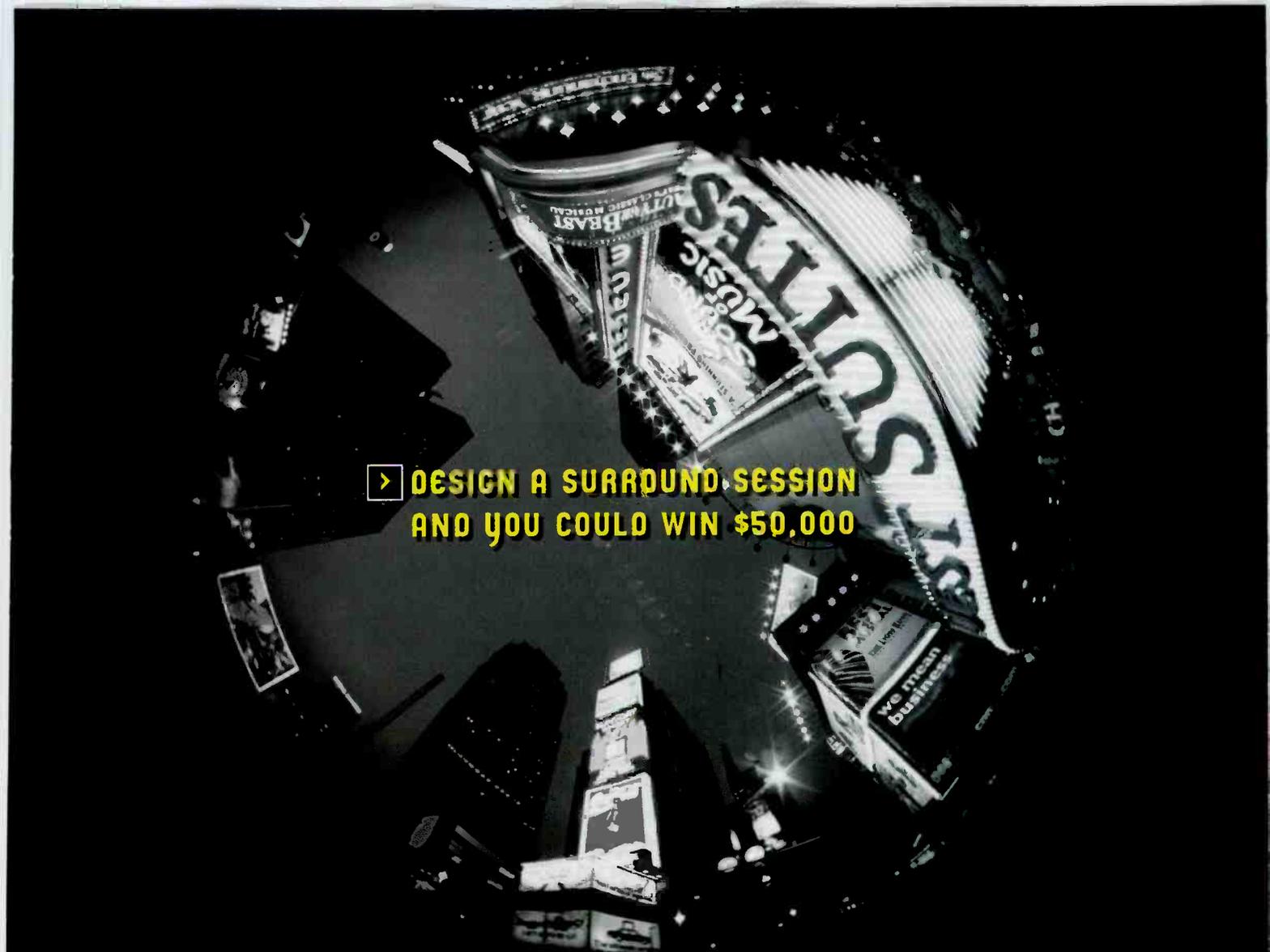
Brand after brand are proving that, when it comes to connecting with customers, fostering action and driving sales, interactive is the active ingredient. And that the more interactive is part of your mix, the more you increase awareness, preference and purchase intent. Only interactive provides the interaction that sparks brand action...and business results. Which is why it's a key ingredient in your brand's success.

INTERACTIVE. It's the active ingredient.

 Interactive Advertising Bureau

For more information on the complete case study as well as other cases and research results, visit www.iab.net/brandaction

The Active Ingredient: Both the Interactive and traditional advertising communities will be surprised when the actual brands represented in the IAB's new campaign are unveiled.



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“Working in tandem with the IAB and Stein Rogan + Partners, we adopted a ‘show me, don’t tell me’ approach. In this case, the way in which the message is presented is as important as the message itself.”

Tom Hespos,
Underscore
Marketing

leaders thought about the Interactive Advertising and Marketing industry. Conducting more than 400 in-depth interviews with marketing and agency executives and influencers, as well as tapping into the collective brain trust and marketing expertise of IAB member companies, Stein Rogan uncovered a wealth of compelling data points, including:

- Nearly 80 percent of the major brand marketers and advertising agency executives surveyed said interactive media and marketing is now considered a mainstream medium.
- Sixty-nine percent of industry leaders surveyed said their opinions regarding the effectiveness and importance of interactive media have shifted positively over the past 12 months.
- More than 60 percent of respondents indicated that their organizations and/or their clients are less resistant to considering interactive media and marketing initiatives.

Armed with this and other new

critical pieces of intelligence from the study, Stein Rogan created the IAB’s first marketing campaign that reflects the key findings from the research, and highlights the success of well-known brands in real-life campaigns.

“Working in tandem with the IAB and Stein Rogan + Partners, we adopted a ‘show me, don’t tell me’ approach,” says Tom Hespos, president at Underscore Marketing, the IAB’s media partner for the new campaign. “In this case, the way in which the message is presented is as important as the message itself.”

The campaign launches this week and is planned to run throughout the year and well into 2003.

Stein says the main intents of the campaign are to demonstrate the medium’s efficacy, its value as a branding and actionable medium, and help guide marketers and their agencies on how to make their online spending more relevant to an overall marketing campaign.

“The IAB campaign was developed

based on empirical data,” says Kelly Colbert, vice president of marketing at the IAB. “It’s not pie-in-the-sky, wishful thinking. The brands represented in the ads are solid, consumer brands, and the successes they show using online media reinforces the growing mountain of research that supports the medium as a powerful branding medium.”

Indeed, the brands participating in the campaign are a veritable Who’s Who of brand names. Selecting the brands to participate in the campaign was a daunting task for everyone involved in the IAB campaign’s creation. The growing list of brands that have found success using Interactive Marketing has grown significantly from the handful of the early days of online. And the list continues to grow. For CMO Council members who helped shape, strategize and approve the campaign, there were more than a few surprises in the bunch.

The image displays six vertical banners arranged in two rows of three. The top row shows the text of the advertisement in a clean, sans-serif font. The bottom row shows the same text rendered in a rich-media banner format, where the text is overlaid on a background of soap bubbles. The banners are set against a dark background.

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Sources: @Plan, Spring 2002; Nielsen//Netratings, February 2002; WPNI log files

“The ads will be appealing to decision makers on the client side, not just buyers. And major agencies that have stayed away, by and large, from Interactive, will take notice.”

Kelly Colbert,
IAB

“Everyone knows about the success of online branding efforts for Mercedes and BMW,” says Mark Naples, vice president at 24/7 Real Media and a CMO Council member. “But the brands represented in the IAB campaign will be surprising to many people, even within the industry.”

Naples says the metrics detailed in the copy and the “beautiful creative” work will also turn some heads and change some minds.

“The ads will be appealing to decision makers on the client side, not just the buyers,” adds Colbert. “And the major agencies that have stayed away, by and large, from Interactive, will take notice.”

Ultimately, the mix of print and online will help the IAB make its case for a more concerted effort by marketers to add online into the mix, Colbert says.

It’s a campaign, after all, that proves the promise and concept of Interactive being part of the mix by mixing media, Naples adds.

“In order to showcase the medium in the best possible light,” says Hespos, “we have been working with the top rich-media providers in the industry to show the marketing community that online is not all about flat banners anymore.”

The message, though, will be consistent across media types.

The online components, while “preaching to the choir,” will be supported by and will support the print work. Rich-media and Flash-based units will appear across various sites, with inventory donated by IAB member networks.

In fact, Colbert says while the work was pro bono and the consultations from CMO Council members, and media strategy from Underscore Marketing, were volunteered, working on the campaign was like “working

with a multimillion-dollar budget.”

For Stein, the goal of the campaign is to reach out to those influencers who may be on the fence when it comes to online and hitting them with hard facts and compelling data.

“Really, the campaign is trying to get at the people and brands who would be more conservative in their views toward Interactive,” Stein says.

“The industry is at a crossroads right now,” says Tim McHale, CEO at Underscore Marketing. “The campaign will inform and educate the marketing community about how Interactive functions in the context of an integrated communications plan.”

For Stuart, the campaign offers the Interactive Marketing community the opportunity to boast about its achievements, and also get everyone working in online marketing and advertising to be on the same page. “It’s important for the industry to speak with the same voice so that we clearly communicate our unique

value to all parties,” Stuart says.

