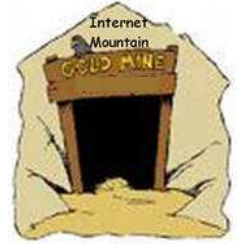




**Mining for Advertising Dollars?  
Open a new interactive mine!  
But be careful!**



As the broadcast advertising market continues as a source of anxiety for broadcasters, more and more the industry is getting the new message: New Media! There are more markets for broadcasters to explore as stations develop web sites that are proving to be true community resources. Management is also learning that the radio broadcast station is an important advantage in driving listeners to your website and understanding its benefits and features. Possibly the most powerful advantage of driving listeners to your website is the interactive nature of the web.

The interactive capability of the web has driven the effectiveness of internet advertising. An analysis of internet advertising has concluded:

“Rich media brought on by broadband may lead to higher response rates, better branding capability, and more creative possibilities. A convergence of television and the Internet with interactive advertising is likely to lead to larger budget commitments . . . The future interactive agency and advertiser must be ROI-driven. To do so, they must be able to integrate campaigns, data, and technology across a wide variety of new, traditional, and converged media across geographies and cultures.”<sup>1</sup>

The same can be said for radio. And one of the most important aspects of internet, interactive advertising is the ability to profile the viewer of the advertising through search behavior and computer behavior in order to send most effective advertising targeted to the demonstrated needs of the viewer. As a result, interactive advertising is deemed by many advertisers to be more effective per dollar spent. Indeed, a recent study from Forrester Research concludes that:

1. In this recession, marketers have learned that interactive marketing is more effective, and advertising less effective, per dollar spent.
2. While budgets for online advertising have decreased, they decreased less than other budgets.
3. Six out of 10 marketers surveyed agreed with the statement, "we will increase budget for interactive by shifting money away from traditional marketing."

---

<sup>1</sup> [http://www.internet-advertising-ia.com/Internet\\_Advertising/Advertising\\_10.htm](http://www.internet-advertising-ia.com/Internet_Advertising/Advertising_10.htm)

Studies like this support many broadcasters' conclusions that they have to develop their online advertising ability and make it more available as a combo buy with over-the-air advertising that pushed listeners and viewers to their website as the local resource and search engine of choice.

Available to help broadcasters and all other web advertising services are companies like comScore. ComScore and companies like it, provide tools to measure advertising impact. They can quantify branding effectiveness by measuring lift in awareness, message recall, intent-to-purchase and changes in consumer attitudes using rigorous test and control methodology coupled with online behavioral insights, collected from comScore panel user panels. From this data, they can then use behavioral metrics of web visitors to get the most effective advertising messages to that visitor. According to *Business Week*, behavioral targeting has become more prevalent as it gets easier and cheaper to use software to track online behavior and then use the data to pitch Web users related goods and services. These ads are more likely to induce a customer to make a purchase or otherwise respond to a pitch, researchers say.

As broadcasters realize their own ability to use their resources to make this adaptation, there is another transition for which they must keep a watch. The FCC may no longer be the most important regulator in their lives. Commercial activity relating to online behavior is the domain of the Federal Trade Commission and that agency is developing an awareness of advertising behavior related to the new capabilities of the internet and possible new areas of regulation.

Recent reports indicate that the new Federal Trade Commission Chairman, Jon Leibowitz wants to rein in the practice of delivering ads to individuals based on the Web pages they visit and searches they carry out.<sup>2</sup> Coming with a reputation for cracking down on spyware that surreptitiously gathers information on Web users' surfing habits, he has obvious experience in the area. Leibowitz said in an interview with *BusinessWeek*. "There's a critical issue about whether consumers have notice of what companies are doing with their information and whether they're making informed choices about [sharing] information," For example, he said, "if an advertiser sends an ad based on sensitive information about a person's health, "you might want to take that off the table."

Many industry executives have served notice on the industry that careful watch of the FTC is necessary and that the regulatory scrutiny is expected. The FTC has worked closely with the industry to fashion draft voluntary guidelines for online advertising. It behooves broadcasters to pay special attention to such efforts for guiding their own behavior as well as policing the practices of its competitors.

As we continue to evolve it is now clear that the broadcasters will have to carefully watch the regulatory activities of the FTC as well as the FCC.

---

<sup>2</sup> *Business Week* Internet August 2, 2009, [http://www.businessweek.com/technology/content/aug2009/tc2009082\\_486167.htm](http://www.businessweek.com/technology/content/aug2009/tc2009082_486167.htm)