

Media Tidbits from Around the World

3-D on the Idiot Box - An emerging trend in the next 3 years

Television makers introduced 3-D enabled TVs last week at the Consumer Electronics Show in Las Vegas, yet a lack of 3-D programming combined with high prices may prevent mass adoption for several years.

Those issues, along with the fact that standards for transmitting and displaying 3-D images haven't become final, means such TV sets will fall short of the hype. But networks like ESPN and Discovery have announced plans to develop 3-D content.

"I believe this year will be the beginning of 3-D in consumer electronics," Paik Woo-Hyun, president and chief technology officer of LG Electronics.

The Consumer Electronics Association, based in Arlington, Virginia, estimates that 4.3 million 3-D TVs will be sold this year. Fifty-three percent of adults surveyed online said they want to watch 3-D shows at home, and one in four plan on buying a 3-D set within the next three years, according to CEA. Looking to get the jump on the next big wave of TV technology distribution, ESPN and Discovery made announcements to launch the first 3-D TV networks.

Discovery Communications, Sony Corp. and Imax Corp. announced a joint venture to develop a 3-D television network in the U.S.

The ESPN network, to be called ESPN 3D, is scheduled to air 85 live sports events, including 25 FIFA World Cup matches. It will launch this year. Other events to be produced in 3-D include "Summer X Games," college basketball and college football. Discovery did not reveal specific programming for its network in its release.



Neither ESPN or Discovery disclosed business details, such as the number of subscribers it would have for the new network at launch, or the financial terms with cable system operators. The announcements came just days before the Consumer Electronics Show convention meets in Las Vegas.

George Bodenheimer, co-chairman of Disney Media Networks and president of ESPN and ABC Sports,

stated: “ESPN 3D marries great content with new technology to enhance the fan’s viewing experience, and puts ESPN at the forefront of the next big advance for TV viewing.”

For its 3-D efforts, Discovery Founder and Chairman John Hendricks stated: “Discovery’s business strategy has always focused on delivering groundbreaking content through new platforms, including the first suite of digital channels launched in 1996 and the first 24/7 basic cable HD channel in 2002.”

“Sony is the only company with expertise in every part of the 3D value chain,” said Sir Howard

IPad and their talks with Print partners, Looks to Repackage TV, Magazines, Just as iPod Changed Music



In the last edition we wrote about 5 ways that Apple’s new tablet could change media. Steve Jobs is betting he can reshape businesses like textbooks, newspapers and television much the way his iPod revamped the music industry and expand Apple’s influence and revenue as a content middleman.

Apple has recently been in discussions with book, magazine and newspaper publishers about how they can work together. The company has talked with New York Times Co., Condé Nast Publications Inc. and HarperCollins Publishers and its owner

News Corp., which also owns The Wall Street Journal, over content for the tablet.

Apple is also negotiating with television networks such as CBS Corp. and Walt Disney Co., which owns ABC, for a monthly TV subscription service, the Journal has reported. Apple is also working with video game publisher Electronic Arts Inc. to show off the tablet's game capabilities.

Mr. Jobs has a longstanding strategy of devising new ways to access and pay for quality content, instead of reinventing the content. Apple’s iTunes Store, for instance, became the world’s largest music retailer partly by making it easy for people to buy music, most of it from major record labels, by the song instead of by the album.

Conde Nast’s GQ App Gets Foothold With Consumers - Things to come?

Continuing the topic of how print publishers are taking to the iPhone and the iPad, Gq’s iPhone



versions of regular print editions seem to be getting a foothold with paying consumers, according to results released for the first time today by Conde Nast.

Since GQ’s December “Men of the Year” issue debuted as a \$2.99 iPhone app in mid-November, it has sold 6,641 times. The January issue’s app, however, has sold for \$2.99 more than 12,000 times. Pretending Apple didn’t take a cut, that’s still less than \$60,000 in the pockets of Conde Nast, a rounding error at the consumer magazine giant. And by

comparison, GQ's December issue sold 240,000 copies at newsstand and was delivered to another 667,851 print subscribers.

But the app's sales figures are still encouraging for Conde Nast and for print publishers in general, less than a week before Apple seems likely to introduce a tablet computer. Conde Nast President-CEO Charles Townsend has said that the app platform it has developed is mainly a way to get in position to play on tablets.