“There’s simply more experience,” says Stein. “Marketers have tried more things and there’s also more for them to try.”

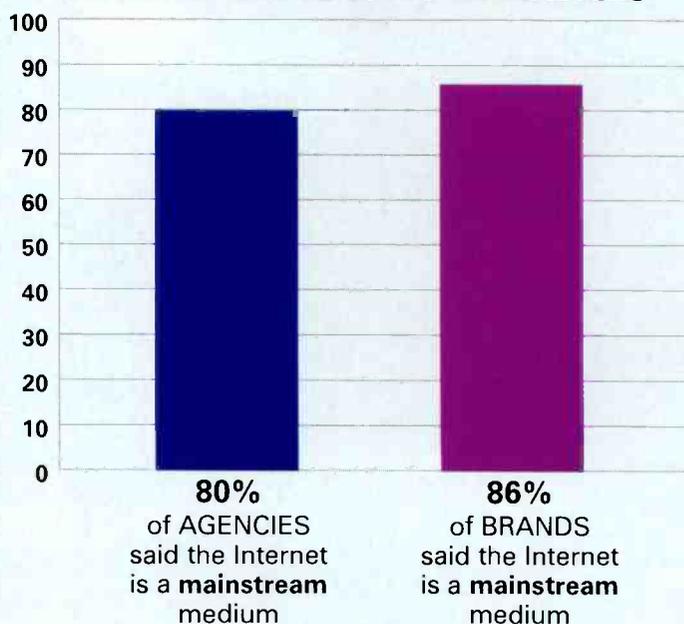
“There’s a new tone of working together in the industry like we’ve never seen before,” Stuart says. “It’s amazing that this multimillion-dollar effort is being donated by the industry, for the industry.”

For example, Stuart adds, Atlas DMT will serve all of the online ads over the next year of the campaign, and IAB members donated significant portions of their inventory.

“This campaign has never been done before,” Colbert says. “So many talented people have come together and are giving their expertise, their technology and their services. Frankly, I never thought that could happen.”

For more information, visit www.steinrogan.com and www.iab.net.

INTERNET USE AMONG MARKETERS



Source: Stein Rogan + Partners; IAB, 2002

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5 Myths About Online Advertising Debunked

Think you know Interactive Marketing? Think again. Despite mounting evidence proving online's effectiveness at brand building, misconceptions persist. The IAB asked Marketing Evolution's Rex Briggs to peel away fact from fiction.

Myth No. 1: "Because technology keeps changing, it's better to wait until the techies work things out before entering the online advertising fray."

Marketing on the Web isn't just about technology. Sure, the Internet offers an array of technological formats to choose—everything from banners to e-mail to rich-media—but when it comes to brand advertising online, it's about getting the right message to the right consumers in the right environment.

Technology may change, but the basic principles and learning that can be culled from traditional media apply directly to online. Research has shown that the effectiveness patterns across media types are very similar.

Myth No. 2: "If I have a traditional brand, online works great for CRM or direct response, but not for anything else."

This narrow-minded approach to online advertising misses the point—and the power—of the medium. Online is the Swiss Army knife of marketing. Certainly there's a component of online that does CRM—and does it very well—and there's a component of it that does direct response.

But just like a Swiss Army knife, where you have a blade, scissors and other tools, online offers marketers a variety of tools built to accomplish specific functions. One of the Internet's most powerful tools is the one that's very effective for branding.

Myth No. 3: "The Internet doesn't have enough reach. Call me when the medium has reached critical mass."

Five years ago, a marketer said, "When the Web can reach 30 percent of the U.S. population, then we'll have a mass media." The statement was made by someone who wasn't spending online yet and throwing down that gauntlet. Online now reaches twice that amount of people and there are still naysayers proclaiming, "I don't know if we have enough reach."

The key question is whether or not you have enough critical mass to be able to pay for the investment of staff time to develop and traffic ads. The answer is that the reach is absolutely there, and what's interesting is that most marketers are only buying a fraction of the reach of any of the given sites that they are on. So they could achieve a much higher reach simply by changing some of their media planning patterns.

Myth No. 4: "The Web stands alone."

For too long, we have been looking at the Internet as a separate

marketing element, when we should be thinking about how it works along side other media and how other media works with online.

For some marketers online will be more important, for others it will be relatively less important. The general idea in media should be to look at how the components complement each other. No consumer wakes up in the morning and looks at an ad on TV, then sees it in a magazine, then on a billboard, and then sees it on the Internet, and then says, "Nah, those messages shouldn't be working together because different agencies worked on them."

Consumers look at messages in various media and they see the same brand, the same logo and they expect to be seeing messaging that works together. The message from academia is that when you use the same imagery across media, you will get a much more powerful effect because consumers will transfer the knowledge that they've gained from seeing marketing messages in other environments to whatever message they are

seeing that day. Academics call it "imagery transfer." And that synergy can be very powerful.

Myth No. 5: "The Internet as a branding vehicle is a fad."

When you ask consumers what's the most important media in their lives, if they had to give up all media and could only keep one, which would they keep, more people say the Internet than television, magazines, radio or movies. Even if marketers would like to return to a simpler world that existed 20 years ago, and have consumers stick with network TV—forget this cable thing, forget this whole Internet thing—and have magazines not fragment either, the fact of the matter is that media has fragmented. And consumers have spoken. They've adopted more media choice, with television by adding cable and satellites, and with the Internet by embracing the medium as they have.

If you ask consumers, the vast majority would tell you it's not a fad, that they would sooner drop the traditional media that marketers have relied on than give up their Internet access.

Online may be the centerpiece of your campaign, or it could be the complement to your campaign, but to leave it out is a big mistake.

Rex Briggs is founder and principal at Marketing Evolution, a marketing-intelligence firm based in El Dorado Hills, Calif. For more information, visit www.marketingevolution.com.

“IF IT DOESN’T SELL,
IT ISN’T CREATIVE.”

–David Ogilvy



*Touffou – the Ogilvy castle. “Just throw those
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ADRIENNE HELE

TV SPORTS

John Consoli

NBA on Cable: Zone or Man-to-Man?

League mulling two options for more national TV games in '02-'03

NOW THAT THE LAKERS have wrapped up another title and all the players have scattered for their summer vacations, the NBA's ball is off the court and in commissioner David Stern's office. The commissioner has been maneuvering for several months to make close to 100 national game telecasts next season—in addition to those that will air on ABC, ESPN and TNT—available either on a start-up, analog cable All Sports Network (in which the NBA would be a partner) or on a reformatted, relaunched NBA TV digital cable channel (wholly owned by the league). What's delaying a decision on which direction to take with additional national games on cable is the NBA's desire to put together what Stern calls the right "programming proposition" for the league and for the cable operators that will carry the new network.

At the moment, the NBA is leaning heavily toward the vertical NBA TV over a much broader All Sports Network for several reasons. With the All Sports model, programming content in addition to NBA basketball would have to be acquired and paid for, meaning that the network would have to charge operators an estimated 50 cents per subscriber to carry it as a basic service. NBA TV, for which the league already owns all the content, could be offered at much lower per-subscriber fees, making it more palatable for operators to put on their basic tiers.

Several cable operators that are also owners of NBA teams are lobbying Stern to make the new network available only on a digital basis in order to drive subscribers to upgrade to digital service. Since NBA TV is already available in about 10 million TV homes, a good start-up base is in place for a relaunch of the network.

NBA TV, available only on digital cable and on satellite via DirecTV, currently is on the air only during the NBA season and does not have game telecasts. The channel offers an in-studio format that drops into live games, airs highlights from around the league after games end, and programs vintage telecasts and other league-related fare in daytime. Next season, live game telecasts would replace the nightly studio show.

"We've been in discussions with the cable MSOs to

ascertain the best direction to go," Stern says. "The cable operators seem to want us to focus on digital telecasts, with an eye on high-definition TV, and that's the direction we want to go."

With NBA TV, the league would have two packages for operators to offer their digital subscribers. The basic service would feature the live game telecasts. A second, paid tier would enable subscribers to receive the telecasts in high-definition and access interactive features allowing viewers to select camera angles, order up replays during games and access the NBA's data archives.

The league's NBA Entertainment unit, which currently produces *NBA Inside Stuff* and other syndicated programming, would produce the game telecasts and handle all advertising sales for NBA TV.

The All Sports Network option is an element of the NBA's new six-year deal with AOL Time Warner, parent of Turner Broadcasting's TNT. AOL, which this spring shut down its money-losing cable network CNN/SI, has been considering replacing that service with ASN. But interest is lukewarm at best, says a top AOL television executive. Given the sluggish economy and the company's sagging stock price, this is not a good time for AOL to be investing in a startup network that might not make money for years.

Uncertainty in the cable industry has hampered Stern's ability to get the major operators to carry either the All Sports Network or a relaunched and expanded NBA TV. While partner AOL Time Warner is expected to carry either new network on its 12 million-subscriber systems, another 12 million subs are needed to form the 24 million base needed to launch the new service. Some of those required subs could be expected to come from three top cable operators that also own NBA franchises—Cablevision (New York Knicks), Comcast (Philadelphia 76ers) and Charter (Portland Trail Blazers).

