

The Way We Watch TV Has Changed Forever. No, Really.

by Bill Carmody

Digital Video Recorders (or “DVRs”) continue to grow in popularity, and if you’ve ever used one, you know why. DVRs such as TiVo, ReplayTV and Microsoft’s UltimateTV deliver on some of the most important aspects of the 1990’s promise of interactive television: (1) The ability to watch *what* you want to watch *when* you want to watch it and (2) The ability to skip over commercials.

It no longer matters that your favorite programming is on at the same time you want to work out, take the kids to soccer practice or sleep. With DVRs, your favorite programs are recorded at their regular scheduled times and saved for you on what amounts to a computer hard drive. Then, when you find an hour of downtime, you can choose which program you’d like to watch. With a few clicks on the remote, you’re watching your favorite program and skipping over the commercials.

Profound Impact on Advertising & Promotions

While this television revolution is still in its early stages, it has profound impact on advertising and promotional marketing. Right now, advertisers are closely watching the percentage of DVRs grow and the television networks are trying to find legal means to halt DVRs altogether. You might recall some similar rumblings when VCRs with the “record” feature first came out. These rumblings died down when the networks realized how difficult it was for the average consumer to regularly video tape their shows. DVR success, however, is largely fueled on their simplicity to regularly record shows and skip over commercials.

The burning question is, “How do you get your advertising and promotional message across when consumers have the ability to skip over your message?” And right now, the experts are far from reaching any consensus on this topic.

Merging the Content with a Sponsor’s Message

Perhaps the hottest debate is the current trend of blending the show’s content with an advertiser’s message. From its inception, television media (like all media) has claimed a separation between “church and state”. However, more and more often, we see product placement taking a significant role in a show’s content. From the cars the actors drive, to the supplies our game show “Survivors” receive from key advertisers (like Target), we see more and more examples of advertisers showing up inside the content.

This was a trend that started in the movie studios, and has worked its way onto our living rooms. While the trend continues to grow, there is a backlash that is trying to thwart these efforts. Meanwhile, as infomercials continue to flourish and networks struggle for “new ideas” for hit shows, can we be very far away from “Coca-Cola hour?” Think it can’t happen? Check your program guide for new shows coming from the Hallmark channel this season.

Interpublic is Buying Literary & Talent Agencies

In case you missed the June 14, 2002 article in the Wall Street Journal, “Ad Giant Interpublic Shops for Literary, Talent Agencies”, here’s the recap. IPG has hired Allen & Co. (investment bankers) to help them buy talent and literary agencies. Why? Because IPG wants “...to feature clients’ products as part of the entertainment”. Furthermore, this very article pointed to TiVo and ReplayTV as one of the key driving forces behind this move. (The other was cluttered airways and cable channels).

New Forms of Message Delivery

At the same time, another revolution is taking place ala new forms of message delivery. Rather than paying millions to the networks for a few 30-second spots on the Super Bowl this year, TiVo created an infomercial starring Joe Montana and streamed it at night over subscriber’s telephone wires (normally used to get programming updates and report back “favorite shows” to the central TiVo database). In this brilliant move, TiVo armed it’s fanatical users with a fun and engaging way to “explain what TiVo is” to guests of a TiVo-enhanced Super Bowl party.

For UltimateTV subscribers, email and web functionality allows advertisers to send messages and special offers to interested subscribers. Beyond the traditional opt-in lists, additional messages can be requested by consumers who take the time to watch enhanced commercials and are interested in more information than is allowed in a 30 second spot. Commercials that attract attention, can propel consumers to their website – while watching their favorite program – for more information (or send additional information via email when requested). But don’t fret about missing any content from the show while your browsing the web, UltimateTV remembers where you left off so you don’t miss a beat.

Even consumers who do not currently own a DVR unit can take part of the new form of message delivery. Enter BMW Films. If you’re like most people, you took a few minutes to watch the incredible films created by some of the more famous directors starring the various line of BMW cars. These were not blatant infomercials about the BMW, but engaging shows that featured scenes around the BMW.

This Time It’s For Keeps

Don’t be fooled into thinking this is just another case of the television and cable industry “crying wolf”. This is *not* another “You Will” campaign from AT&T, where great technology is “just around the corner”. This is a trend that is currently reshaping the way every industry is examining traditional television ad buys, and the fist movers will benefit the greatest.

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