Four of the biggest magazine publishers, including Conde Nast, have already partnered with News Corp. on a joint venture to build a storefront where readers can buy digital editions of regular magazine issues. The storefront will sell versions for all kinds of devices, from iPhones to e-readers, but tablets are clearly the great hope for many print publishers.

Magazines and newspapers, after all, have so far mostly suffered at the hands of digital media, which has often delivered lots of freeloading web surfers but relatively little ad revenue and usually zero circulation revenue. Publishers think consumers will be willing to pay for digital editions of print editions that are tailored and enhanced for beautiful tablet computers. And the ad picture looks better for these editions than on the web as well. Readers are spending as much time and generally engaging with the app versions of GQ as much as they do with print editions.



Mobile Ad Spending Trends upward



With Apple and Google in stiff competition for mobile advertising dollars, it's useful to review how much money is at stake.

eMarketer predicts that mobile advertising across all principal formats -- display, search and messaging-based will reach \$1.56 billion by 2013.

Commensurate with its status as an emerging channel, mobile advertising will achieve a lofty compound annual growth rate (CAGR) of

37.3% between 2008 and 2013 -- considerably higher than online ad spending as a whole, but more in line with emerging online formats such as digital video.

US Mobile Advertising Spending, by Format, 2008-2013 (millions)

	2008	2009	2010	2011	2012	2013	CAGR
Messaging	\$192.0	\$228.8	\$284.6	\$340.3	\$387.6	\$436.8	17.9%
Display	\$70.4	\$104.0	\$166.0	\$257.3	\$376.2	\$546.0	50.6%
Search	\$57.6	\$83.2	\$142.3	\$232.4	\$376.2	\$577.2	58.6%
Total	\$320.0	\$416.0	\$593.0	\$830.0	\$1,140.0	\$1,560.0	37.3%

Note: numbers may not add up to total due to rounding
Source: eMarketer, September 2009

Synergy is the name of the game for Super Bowl XLIV Advertisers



For millions of football fans, the Super Bowl is the biggest social occasion of the year. That is becoming the case for Super Bowl advertisers, too, as they add a robust presence in social media like Facebook, Twitter and YouTube to their marketing lineups.

With the rise of the Internet as an ad medium, sponsors started supplementing Super Bowl buys in ways that included special Web sites, video clips and search-engine marketing.

In a survey, 41 percent of respondents said they would re-watch the spots online on Web sites like AOL, Yahoo and YouTube. And 26 percent of respondents said they planned to pass on their favorite commercials to friends and family through e-mail messages or social media sites.

For Unilever USA, the Super Bowl is an element of a complete, 360-degree campaign. They are buying a 45-second spot in the game for Dove Men+Care. The commercial is to be complemented by blog posts, as well as presences on Facebook and Twitter. They will use Twitter to engage the audience in real time by reaching out to people Tweeting and urging them to watch our commercial again.

Among the brands advertising during Super Bowl XLIV that have Facebook fan pages are Audi, Bud Light, Coca-Cola, Denny's, Dodge, Doritos and Hyundai. Doritos is promoting on its fan page a contest to help select three commercials created by consumers that will appear during Super Bowl XLIV.

Seven Predictions for 2010 *(sourced from eMarketer)*

1. During 2010, as US ad budgets crack open just a little, look for an accelerated migration of ad dollars from traditional to digital media. According to Forrester Research, 59% of US marketers plan to increase their budgets for digital by pulling funds from traditional outlets. Other sources support this shift. Next year, while broadcast television, radio, newspaper and magazine spending continue to downsize, though more slowly than in 2009, online ad spending will enjoy a nice bump-up: eMarketer currently forecasts 5.5% growth. And the increase won't all come from search, banner ads will grow 3.3%, and online video will jump by 40%.
2. Even post-recession, aggregate media dollars will fail to return to former levels. Looked at another way, while total US media spending will decrease by 14.6% this year, the \$192 billion spent in 2008 will represent the absolute peak of media spending at least for the next decade. We will never return to that historic level, for these four reasons:
 - * The measurement and accountability mandate will intensify demand for lower-cost, more efficient media.
 - * Media fragmentation will force marketers to target their messages to ever smaller niche audiences.