But all three of those MSOs currently are dealing with other crucial business concerns in the marketplace, making the timing unusually bad for the NBA to go to them and seek carriage deals for the new network. Cablevision is in a much-publicized battle with the new New York Yankees cable network, YES; Comcast is busy trying to finalize its merger with A&T; and Charter is scrambling to prop up disappointing results that have sent the company's stock price plummeting by 50 percent this year.

It's unlikely all of this will be sorted out in time for the new network to launch by November, the start of the next NBA season. But if not this fall, Stern says, the channel will start up at some point during the season, perhaps in January or during All-Star Weekend in February.



Stern vows the new network will launch sometime next season.

TAMIL CHAMPAL/REUTERS

For an online service that prides itself on being the world's foremost facilitator of communication, America Online sure has some messaging issues.

The AOL Time Warner unit, which at its apex was the tail that wagged the Time Warner dog, more recently has been a unit many think best suited for the doghouse. In the first quarter, as the rest of the company feasted on such old-media staples as the first Harry Potter movie, Warner Bros.-produced *Friends* and successful startup magazine *Real Simple*, revenue at the AOL unit was flat, a seeming impossibility for a service that now has some 34.6 million subscribers globally, gladly paying \$23.90 per month for the privilege of logging on. To put it in perspective, Microsoft's subscription-based MSN service has 7.7 million subscribers (Yahoo doesn't count subscribers since it's not a pay service).

With that kind of reach, advertisers should love AOL. But AOL Time Warner's earnings release put the shortfall squarely on advertisers, who spent a devastating 31 percent less with AOL in first quarter 2002 than they did in first quarter 2001. Not that AOL is without fans in the ad community—Volvo is preparing to launch its second vehicle on the service—but even among them there's a perception of vast strengths and weaknesses. Asked if it's fair to criticize AOL's rich media capabilities, Phil Bienert, who manages the car company's e-relationships, says, "It's a valid point."

No wonder that Lon Otremba, executive vp/strategic planning and operations, interactive marketing, says delicately, "I think a lot of it is a misinterpretation of what we are," in explaining that AOL's ad options aren't nearly as, well, poor, as people think. Otremba, as part of AOL's newest interactive marketing regime, now has to convince advertisers that, yes, it does accept the zippy ads that have become popular with traditional advertisers; yes, it does care about advertisers not interested in striking \$500 million cross-platform deals; and, yes, it can leverage the power of all those millions of users to advertisers' benefit.

But one has to admit that having advertisers misinterpret the power of 34.6 million paying members, even during an online ad Depression, is no mean feat. Which is why the sales-focused Otremba, a CNET ad veteran who came on board six weeks ago from Time Warner Cable, is among the new executives brought on in a shuffle of recent changes within AOL Time Warner's interactive marketing unit, which handles not only the proprietary AOL service but also all AOL Time Warner online properties ranging from CNN's Web

site to Moviefone.com. In joining the interactive marketing unit, Otremba joins his cable-unit compatriot Robert Sherman, who was appointed president of interactive marketing in April. If online media executives get their way—and Otremba avers that's the mantra of the new regime—then the recent round of changes will be the last for a while. "We want to make it easy for customers to buy from us and easier for us to sell," he says.

Sherman and Otremba are some of the more high-profile transferees of the second reign of AOL Time Warner COO Bob Pittman, who was sent down to AOL's Dulles, Va., headquarters to shore up the online unit in April. But the number of executive shifts has caused one industry observer to say AOL's been employing a strategy of "rotisserie executives."

■ Changes Afoot

In August of last year, AOL made a number of appointments, both within the interactive marketing segment and without, that are now mostly void. Among them was the appointment of Robert Friedman, a former executive at AOL TV and New Line Cinema, as president of interactive marketing, a position he held for less than a year.

Simple analysis, then, would indicate that AOL's startling drop in ad revenue rests firmly at the feet of Friedman, now a senior vp of corporate marketing. But in online, anything that on the surface seems simple is in fact very, very complicated. And, at any rate, less than nine months isn't a long time to get an 800-lb. gorilla to feed itself, let alone wash occasionally and play nice with the other animals. Observers say AOL's problems started much earlier, with the online advertising swoon that claimed much of Yahoo's revenue, Walt Disney's attempt at a portal strategy and any number of flailing dot-coms. As those services floundered, AOL failed to build the relationships and new ad forms that its competitors were forced to focus on earlier.

It's easy to see why. For awhile, the service's unparalleled online reach, and its ability to piggyback ad dollars off of other AOL Time Warner properties, seemed to protect it from the storm that was raging through most of the online world, a monsoon that caused a 14.7 percent drop in online ad spending last year, per CMR. "AOL, in a way, is a victim of its own success," notes Steven Vonder Haar, an analyst with Interactive Media Strategies, as he outlined the service's woes. But, he admits, "It's easy to be a Monday-morning quarterback."

Indeed, it may be especially easy now, since

Slow And Steady Can't Win This Race

Long the business leader of the Internet, AOL must quickly adapt its ad sales strategy and technology to stay ahead of fast-rising competitors MSN and Yahoo

BY CATHARINE P. TAYLOR

ILLUSTRATION BY ED FOTHERINGHAM



TECHNOLOGY & INNOVATION

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Another raging success

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PLED THE AUDIENCE in JUST 18 months.
TNN WAS RANKED 22ND.
Now, we're top 5.

WE ARE
The NEW TNN

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AOL's primary competitors—MSN and Yahoo—have spent much of 2001 in the same doghouse that AOL now reluctantly inhabits. And both have created a blueprint for how to get their now chastened management out of the mess they found themselves in.

■ Behind the URL

In short, the experience of all three properties reads a lot like the plot of any installment of VH1's *Behind the Music*; the difference, in AOL's case, is that the service is the best-known online act of them all, and the last to try to wrap up its episode with a touchy-feely stab at redemption. The storyline goes something like this: Online service starts out small, then gains legions of fans (and advertisers); revenue pours in amid critical accolades; service overdoses on its success, becoming unbearably arrogant; as ad sales drop, online property realizes the error of its ways and creates 12-step program—usually involving no small amount of management upheaval—that wins back advertisers. Or so AOL hopes.

"Over time, what has basically happened is that people would write them checks because they were AOL," says

adjustment was necessary. Stemming a 39 percent decline in revenue between the fourth quarters of 2000 and 2001 alone meant breaking the habit-forming reliance on banners and dot-coms, making sense of the ad sales organization and actually letting companies with creative advertising technologies into Yahoo's closed circle. "Yahoo used to think it was only truly creative if we invented it," explains Millard.

Now, users are likely to go to the Yahoo home page to get a sneak peak at Britney's latest spot for Pepsi, anathema to Yahoo's advertising-suspicious old guard.

For MSN, the antidote has been surprisingly similar, even if it may always suffer from the impression that Gates & Co. are mere dilettantes who might move on to some other playground at any time. The portal, whose ad sales team in the past was often led by Redmond born-and-bred Microsofties, recruited former *BusinessWeek* executive Joanne Bradford late last year to engineer a similar makeover. As recently as December, online media planners and buyers disparaged MSN for its unresponsiveness, inability to tailor-make ads, and, most damningly, its lack of understanding of the ad business. Now, according to Maggie Boyer, vp of media at online media specialist Avenue A, MSN is getting much higher marks, particularly for its adoption of rich-media solutions from third-party vendors, which makes it easier for advertisers to create rich-media ads that can run across multiple sites. "Accepting third-party rich media was a pretty big barrier for us," says Bradford.

Media buyers and advertisers say AOL has already started to change minds with a reorganization of the sales force that has made it easier to do business with the company. Now the sales force's front line is made up of regional managers, who call on ad agencies in their area. Previously, the company had both category-specific ad sales executives and an ad-agency relations team

that ultimately caused confusion among the very people AOL was trying to pitch. "It was a problem that we lived every day," says Otremba.

