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Advertising

TV Ad Rules Are Challenged By 'Pod' Busters

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ONE OF TV'S venerable traditions is the commercial break, a ritual that for generations has been about grabbing a snack, hitting the bathroom, and being courted by advertisers.

But now marketers are worried about new technology that allows viewers to zap through commercials. So they are pushing reluctant networks to rethink the age-old format of the ad-break -- known on Madison Avenue as a "pod."

Among the options: special "pod-puncher" ads -- blips as short as five seconds -- strategically positioned at the end of a commercial break to get more attention from viewers. At the other extreme, marketers are working on ads lasting several minutes, as well as groups of ads that mirror a program's theme.

"The pod is being reincarnated. It has to be. It's got to find a better existence," says Bill McOwen, director of national broadcast at MPG, an ad-space-buying firm owned by Havas SA.

In a sign of how advertisers want to proceed, a five-second pod-puncher for America Online will air tonight at the end of certain commercial breaks during the Fox network drama "Prison Break." AOL and its ad-buying firm, Interpublic Group of Cos.' Initiative, insisted the ad be placed at the end of the pod, right before the program resumes -- and when viewers are more apt to see it.

"The networks almost look at this as breaking the rules," says Richard Taylor, senior vice president of brand marketing at Time Warner Inc.'s AOL unit. He says he hopes to bring the five-second concept to other networks.

Fox's willingness to guarantee the coveted last spot in the ad break is a major concession. The networks have long resisted the idea of selling advertisers a premium position in a pod, even though they know more people are likely to watch the first and last spots than those in the middle. One longstanding exception has been the Super Bowl, where advertisers pay such high rates that they've been able to insist on particular positioning.

But for regular programming, advertisers typically buy groups of ads across a range of shows and time periods. Selling individual premium positions, the networks have held, would complicate an already complex system.

For decades, TV networks have bunched together several spots that are typically 30 or 60 seconds long in a pod that lasts a few minutes. By changing that system, networks fear that advertisers might be annoyed if rivals gain better positioning. While 30 seconds is the most common length for TV spots, and shorter lengths, such as 15 seconds, have been used, the idea of carving ad time into tinier parcels could mean other network hassles -- from new pricing rules to even worse ad angst among viewers.

The current ad-selling system arose under an oligarchy where three major TV networks claimed most of the viewing audience and were thus able to dictate sales terms to marketers. Over the past 30 years, however, the erosion of audiences by cable channels has reduced the networks' bargaining leverage.

TV executives have begun to bend the rules: Some now give preferred positions in the ad pods to advertisers with product-placement deals in shows, in the belief that a well-placed ad helps emphasize the product.

Networks are tentatively trying other new things, such as the five-second spot. Earlier this year, several networks ran a five-second ad for General Motors Corp.'s Cadillac in the middle of commercial pods. To get

the spot on TV, however, GM often had to purchase a separate 30-second ad in the same pod, a GM spokeswoman says.

To get its five-second ad on the air -- the one appearing at the precious end of the pod -- AOL also had to buy 30- or 60-second spots to run in the same pods. In addition, Fox refused to give AOL the first spot in a pod for its longer ad. Jon Nesvig, Fox Broadcasting Co.'s president of sales, says that giving AOL two such prime spots could offend other advertisers. News Corp.'s Fox only guaranteed the last spot because it was a short ad, he says.

"Everything is changing, but there are reasons why it might not change as fast as some might like," Mr. Nesvig says.

Some clients are pressing for new ideas about how to get their message out more effectively, says Joe Abruzzese, president of advertising sales at Discovery Networks U.S. If the idea involves moving spots around in a pod, he says, "we'll listen to it."

Some ad firms are coming up with novel proposals for their clients. These include grouping several commercials together in a single pod to play off the theme of the program. For example, a rental-car company might band together with a hotel chain to air their ads together during a program about travel, suggests Joe Uva, president and chief executive of Omnicom Group Inc.'s OMD, an ad-space-buying firm.

Other possibilities: running never-before-seen footage for a movie during an ad break, or showing multiple ads over several pods that add up to tell a single story. "The issue is about what the content inside the pod of tomorrow will look like," says Mr. Uva.

No matter how dazzling the new tricks may be, Madison Avenue probably should not load too many of them in a single ad break, says Rino Scanzoni, chief investment officer for WPP Group PLC's Mediaedge:cia, another ad-space-buying firm. "The more commercial messages you put into a program," says Mr. Scanzoni, "the greater the tendency that the audience starts looking to see what else is on."

DVR Dodges

The ad industry is considering ways to keep viewers from skipping TV commercials.

- Short spots (5 or 10 seconds) and longer ones (a few minutes)

- Added value with clues to solving videogames or unseen footage from upcoming movies

- New groupings of ads focused on one topic, such as travel

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