- * Digital technologies are creating new opportunities for firms to self-market, such as a company's own Website, online videos, e-mail marketing to existing customers and so forth. These channels end up bypassing paid media such as yellow pages and direct mail.
- * There will be a continued emphasis on "earned media," such as on social networks and other consumer-generated community platforms. This will also siphon dollars away from paid media.



3. While media dollars have imploded, media consumption will continue to explode. Due to increasingly empowered consumers and further advances in technology, look for media to become more:

- * Distributed - the same content will pop up in multiple locations, formats and channels.
- * Personalized - media will be tailored to reflect what consumers have watched, read, experienced and shared.
- * Contextualized - when and where consumers get their information will dictate its content and format, and that, in turn, will shape how they interact with and share it.

Each of these trends will lead to more precise targeting, which will also reinforce trend No. 2, the stagnation of media spending.

4. Advertising will support less and less of the load for content and entertainment. Fueled by the low cost of digital distribution, combined with vast amounts of consumer-generated content in the form of blogs, social networks, photo and video-sharing sites, and rampant Twitter activity, media choices have exploded. There is no way advertising can pay all the freight for this media tonnage. In addition, marketers are clamoring for more direct contact with consumers, especially to engage with them on social networks, and this will divert ad money and attention away from third-party publishers.

Advertising will by no means go away, but it will play a smaller role as paid content and hybrid models emerge.

5. Advertising on social networks will never attract a large share of marketers' ad dollars. eMarketer estimates social network advertising will grow only 7% next year to \$1.3 billion, accounting for a mere 5.5% of total online ad dollars. And while ad spending on these sites will never represent a significant share of total online ad dollars, spending on non-advertising forms of social marketing will rise significantly next year and beyond.

Marketers are more interested in genuine engagement with consumers on social platforms, and less in opportunities to flood them with banner ads.

6. Marketers will be increasingly willing to trade off reach for deeper engagement. This goes right along with the drive toward improved targeting and increasingly efficient media buys.

Rather than try to reach every conceivable person who fits a particular demographic, marketers will be looking for technologies and ad solutions that allow them to reach only the people who by their past surfing behavior, search queries, online purchases, social connections, Twitter posts and other digital footprints indicate that they are likely prospects.

7. The classic interruption/disruption model of advertising, whereby marketers insert unwanted, usually irrelevant ads as a price the consumer must pay to view desired content, will erode, if not fade away. Consumers in the digital age simply have too much control over their media environments these days for marketers to be pushing unwanted banners, buttons or videos. This raises the bar for marketers and their agencies to develop new forms of messages that are not even perceived as ads, but rather as welcome content. The challenge will be twofold:
 1. To better identify likely prospects (as in prediction No. 6 above)
 2. To create communications that are so compelling, entertaining, informative or useful that the consumer is not only happy to receive them, but also motivated to share them with others.

A Question posed to Sir Martin Sorrell (on Sparksheet)

What's the missing link in getting brands to seriously spend on the Web? Is it that advertisers flock to quality content, and that just doesn't exist to scale online?



Time. A lot of it's to do with time. I've described it in the past as "age" but that's gotten me in trouble. Agencies are run by old people like me, and older people like me are media owners and clients as well.

People take time to change. They might not get it yet. You become the CEO of a company and it's taken you 25 years and the last thing you want in your last four or five years is violent change. You want things to go on just as they have before. So it's a natural human emotion if you like a human feeling to resist this change. But it's only a question of time. Because if consumers are spending 20 or 25% of their time online and clients are spending 12 or 13% of their budgets

online, there's a natural gravitational pull to that 25%.

By the time the spend gets to 25%, say over the next five years, we'll probably be spending a third of our time online. And so, as one of our clients said, maybe by then there'll be less of a gap as we'll all be used to it. It's purely a function of time and people's unwillingness and resistance to change.

Texting's biggest Moment since American Idol

When Hurricane Katrina happened, every publicist with a list reached out to it and their efforts resulted in tens of millions of dollars being raised in the first week.

But however quickly they acted, it simply couldn't be as fast as this: "Text HAITI to 90999 to donate \$10 to @RedCross relief."

Many in the west have gotten an email from a friend or seen tweets saying just that, urging you to donate money to support the relief effort in Haiti. The American Red Cross, which is working with mobile donation company mGive, said that in 48 hrs post the quake, more than \$5 million had already been raised in this way.