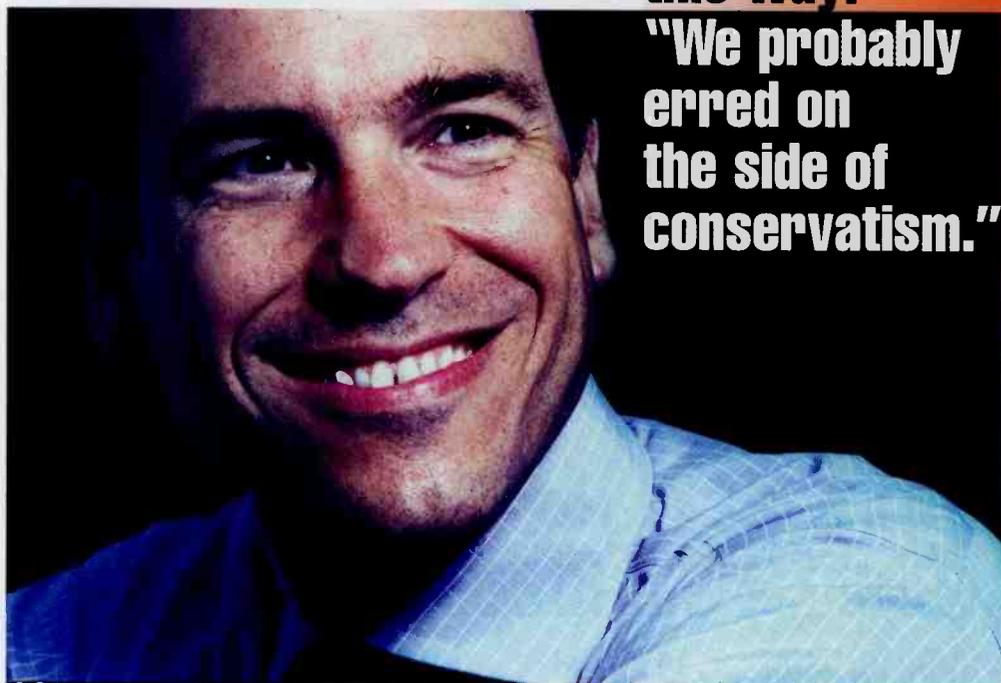
"I am a bit bullish on AOL at the moment," admits Boyer. "More than I think ever before."

Otremba says AOL will also turn up the volume on its own version of online advertising seminars. A tactic used by both MSN and Yahoo, these seminars subtly sell the virtues of the services by educating and advertising people about online media.

But from there, AOL's ability to simply follow the blueprint of the MSN and Yahoo gets considerably more problematic. As Boyer puts it, "AOL has a much bigger hurdle to clear." Or hurdles, plural.

Otremba describes AOL's old approach to innovation this way:

"We probably erred on the side of conservatism."



Rishad Tobaccowala, president of Starcom Mediavest IP, a Bcom3 Group online media unit.

The good news—even for AOL—is that MSN and Yahoo, by following the redemption playbook, have managed to win back favor among advertisers, if not (yet) the heaps of revenue that were so easy to come by in the late 1990s. Yahoo did it through cultural re-engineering last year, getting rid of we-know-what's-best Silicon Valley snobbery and hiring not only Warner Bros. veteran Terry Semel as CEO but also, more importantly to the ad community, Wenda Harris Millard as chief sales officer. Millard, through her time spent at DoubleClick, Ziff-Davis (and Adweek Magazines), knew that an attitude

■ Embracing Rich Media

It may surprise traditional media execs that the problems have less to do with the bureaucracy of the extended AOL Time Warner family than with issues extremely specific to AOL itself: its delicate relationship with its subscribers and its reliance on proprietary technology to give AOL its distinctive look and feel. Strangely, even if AOL had never merged with Time Warner, it would be facing many of the same issues, but perhaps without the vast resources to fix them.

First, the subscriber base. The money those 34.6 million people pay each month translates, for AOL, into not only about \$6 billion in annual revenue but also an arch-conservative attitude toward trying new ad formats. Otremba describes the service's old approach to innovation this way: "We probably erred on the side of conservatism."

Now, it's very easy to punch holes in that theory—as Yahoo's Millard puts it, "People pay for cable and there's plenty of advertising on cable." But then those who would confer a more intimate relationship between subscriber and subscriber in the online universe also have a point. "The boundaries are still being tested in the online world and AOL isn't in a position to test those boundaries," says Vonder Haar.

That said, it looks as though AOL is finally becoming more open-minded about accepting rich media ads. As MSN and Yahoo have occasionally handed their home pages over to full-bore rich-media sponsorships, AOL says it's now following suit. One example cited by AOL executives was having an airborne bicycle traverse the screen to promote the re-release of *E.T.* Now the charge, according to Otremba, is "to take advantage of something much more dynamic, much more exciting."

Indeed, there's evidence to support that AOL can get away with more intrusive advertising than it has. According to a November 2001 study by Dynamic Logic, one of the medium's leading research companies, 85 percent of those polled realized advertising was an important component of paying for the Web.

It's hard to understate the yen advertisers have for rich media; there is now substantial evidence that such ads impact consumers. For instance, a study soon to be released by Dynamic Logic says that rich media ads on average have a 44 percent lift in message awareness. By contrast, low-tech gif/jpgs have a 21 percent lift. DL president Nick Nyhan refers to the medium's challenge as "the power of Pringles"—in order to succeed, the Web has to be able to sell the most mundane of goods.

And this is where AOL's significant technology hurdle comes in. While MSN and Yahoo are both based on HTML, the lingua franca of the Web, much of the most heavily trafficked real estate on AOL is still wed to Rainman, a proprietary technology that as far as advertisers are concerned has only served to limit the amount of rich media



"Yahoo used to think it was only truly creative if we invented it."

MILLARD



that can be delivered over the service. And, it's worth noting that advertisers seem to not only want rich media, they also want it to be easy. MSN's Bradford notes that a consumer packaged-goods advertiser recently came to the company as it was preparing to run a Flash campaign over 8 or 10 sites. When the logistics of creating those ads to different specs on different sites—akin to reshooting commercials for different networks—became clear, it scuttled the media plan and ran the whole campaign on one site.

Thus, the challenge to AOL is stark: It has to either convince advertisers that rich media can be and is worth producing on Rainman or convert the service over to html. Otremba demurs on confirming widespread reports that Rainman will soon be history, saying the discussion shouldn't be about the technology but what the technology can deliver. And, he continues, AOL is finding ways to work with the third-party vendors that have become increasingly important to the rich media game. For instance, the just-released AOL 7.0 incorporates technology from Viewpoint, a rich media vendor in which AOL has a stake. Neither AOL nor Unicast, which distributes a TV-commercial-like ad unit over the Web, will confirm they are working together, although sources insist they are. If true, it means AOL is taking a serious look at a format championed by such blue-chippers as Coca-Cola, BMW and Wrigley's.

"Accepting third-party rich media was a pretty big barrier for us."

BRADFORD

All of this is good, and it's probably what advertisers need to hear. But will it be enough? While no one doubts the power of that massive subscriber base, no one knows how it will react to more ads either. And as for the technology question, that, too, is uncharted territory.

Otremba says that AOL's new interactive marketing team will do what ever it takes. "It doesn't matter. We just want to get there."

But that happy ending may be a long way off.

Catharine P. Taylor, a former senior editor of Mediaweek and editor of Adweek's IQ, writes frequently about interactive advertising and media. She can be reached at cpealet@aol.com.

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TM

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We promised to **GROW**

The New TNN RICHER.

And we increased our median income to become

the richest of the

TOP 5 CABLE TV NETWORKS.

We're rich!

WE ARE

The New TNN

Calendar

The **PROMAX/BDA Conference and Expo** will be held June 26-29 at the Los Angeles Convention Center.

Keynote speaker will be Turner Broadcasting System CEO Jamie Kellner. Contact: 310-788-7600.

The Cable and Telecommunications Association for Marketing will present the **CTAM Summit** July 14-17 at the Hynes Convention Center in Boston.

Keynote speakers will be Mel Karmazin, president and COO, Viacom; and Sergio Zyman, chairman and founder, Zyman Marketing Group. For more information, visit www.ctam.com.

The **ANA/AAAA Marketing Conference and Trade Show** will be held July 15-16 at the New York Hilton. Highlights will include a Forrester/ANA study presentation on marketing automation, an IRI presentation of a year-long study on what brands and messages work best in the online arena and a McKinsey presentation about digital marketing. Contact: 212-697-5950.

The **National Association of Black Female Executives in Music and Entertainment** will present its **International Women's Leadership Summit** Aug. 29-Sept. 1 at the Sheraton Centre Toronto. For information, visit www.womenet.org.

The **NAB Radio Show** will be held Sept. 12-14 at the Washington State Convention and Trade Center in Seattle. Keynoters will include TV and radio personality Bill O'Reilly. Contact: www.nab.org/conventions/radio-show.

The **National Association of Minorities in Communications** will present its annual conference, this year themed *The Digital Connection: Creating a World Without Boundaries*, Sept. 23-24 at the Millennium Broadway Hotel in New York. Seminars will cover marketing and programming in the context of the increasingly multicultural landscape. Conference co-chairs are Chuck Dolan, chairman, Cablevision Systems Corp.; and Anne Sweeney, president of Disney Channel Worldwide and ABC Cable Networks Group. Contact: 212-838-2660.

Inside Media

NEWS OF THE MARKET

Citibank Puts Its Money on Advance Mags

Citibank's \$40 million print campaign will go exclusively to Advance Publications and Time Inc. titles. Advance will carry more than 300 ad pages in 17 of its magazines, including Condé Nast's *Vogue*, Fairchild Publications' *Jane*, and the Golf Digest Cos.' flagship, and Time Inc. will run special ad sections in 14 of its titles, *People* and *Sports Illustrated*. The print ads, which will roll out in fourth quarter and run for 16 months, are part of a multimedia \$100 million campaign.

