

JackMyers Media Business Report

The TiVo Imperative: Educate and Entice Viewers to "Want to Watch" Commercials and New TV Series



Published: January 6, 2009 at 3:0 AM PST

By [Jack Myers](#)

Over the next couple of months, TV network programmers and promotion executives will don their Don Quixote costumes and flail at windmills in the hope and belief Americans will embrace more than a handful of new and returning series. And in a recessionary economy, advertisers' questions will become even louder as they wonder if the medium's traditional role as the centerpiece of marketing strategies can continue to be justified.

While overall TV viewing is up, commercial viewing is declining precipitously (no matter what 'live + 3' Nielsen data might suggest). There are 25 million DVRs today. Analysts agree there will be 50 to 60 million in the next three years. The majority of television is time shifted in these homes and the majority of time shifted television ads are fast forwarded. At 60 million homes, probably two-thirds of homes or more *that advertisers care about reaching* will be fast forwarding the majority of television ads targeted to them.

Tom Rogers, CEO of **TiVo** and an evangelist for new models of TV advertising, is not alone in his conviction that "in the next two to three years the television industry is going to face an advertising crisis more severe for it than our current global financial crisis. If companies like Bear Sterns and Lehman Brothers, as well as the best run financial institutions, had seen this financial crisis coming," Rogers suggests, "they would have conducted themselves very, very differently. But even though TV and advertising executives see our industry's crisis coming, we are not seeing true urgency in their response. This threat is immediate and urgent. If you think this recession is tough to deal with, believe me it is nothing compared to the downturn in your brands that will come if you do nothing while television advertising goes avoided."

As TiVo has presented a variety of solutions and opportunities to networks, studios, agencies and marketers, Rogers has become increasingly frustrated that TiVo is often bundled with "experimental" media options rather than recognized as an opportunity to identify and implement both short-term and long-term solutions to the accelerating erosion of TV advertising value. (See *Marketers Preparing for a DVR/TiVo World* <http://www.jackmyers.com/commentary/media-business-bloggers/36560494.html>)

In this context, I am urging marketers and TV executives to adopt **The TiVo Imperative**. For marketers, commit a small percentage of your TV advertising budgets, and for TV programmers, commit a small percentage of your promotional budgets with TiVo to engage DVR-users and educate them to *want to click*

their remote to watch advertising and to test-view new TV series. The multiple options and research capabilities that have been developed and implemented by TiVo make it the most viable option available for marketers and networks to begin addressing the imminent crisis facing the industry.

Marketers and TV executives who have been studying relevant data recognize that solutions for television impending advertising's crisis are not video-on-demand, addressable TV, interactive TV, and live +3 day viewing inclusion in Nielsen ratings. The solutions lie in basic and fundamental methods for enticing viewers to watch commercials *by choice* across all channels all the time. Marketers and networks, says Rogers, "need to find new and better ways that ultimately will be more effective to engage the viewer that will cause them to click that remote to watch an ad."

"This is too big to put off saying it's a tough financial environment, so it's hard to find the money," argues Rogers. "It's too big to put off saying budgets are being cut back. It's too big to put off saying you don't have the funds to assure television advertising becomes not only more powerful and delivers a better return on investment, but ultimately becomes a far more valuable resource for the consumer."

"Here is the issue," explains Rogers. "The future of the TV business is dependent on enabling advertisers to reach people who don't want to watch ads and who have the ability to avoid them. You can see this issue coming a mile away and marketers and networks should be prepared."

As importantly, Rogers ads, "if TV is to maintain share [of advertising revenues] true measurability is the key and there is only one source of true data – second-by-second commercial viewing. TiVo," he points out, "has the second-by-second measurement tools to give television advertising all the accountability of the Internet, and thus make it more cost effective than it has ever been." In partnership with research company [TRA](#), TiVo is also able to combine a million television homes on a census level with the purchase data (based on affinity card usage) coming out of those very same homes. "We know already that brands that have been around for decades suffer major erosion in terms of purchases from DVR homes when the ads do not get through," reports Rogers.

Few would argue that the television landscape hasn't changed dramatically with the growth of DVR penetration and Internet viewing. Yet, marketers' TV media buying and creative strategies and broadcast and cable networks' promotional strategies remain remarkably stagnant. And while broadcast networks have been ambitious in delivering full programming to viewers via online alternatives, they remain entrenched in traditional relationships with advertisers. Marketers who are interested in developing visionary long-term solutions that will assure their messages continue to reach consumers in a DVR-dominant world are on their own, required to develop and implement trials with little network involvement or even cooperation.

Rogers believes "there are many ways to catch the viewer's eye to entice them to click into an ad. There are many ways to engage the fast forwarding viewer: with tags, with full screen billboards, with entry off the user interface, with insertions when a viewer is asked if he wants to delete a show when he is finished watching... any of which can lead to incredibly effective advertising. There are many more forms of inventory to come, including making product placement immediately actionable right off the remote control."

"In contrast to traditional media buying where consumer audience profiles and volume is the basis of decision making for pricing, in the next decade advertisers will target relevant programming through technology enabled systems and buy consumer responses instead of mass exposure," comments **Joseph Gray**, CEO of **RevShare**, television's largest cost-per-action (CPA) advertising network. Similarly, **Michael Kokernak**, co-CEO of eight-year old **Backchannelmedia**, advised members of the *Association of National Advertisers* last year, "If you have a digital ad on television with data attached to it that tells you time, channel, program content, genre, parental guidance rating, you can encode ads with product details, offers, and more importantly a tracking mechanism."

"We have already seen what ignoring clear signs can do to a media sector," adds Rogers. "Look what happened to the music business. Look what is happening to the newspaper business. What could happen in the television business will probably make that look like kid stuff." TiVo is working with Comcast, Cox, DirecTV and others to implement advertiser solutions, and Rogers is aggressively urging marketers and networks to actively implement strategies now in response to commercial-skip realities. Just as marketers and ad agencies embraced the "Five-Percent Solution" in the early 1980s in response to cable TV's growing encroachment on broadcast ratings, so must marketers and networks embrace *The TiVo Imperative* and invest a small percentage of their TV advertising and promotional budgets into ongoing programs to build new ad distribution models that entice DVR-users to watch commercials and test-view new TV series.

Tara Maitra, TiVo Vice President, can be reached at tmaitra@tivo.com. Jack Myers advises media companies and marketers, including TiVo, on business strategies and industry restructuring. He can be contacted at jm@jackmyers.com.

To communicate with or to be contacted by the executives and/or companies mentioned in this column, link to [JackMyers Connection Hotline](#).

Copyright 2009 Jack Myers. All Rights Reserved.