Much has been made of the speed with which this call to action can take place. You see the message; you've just heard another horrifying report about the situation in Haiti on the BBC or seen video of a young girl on CNN with her legs crushed under a building, and you have your phone right there. There's no need to store the information for later and then forget about it or hesitate. The action can be taken immediately.

But the response on mGive shows something new: a comfort with financial transactions via mobile devices. This willingness to send money using nothing more than SMS brings home the rapidity with which people are adopting mobile devices for so much more than communication, and specifically how close they are to push-button commerce.



Other Media Stories

Google Caves to Murdoch, Adds New Options for Publishers

As newspapers and old media companies have seen their revenues shrink, they have essentially done one of two things: found ways to embrace the web or blamed Google for their problems.



Now with the heat being turned up on Google by News Corp and Rupert Murdoch, the search giant has decided to appease angry media outlets and give them more control over how their links are treated in Google Search and Google News.

There are two changes that Google hopes will quell the discontent of media outlets. The first one is a change to its "First Click Free" program, which allows users to visit an article for free, but directs them to a sign-up page if they browse to another page.

For example, if you visited a Wall Street Journal article from Google News, you'd get the full article for free, but would have to pay for other articles.

The problem is that many people now abuse this feature to get all of their WSJ articles for free. The new change will limit you to five pages per day before you must register, regardless of how you get to the website. Media outlets can opt into this program if they so desire.

The second change is actually a change to how Google's web crawlers index pages. Publishers now have the option to tell Google's spiders to only crawl and index the "preview pages." This refers to pages that display the first few paragraphs of an article on subscription sites like WSJ.com in order to entice them to pay for a subscription. If a publisher chooses to have spiders crawl their articles in this manner, they will be labeled with "subscription" within Google News.

While we think many media outlets have the wrong strategy to Google and social media, this compromise makes a lot of sense. Publishers worried that Google is exploiting them gain more control over what is displayed on Google and Google News. Google in return doesn't lose publisher content.

Study on how consumers access Google News and the implication for newspaper websites

Nearly half of the users of Google News skim the headlines at the news aggregator site without clicking through to newspaper websites, according to a recent survey.

The findings appear likely to provide further ammunition to publishers such as News Corp.'s Rupert Murdoch who have criticized Google and other aggregators for linking to stories without sharing ad revenue. Google, responding to the criticism in the past from media tycoon Murdoch and others, has said it drives "about 100,000 clicks every minute" to media websites, generating ad revenue for the news outlets.

Among the aggregators, Google's effect on the newspaper industry is particularly striking. Though Google is driving some traffic to newspapers, it's also taking a significant share away. A full 44 percent of visitors to Google News scan headlines without accessing newspapers' individual sites.



Audience for Online Video Keeps Climbing



Despite having achieved mainstream status a few years ago, the total audience for online video continues to balloon. YouTube's dominance in the category seems boundless, as the site delivered more than 10 times as many video streams as any other site in the U.S. last month.

According to the latest report issued by Nielsen Online, 137.4 million Americans watched Web video in December, a healthy increase of 10.3 percent vs. the same month in 2008. Those viewers streamed over 10.7 billion

videos during the month, representing an increase of 11.8 percent vs. the same time period a year earlier.

While the number of streams per visitor showed only marginal growth, Web video viewers are watching longer clips. Time spent per viewer watching online video jumped 13.2 percent to 193.2 minutes in December.

And while Hulu, the joint venture between News Corp., NBC Universal and Disney, continues to demonstrate tremendous growth -- making it the No. 2 video site on the Web -- YouTube continues to account for a disproportionate amount of the clips consumed on the Internet. The Google-owned property streamed over 6.4 billion clips in December, while Hulu streamed almost 635 million videos, per Nielsen. YouTube also reached nearly 106 million unique viewers versus Hulu's 13.6 million.

A Look into CBS' Television City and some interesting grassroots projects



The network's Television City is a series of meeting rooms and test centers housed in the hotel that is mainly used to suss out how average viewers feel about programs slated to air on CBS. And it seems fun -- in Vegas, the place is touted as a tourist attraction, and travelers are told they can stop by and take part in screenings, and even sign up as longer-term respondents or win the occasional prize.

But increasingly, Television City is also being utilized to examine, among other things, how entertainment-seekers might move their eyes along a website; how different combinations of commercials in ad breaks spur memory and recall among viewers; and how consumers experience programming when they use technology to enjoy video entertainment. NBC Universal and Walt Disney maintain similar facilities.