NBC Taps Jack for D.C., Diversity Posts

Michael Jack was named president and general manager of NBC-owned-and-operated WRC-TV in Washington, D.C., and was also tapped to replace Paula Madison as vp of NBC Diversity. Jack was most recently president and gm of WCMH-TV in Columbus, Ohio. Madison, president and general manager of KNBC-TV in Los Angeles, will continue to serve as a member of NBC's diversity council and will focus on integrating Telemundo's operation in Los Angeles under the NBC umbrella. NBC acquired Telemundo in April.

Ziff Continues Financial Restructuring

Ziff Davis Media, struggling publisher of *PC Magazine* and *Yahoo! Internet Life*, has renegotiated bank agreements involving outstanding loans of \$198 million so that the company can defer principal payments for two years, which Ziff says represents a cash savings of \$17 million. In May, Ziff reached an agreement with a majority of its bondholders on a financial restructuring plan that

reduced its debt by \$155 million and lowered interest payments by about \$30 million; Ziff also received a cash infusion of \$80 million from majority owner Willis Stein & Partners. The next step will be for Ziff to seek formal approval from its entire bondholder group to approve the financial restructuring plan.

Gramling Named *FHM* Editor

Emap men's monthly *FHM* has promoted Scott Gramling, most recently deputy editor, to editor in chief of the U.S. edition. Gramling, 31, succeeds Ed Needham, who will join Wenner Media's *Rolling Stone* as managing editor next month. Gramling joined the *FHM* U.S. launch team in 1999 as sections editor and was promoted to deputy editor in February 2001. Emap is based in the U.K.

Pax Stations Launch on DirecTV

Paxson Communications announced last week that 37 of its 65 TV stations were launched on DirecTV's local channel service in 37 markets. Among the Paxson channels that became available on satellite are WPXN-TV in New York, KPXN-TV in Los Angeles, WCPX-TV in Chicago, WPPX-TV in Philadelphia and KKPX-TV in San Francisco.

Howe to Helm CC Cross-Platform Unit

Don Howe has been named to head up Clear Channel Worldwide's new cross-platform sales division, relaunched last month as Clear Channel Advantage. He'll report to John Hogan, president/COO of Clear



Firefly Alights in NYC, Vegas

Los Angeles-based outdoor advertising company Firefly Imaging, which specializes in temporary outdoor light projections, is opening offices in Las Vegas and New York and has named Ray Bahrami as executive vp of sales and Peggy Ahern as vp of business development. The company also has launched a new unit called Firefly Media, offering "Night Light Media" technology that allows clients to project full-color images on the sides of buildings at night.

Night Light Media offers after-dark placements.

Nielsen data. Subject to qualifications available upon request.

© 2002 Viacom International Inc. All rights reserved. Sources: Nielsen Top 5 cable TV networks ranked on a 18-49 impressions 1002 vs 5/29/00-9/24/00. Median age 1002 (M.Su.8-11PM) vs 5/29/00-9/24/00. Base: P2+. Star Media analyses of Nielsen data. Median HHI rank for these 5 networks represents each network's M.Su. Mid Day (10/11/01-2/24/02). MTV analysis.

Bigger younger richer



**WE ARE
The New TNN**

**Another raging success
from MTV Networks!**

Channel Radio. Most recently senior vp of the company's West Coast regional operations, Howe helped pioneer the company's "hub and spoke" market cluster sales strategy, which packages outlying rural and suburban stations with in-market stations to reach an advertiser's trading area. Howe's first priority as president will be to organize a sales and marketing division that can tap into the inventory and resources of Clear Channel's

1,200 radio stations, 36 television stations, 135 live-entertainment venues and 770,000 outdoor displays to make them accessible for national advertisers.

CBS Inks Long-Term Affil Deal With WGFL

CBS has signed a new long-term affiliation agreement with Budd Broadcasting Co. for WGFL-TV in Gainesville, Fla., the nation's 164th-largest market. The station, a former

WB affiliate, is operated and managed by Pegasus Communications Corp. under a time brokerage agreement. WGFL will begin broadcasting CBS programming on July 15. On weekends and in late-night time periods, WGFL will also air UPN programming. Like CBS, UPN is a unit of Viacom.

ABC Unit to Handle Sales for Orioles TV Net

The new Baltimore Orioles Television Network has signed ABC Regional Sports Sales, already selling national advertising for the Yankees Entertainment and Sports Network (YES), to handle ad sales. ABC Regional Sports Sales is a division of ABC National Television Sales. The three-year deal includes 71 regular-season Orioles games to air on the new network this year. The Orioles Television Network serves the Baltimore and Washington markets. Among the stations in the new network are WJZ-TV in Baltimore, WNUV-TV in Baltimore and WBDC-TV in Washington.

Glamour, Wal-Mart Team for Retail Promo

Wal-Mart has partnered with Condé Nast's *Glamour* for a three-phase promotional program—its largest with a women's magazine and its first with a beauty/fashion title. In the first phase, *Glamour* will print 100,000 extra copies for Wal-Mart's exclusive promotion of 300,000 issues of *Glamour*'s July "All-American" issue, polybagged with a 32-page "Body Makeover Special." The health and fitness workbook's 13 advertisers (including Almay, Just My Size, Slim-Fast and Neutrogena) will receive further exposure in the July issue and through special displays in 1,000 Wal-Mart stores.

ABC Family Expands Lineup

ABC Family has added several shows to its weekend and weekday kids blocks, as well as one prime-time series. Beginning July 6, the seven-day kids schedule will include a new animé series, *Beyblade and Shinzo*, three different *Spiderman* series and *Big Guy and Rusty the Boy Robot*, about two robots who battle evildoers who try to attack Earth. The previously announced return of *Digimon and Medabots*, in addition to other animated series, will complete the lineup. In prime time, ABC Family will launch *My Life Is a Sitcom*, a reality TV show in which producers search for a non-celebrity family to star in a comedy about their life. The 13-week series from Nash Entertainment will launch in January. ■

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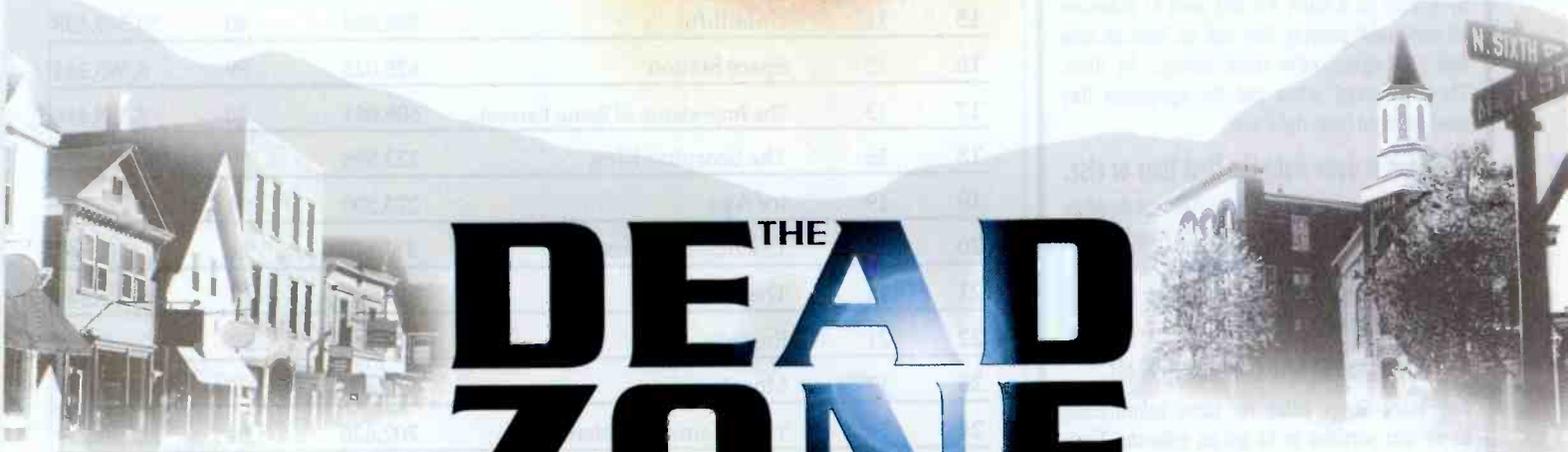
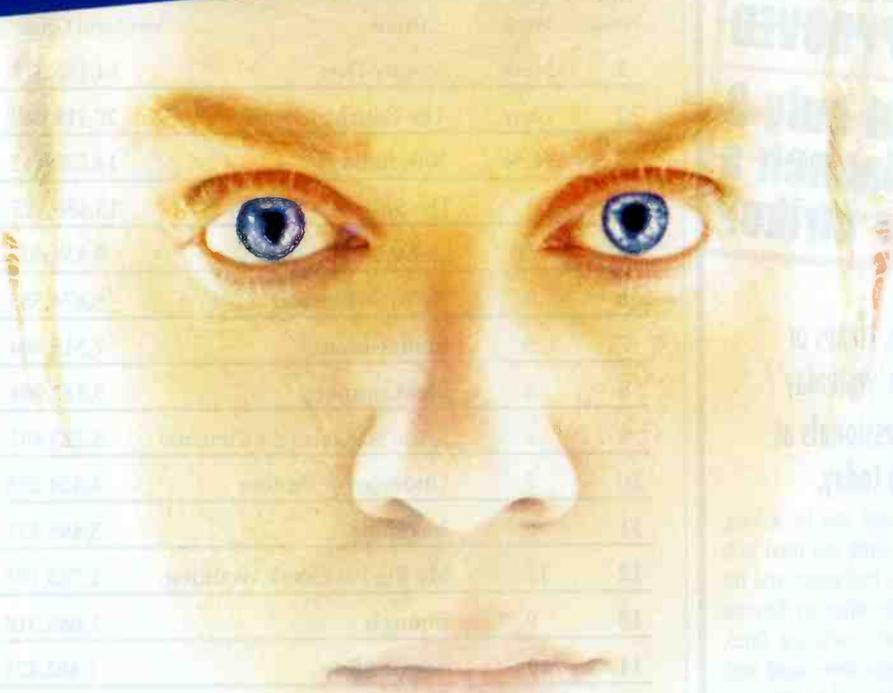
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Culture Trends

The Hollywood Reporter's Box Office

For weekend ending June 16, 2002

This Week	Last Week	Picture	3-Day Weekend Gross	Days in Release	Total Gross Sales
1	New	Scooby-Doo	54,155,312	3	54,155,312
2	New	The Bourne Identity	27,118,640	3	27,118,640
3	New	Windtalkers	14,520,412	3	14,520,412
4	1	The Sum of All Fears	13,456,325	17	84,470,597
5	3	Star Wars: Episode 2	9,438,607	32	270,752,477
6	2	Ya-Ya Sisterhood	8,874,585	10	34,000,024
7	5	Spider-Man	7,515,984	45	382,537,669
8	4	Bad Company	5,872,984	10	21,584,029
9	6	Spirit: Stallion of the Cimarron	5,223,491	24	63,496,649
10	7	Undercover Brother	4,424,295	17	31,353,150
11	8	Insomnia	3,489,421	24	58,388,082
12	12	My Big Fat Greek Wedding	1,755,197	59	13,642,098
13	9	Enough	1,685,518	24	37,152,920
14	10	About a Boy	1,482,425	31	35,290,380
15	11	Unfaithful	763,458	40	50,549,588
16	15	Space Station	625,025	59	8,393,244
17	13	The Importance of Being Earnest	606,061	26	3,355,448
18	16	The Scorpion King	323,595	59	90,032,520
19	19	Ice Age	273,500	94	174,215,931
20	27	13 Conversations...	211,140	24	615,367
21	14	The New Guy	210,606	38	28,676,549
22	21	Enigma	204,585	59	2,687,299
23	17	Monsters, Inc.	202,642	227	255,157,707
24	18	Y Tu Mama Tambien	202,626	94	12,379,239
25	23	Lord of the Rings	178,838	180	311,705,137
26	24	Monsoon Wedding	167,447	115	12,110,735
27	22	The Rookie	146,227	80	73,213,341
28	66	Clockstoppers	145,817	80	36,524,125
29	25	ESPN's Ultimate X	139,859	38	2,392,835
30	30	Late Marriage	95,119	31	413,649

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	Initial	Date
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P'Reader		
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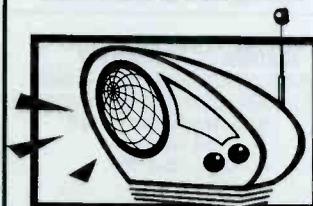
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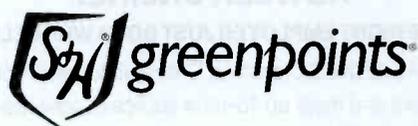
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Culture Trends

MTV Top 20 U.S. Countdown

Week of 6/17/02

1. **Shakira** "Underneath Your Clothes"
2. **Nas** "One Mic"
3. **P. Diddy w/Usher** "I Need a Girl"
4. **No Doubt** "Hella Good"
5. **Pink** "Don't Let Me Get Me"
6. **Busta Rhymes** "Pass the Courvoisier"
7. **Sum 41** "What We're All About"
8. **Goo Goo Dolls** "Here is Gone"
9. **Unwritten Law** "Seein' Red"
10. **Moby** "We Are All Made of Stars"
11. **Alicia Keys**
"How Come You Don't Call Me"
12. **Nappy Roots** "AWNAW"
13. **Ludacris** "Saturday"
14. **Linkin Park** "Points of Authority"
15. **Puddle of Mudd** "Drift & Die"
16. **Ashanti** "Foolish"
17. **Mary J. Blige w/Ja Rule** "RainyDayz"
18. **Dashboard Confessional**
"Screaming Infidelities"
19. **Michelle Branch** "All You Wanted"
20. **Angie Stone** "Wish I Didn't Miss You"

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The Billboard 200

The top-selling albums compiled from a national sample of retail store sales.

This Week	Last Week	Weeks on Chart	Title	Artist
1	-	1	Just Listen	Musiq
2	6	7	A New Day Has Come	Celine Dion
3	-	1	MTV Unplugged 2.0	Lauryn Hill
4	2	6	Ashanti	Ashanti
5	3	3	No Problems...	Kenny Chesney
6	4	2	Spider-Man	Soundtrack
7	8	4	C'mon, C'mon	Sheryl Crow
8	1	2	Hood Rich	Big Tymers
9	7	8	Now 9	Various
10	9	22	Josh Groban	Josh Groban

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The Billboard Hot 100

The most popular singles compiled from a national sample of radio play and retail sales.

This Week	Last Week	Weeks on Chart	Title	Artist
1	1	15	Foolish	Ashanti
2	3	11	I Need a Girl	P. Diddy w/Usher
3	2	15	What's Luv?	Fat Joe w/Ashanti
4	4	16	U Don't Have to Call	Usher
5	5	13	A Thousand Miles	Vanessa Carlton
6	7	14	All You Wanted	Michelle Branch
7	6	23	Blurry	Puddle of Mudd
8	12	11	The Middle	Jimmy Eat World
9	20	3	Without Me	Eminem
10	8	12	Don't Let Me Get Me	Pink

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Culture Trends

MTV #1s Around the World

Week of 6/17/02

Australia

George Michael "Freek"

Brazil

Nickelback "How You Remind Me"

Germany

Shakira "Whenever, Wherever"

India

DJ Aquel/Vaishali "Tu Hai Wahi"

Indonesia

Melly & Eric "Ada Apadengan Cinta"

Japan

Hikaru Utada "Hikari"

Latin America - Argentina

Alanis Morissette "Hands Clean"

Southeast Asia

Westlife "World of Our Own"

UK/Ireland

Gareth Gates "Unchained Melody"

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Nielsen Ratings

For the week of June 10 - 16, 2002

	Program	Network	Night	Viewers
1	E.R.	NBC	Thursday	18.6
2	C.S.I.	CBS	Thursday	16.5
3	Friends	NBC	Thursday	15.4
4	Friends	NBC	Thursday	13.2
5	Law & Order	NBC	Thursday	13.0
6	Everybody Loves Raymond	CBS	Monday	12.5
7	Survivor: Marquesas	CBS	Thursday	12.2
8	Will & Grace	NBC	Thursday	11.5
9	The West Wing	NBC	Wednesday	11.3
10	Law & Order: SVU	NBC	Sunday	11.2

Care of Nielsen Media Research

CollegeTV Network Video Playlist

Submitted by College Television Network for week ending June 16, 2002

Artist	Title
A	Nothing
Bush	Inflatable
David Hollister	Keep Lovin' You
Dirty Vegas	Days Go By
Eminem	Without Me
K's Choice	Almost Happy
Lauryn Hill	Just Like Water
Marc Anthony	I've Got You
Robbie Williams	Something Stupid
Sevendust	Live Again
Sloan	If It Feels Good Do It
Tommy Lee	Hold Me Down
Weezer	Dope Nose
Wyclef Jean w/ Claudette Ortiz	Two Wrongs...

Magazines

EDITED BY LISA GRANATSTEIN

Keeping It Simple

Three new magazines will target women who want alternatives to traditional service titles

WITH MOST SERVICE MAGAZINES CATERING TO WOMEN IN THEIR 40S, INCLUDING HEARST Magazines' *Good Housekeeping*, Meredith Corp.'s *Ladies Home Journal* and Hachette Filipacchi Media's *Woman's Day*, publishers believe there is an untapped well of younger readers looking for fresh approaches to

service. This fall, three new titles will all try to help these younger women simplify their lives—Meredith's *Living Room*, publishing veteran Don Welsh's *Budget Living* and Hearst's *Chic Simple*.

The new wave of service titles comes two years after Time Inc.'s highly successful start-up of *Real Simple*, the 1 million-circ magazine that tries to make women's lives more manageable through its practical tips and soulful vibe. "This could be the start of an extension of the service category, for women who don't feel ready to jump into the traditional service books," StarcomWorldwide media planner Chris Bower says of the upcoming launches. "Publishers are realizing there are other consumers out there wanting new and different types of information."