"This is a place to test your content," said David Poltrack, CBS Corp.'s chief research officer and Television City's ultimate overseer. With such contraptions as 3-D TV sets commanding a lot of attention, for example, he suggested, marketers may want to test out whether they can devise effective 3-D ads that accompany them. "This is going to be the place to do it," he said.

3-D research

Indeed, CBS has entered into an agreement with Sony Corp. to create a consumer-research area within Television City where people can examine and interact with Sony 3-D technology. Sony recently unveiled its intention to debut 3-D TV sets later this year.

"Virtually every manufacturer will want to have access to the data that we create" at the facility, said a Sony Electronics Spokesperson. "We think it's our responsibility" to understand how consumers will use and react to devices with 3-D elements.

While giving a tour of the facility, Mr. Poltrack enters a seemingly bare-bones suite with a large multipaned window that looks out on the MGM Grand mall. He pulls back a large banner that hangs against one far wall to reveal a hidden apartment set-up. The plan is, he said, to replicate an in-home experience with various Sony products so that the companies can watch consumers and analyze the way they use and react to devices in a real-life setting. And he hopes CBS can make the facility available to other media concerns so they can do testing. Allowing other parties in to do research allows CBS to offset some of the costs of operating the place.

“We’re open to doing research for anybody,” Mr. Poltrack said. Already, Omnicom Group’s has established a partnership with the facility that will allow clients including PepsiCo, Hershey and McDonald’s to test campaigns that roll across various media venues. Nielsen also makes use of the place.

Yet beneath Mr. Poltrack’s eager-for-business pitch lies something more serious. As TV transforms from being an experience solely enjoyed while sitting in front of the living-room screen to one that can take place on any number of portable devices, learning the new habits consumers are developing has become crucial to the medium’s future. One way marketers and media outlets are trying to figure this stuff out is by, well, watching people watch TV.

Walt Disney is among the entities getting more deeply involved with such stuff. In the spring of 2008, the company established an Austin, Texas-based facility aimed at monitoring how consumers react to any number of content pieces and advertising entreaties.

In one study completed last year at the facility, executives wanted to find out whether the “ticker” that ran at the bottom of ESPN’s screen distracted viewers from the ads that appeared during commercial breaks. Fans liked the ticker, of course, but the scrolling news could potentially interrupt their viewing of the ads that help support ESPN’s business.

So Disney used a technique known as “eye tracking,” or monitoring how viewers focused their eyes on the screen in front of them, as study participants watched an episode of “SportsCenter”. Some people were exposed to ad breaks that contained a ticker, while others just watched ad breaks without it. Disney’s study revealed that only about 12.6% of “eye time” was spent looking at the ticker -- not enough to disrupt viewers’ ability to recall commercials or change an attitude toward a particular sponsor.

Similar tests take place at CBS’s Television City, where Mr. Poltrack runs any number of focus groups (and sometimes listens in or watches from remote locations, and even changes questions on the fly). Different companies might test how one viewer reacts to watching a set of ads in one order vs. how another participant reacts to a different order of commercials. One room in the complex is set up -- with a chair that has a medical skullcap to which many sensors are attached -- that can monitor a viewer’s physical reactions to what plays onscreen.



“Eye tracking” is one of the newer techniques being put into play. A viewer sits at an individual screen which has several small lights flashing below it. In another room, administrators can watch how the light reflects off the eye and onto the screen, thus determining where a viewer's attention might be at any moment of a video-watching experience. “The larger the dot” on the screen recording eye gaze, Mr. Poltrack said, “the longer they looked.”

Media outlets can glean several pieces of useful information from such scrutiny. They can understand which element in a particular scene of a show, on a website or in an ad gets the most attention from a viewer. By using “cluster analysis,” or looking at where the eye gazed the longest, they can determine which parts of a screen are the most popular areas at any given moment of a video. Mr. Poltrack also said magazine researchers can make use of the technology, putting magazine content on screen and then watching how viewers react.

To the media world, such stuff is serious business. But for most visitors these tests are just something fun to do. No wonder Television City stands next to a \$30-a-head attraction based on “CSI” that lets visitors test their own skills at solving crime scenes.

(Excerpted from AdAge)