While Meredith has published two less affluent-skewing versions of *Living Room* (one media buyer described them as "Ikea-ish"), the company has settled on a more stylish format that will offer women 25-39 affordable decorating tips and home furnishings. Meredith in mid-September will publish a test issue of the new, upscale version with a 425,000 circulation and a cover price of \$2.99. For next year, the plan is to publish spring and summer issues and then ramp up *Living Room* to a bimonthly frequency by fall.

Meredith will launch a direct-mail campaign for the title in August. *Mademoiselle* veteran Geannie Pyun is the acting editor of *Living Room*; Bonnie Fuller had worked on the title before leaving Meredith last March to join *Us Weekly*.

"We're positioning this as a young-women's lifestyle magazine focused on the



Less is more: (clockwise) Meredith, Hearst and Welsh's new offerings will feature edit that is practical and stylish.



home," says Michael Brownstein, *Living Room* vp/publishing director.

Beckoning readers to "Spend Smart. Live Rich," *Budget Living* was inspired by the successful formula Welsh created with *Arthur Frommer's Budget Travel*. While *Frommer's* was sold to the Washington Post Co. in 2000 for an eight-figure sum, not all of Welsh's past ventures have been home runs; he was a prime backer of Digital Convergence and its ill-fat-

ed "Cue Cat" Web address scanner.

Budget Living will launch with a 300,000 rate base, with two-thirds of the circ coming from subscribers. Welsh says he will use subscription agents including Synapse Group, which puts sub offers on the backs of credit-card bill envelopes. *BL* (cover price \$3.99) will publish two issues this fall—the first is due on newsstands Oct. 8—and go bimonthly in '03.

"We're telling people how to live shrewdly to live great," says Welsh. "We're into the era of being careful with your money but not changing your lifestyle." *Budget Living's* editorial will feature advice on how to find bargains on items such as wine, travel and clothing, and offer tips on affordable home loans and health insurance.

Meanwhile, Hearst this fall will test *Chic Simple*, a magazine based on a series of home-and-fashion service books produced by Kim Johnson Gross and Jeff Stone. Last month, the *Chic Simple* founders severed their eight-year relationship with Time Inc.'s monthly *In Style*, which had published a branded section in each issue. At Hearst, Stone and Gross will be *Chic Simple's* editorial directors. "It's about being stylish in a simplified way," Michael Clinton, Hearst executive vp/chief marketing officer, says of the title's mission. "The *Chic Simple* filter is living well, but sensibly."

Hearst will polybag a total of 800,000 outsert copies of *Chic Simple* with the October and December issues of *House Beautiful*, *Marie Claire*, *Redbook* and *O, The Oprah Magazine*. Advertisers so far include Toyota and L'Oréal.

Some buyers, however, have reservations. "When you launch a new magazine and capitalize on a trend, it may not stand the test of time," says Anita Peterson, print director for OMD U.S.A. "Who knows five years from

now if these kind of magazines will still be relevant?" —Lisa Granatstein, with Aimee Deeken

Scene Change

Movieline completes redesign

Beginning with the July/August issue, on newsstands this week, *Movieline* caps off a yearlong redesign effort with heavier paper stock, a sleek

Magazines

new logo and the fresh tagline "Hollywood Life," reflecting its expanded editorial mission.

While *Movieline* will continue to cover most aspects of moviemaking, the Los Angeles-based title will now also explore Hollywood's influence on fashion, design, travel and pop culture. The



Now chronicling the Hollywood life.

magazine "still has movies at its heart, but so much emanates from them," says John Evans, president/COO of parent Line Publications. "Hollywood is not just the movies anymore. The biggest fashion event of the year is not in Milan or Paris—it's the Oscars."

With its broader mandate, *Movieline* will begin publishing themed issues. The July/August edition is devoted to music, featuring Beyoncé Knowles, lead singer of Destiny's Child and star of *Austin Powers: Goldmember*, on the cover. The issue also includes a feature on the 25 best film soundtracks and scores.

The redesign and repositioning are clearly an effort to pump up sagging circulation and ad pages. *Movieline's* total paid circ fell 2.6 percent to 307,786 in last year's second half compared to the same period in 2000, the Audit Bureau of Circulations reported. Newsstand sales dropped 8.1 percent. *Movieline's* ad pages are down 21.9 percent this year through the July/August issue to 156, reports the *Mediaweek* Monitor.

Movieline, which normally publishes 11

Mediaweek Magazine Monitor

WEEKLIES June 24, 2002

	ISSUE DATE	CURRENT PAGES	ISSUE DATE LAST YEAR	PAGES LAST YEAR	PERCENT CHANGE	YTD PAGES	YTD LAST YEAR	PERCENT CHANGE
NEWS/BUSINESS								
BusinessWeek ^X	17-Jun	45.07	18-Jun	98.29	-54.15%	1,389.24	1,926.61	-27.89%
The Economist	15-Jun	52.00	16-Jun	48.00	8.33%	1,163.00	1,405.00	-17.22%
Newsweek ^E X	24-Jun	46.12	25-Jun	59.60	-22.62%	868.97	834.11	4.18%
The New Republic ²	24-Jun	8.16	25-Jun	8.16	0.00%	197.91	221.12	-10.50%
Time ^E X	24-Jun	45.02	25-Jun	43.06	4.55%	1,059.40	1,104.78	-4.11%
US News & World Report	24-Jun	31.23	25-Jun	36.35	-14.09%	623.16	670.19	-7.02%
The Weekly Standard ^D	1-Jul	12.70	2-Jul	13.70	-7.30%	242.14	242.44	-0.12%
Category Total		240.30		307.16	-21.77%	5,543.82	6,404.25	-13.44%
SPORTS/ENTERTAINMENT/LEISURE								
AutoWeek	24-Jun	21.18	25-Jun	26.20	-19.16%	579.14	722.57	-19.85%
Entertainment Weekly	21-Jun	37.67	22-Jun	37.77	-0.26%	841.52	824.17	2.11%
Golf World	21-Jun	32.16	22-Jun	34.00	-5.41%	777.50	653.59	18.96%
New York ³	24-Jun	104.10	25-Jun	115.50	-9.87%	1,312.30	1,386.30	-5.34%
People ^X	24-Jun	73.06	25-Jun	69.42	5.24%	1,733.59	1,780.83	-2.65%
The Sporting News	24-Jun	11.75	25-Jun	7.50	56.67%	353.96	299.57	18.16%
Sports Illustrated	24-Jun	47.73	25-Jun	64.12	-25.56%	1,178.91	1,144.71	2.99%
The New Yorker			NO ISSUE			980.96	1,100.71	-10.88%
Time Out New York	19-Jun	66.56	20-Jun	59.31	12.22%	1,657.81	1,644.08	0.84%
TV Guide	22-Jun	27.69	23-Jun	49.91	-44.52%	1,170.96	1,440.01	-18.68%
US Weekly ¹	24-Jun	25.83	25-Jun	27.33	-5.49%	485.33	458.98	5.74%
Category Total		447.73		491.06	-8.82%	11,071.98	11,455.52	-3.35%
SUNDAY MAGAZINES								
Parade	23-Jun	9.97	24-Jun	10.06	-0.89%	309.88	306.92	0.96%
USA Weekend	23-Jun	12.89	24-Jun	14.01	-7.99%	305.58	290.59	5.16%
Category Total		22.86		24.07	-5.03%	615.46	597.51	3.00%
TOTALS		710.89		822.29	-13.55%	17,231.26	18,457.28	-6.64%

D=double issue; E=estimated page counts; X=YTD 2001 includes an out-of-cycle issue; 1=one fewer issue in 2002 than in 2001; 2=two fewer issues in 2002; 3=three fewer issues in 2002

issues per year, this year combined its February and March and July and August issues, for a total of 9 editions. Publisher Audrey Arnold says the move was made to accommodate the ongoing redesign. The title plans to resume its 11-times frequency in '03.

Rival *Premiere*, the 617,000-circ monthly published by Hachette Filipacchi Media, has also struggled on newsstands of late, falling 21.9 percent in the second half of last year. *Premiere* has changed editors several times in the

past few years and has undergone a series of design tweaks.

Movieline's July/August issue includes new business from Universal Music and Showtime. Arnold is looking to add more fragrance, jewelry, beauty and fashion ads to the mix.

Melissa Pordy, Zenith Media senior vp/director of print services (whose clients include Ferragamo), says high fashion may be a stretch for *Movieline*, but "bridge and intro lines from young designers" are possibilities. —AD

60sec. with



Scott Crystal President/CEO, G+J USA Business Innovator Group

Q. In September, G+J will be losing longtime 'Inc.' editor George Gendron, who is leaving to start his own consulting firm. Will the new editor be expected to make significant changes? **A.** We are looking for someone who has the vision and passion to evolve the *Inc.* editorial. *Inc.* had a dramatic redesign last September, and now the new editor will put his or her mark on the editorial product itself. That may include adding editorial positions in Silicon Valley and Washington, D.C. Right now, *Inc.* is an important voice in the small- and medium-business marketplace, but it is not the pre-eminent voice. That is the opportunity for us. **Q.** Business titles

continue to suffer on the advertising side, including 'Inc.', which is down 18.3 percent this year to 425 ad pages through July, and the other title in your group, 'Fast Company,' which is down 28.1 percent to 419 pages. When do you see light at the end of the tunnel? **A.** If the tunnel had to end this September, there's not much light there. All the business books are down this year. One major telecom advertiser's budget has gone from \$170 million two years ago to just \$1 million! I think you're going to start seeing things turn around in the economy in the fourth quarter, but monthlies will not feel the benefits until possibly next spring. **Q.** Despite the tough times, is G+J looking at any launches or acquisitions? **A.** We have an exciting opportunity to launch a cobranded magazine with another media partner in fall 2003. We may even test it this fall [as an insert with] *Inc.* and *Fast Company*...I may be cautiously optimistic about the economy, but this is actually the best time to gear up and have all the pieces in place so that when the economy does turn, we'll be the first out the starting gate.



In Search Of...



The Loyal Online Customer

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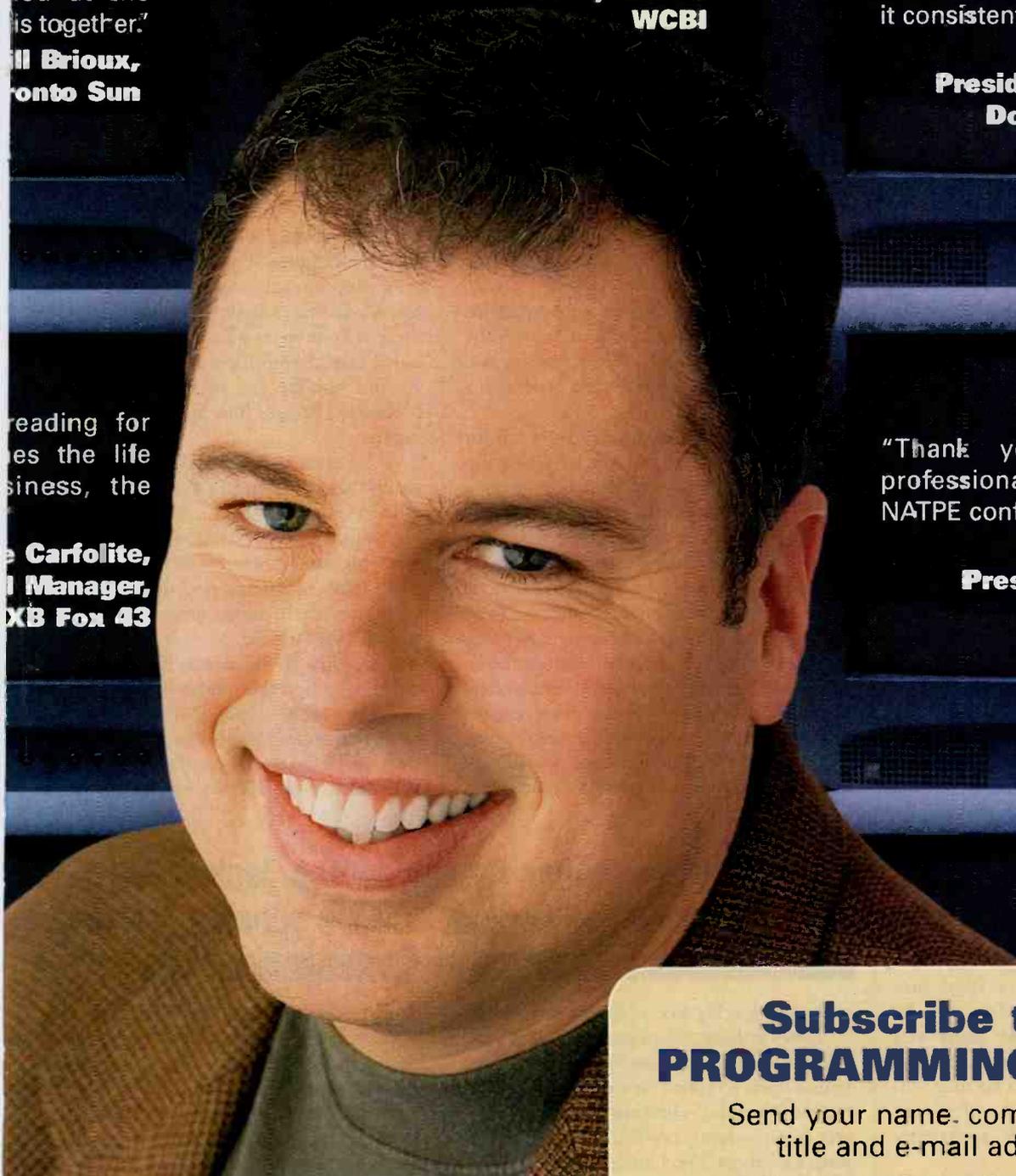
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Media Person

BY LEWIS GROSSBERGER



Cruise Control

IF, LIKE MEDIA PERSON, YOU'VE EVER WRITTEN CELEBRITY PRO

files for magazines, it sort of ruins you for reading them. You can't settle back and savor the fabulousness of say, Tom Cruise, without speculating about the mechanics of the thing. How much face time

did the writer actually get with Grinning Boy, and how slick a job has he or she done of camouflaging the paucity of same? What subjects were ruled out of bounds before an interview was agreed to? Was there a publicist hovering about, silent but intimidating? Was Mr. or Ms. Profiler allowed entry into Tom's hallowed abode, or was it a quickie in a hotel room or restaurant or even—dread of dreads—a phoner? Did he or she manage to subtly work a little hint of real feeling into the piece (maybe even annoyance with the subject!) or just butter up the boy and flog the flick to keep the byline welcome in Hollywood? Was a brief audience with Tom's famous sweetie pie permitted? Did reporter guy have the moxie to finally slip in a Rude Question or two after simulating deep empathy for an hour and a half? And what's with those stupid photos?

Maybe to be fair, readers should be given such information upfront in a little warning box.

Anyway, it was in this ungenerous spirit that Media Person approached last week's semiexclusive cover stories on TC in *Time*, *Entertainment Weekly* and *W*.

Time wanted us to think it's Tom's best buddy. *Time* knows Tom inside out. Its angle, we're promised on the cover and inside headlines, is "Inside the world of Hollywood's biggest superstar." The mag will tell us "what makes Tom tick" and take us "behind the scenes," a locale apparently found in Clichéland.

But *Time*'s reporter, as becomes evident when you read the actual article, has little idea what makes Tom tick. Unlike the headline and blurb writers, he's at least honest enough to admit it. Cruise "has been a perfect host, a forthcoming interview, unfail-

ingly cordial..." the writer sums up in his last paragraph. "But as the guard closes the gate behind you and the house recedes into the distance, you realize that he never invited you inside."

Nice double meaning, and so much for tick analysis. But it's not the writer's fault. Cruise is, after all, an actor and, though not a great one, he's a shrewd pro. He can easily play the part of an affable interviewee for parts of a couple of days, driving the reporter around in his "blue Porsche Carrera" (love those insider details), giving a quick tour of a children's charity he assists, letting him watch sword training (yes, sword training) for an upcoming samurai movie in a tennis court outside Cruise Manor, wherever that may be, and sitting for "a series of interviews" given at time and place undisclosed. Giving up exactly what Tom wants and no more. And

Perhaps as a consolation prize, *EW*'s man also got a phoner with Cruise's director, the god Spielberg. But it's kind of embarrassing because Spielberg is calling from yet another basketball game—"I'm in my seat at the Lakers game," he exults—and the reporter has to ask his questions hoping the answers aren't drowned out by crowd noise. Oh the humiliation celebrity profilers must endure.

And nobody got to talk to Penelope. Nobody. Though Tom did admit to knowing her.

W's Cruise package is all about the photos. *W* has put Tom in a gray Helmut Lang T-shirt, poured water all over him and apparently told him to close his eyes and open his mouth. He looks like he's either fallen into a swimming pool or just completed a particularly messy sex act, Media Person isn't sure which.

According to the article, it was a terribly risky and admirable photo to pose for because the super-duper Dutch photo team made him appear "more dangerously seductive than he has since Lestat last drew blood." Why this is risky MP has no idea. As for the

The relatively sparse Cruise quotes, lack of physical description or hanging-out scenes scream "phoner."

getting a nice, big free ad for his new movie.

Time's little brother, *Entertainment Weekly*, got less access, but at least its cover shot gives you an open-mouthed view of the star featuring the braces he's currently sporting to correct an orthodontic problem. "Turns out you learn a lot about Tom Cruise by watching him watch basketball," writes the writer. Translation: I'll have to because that's the only glimpse I got of him, sitting on a couch somewhere (where that couch and the TV set were MP never learned), watching a Lakers game and asking my questions during commercials.

piece, it mainly quotes co-stars and associates of the subject. The relatively sparse Cruise quotes, lack of physical description or hanging-out scenes scream "phoner."

But besides who got how much access, did Media Person learn anything from all his reading about Tom Cruise the man? Why, yes, he did. Tom's famous. He's personable but guarded. He's a control freak. He's preternaturally confident. He smiles a lot. He rarely if ever has a dark thought.

Oh yes, and he has a new movie coming out. ■

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