

# Cable-TV Group Bails Out of eBay Ad-Sales Trial

By SUZANNE VRANICA

A cable industry group's decision yesterday to withdraw from further trials of eBay Inc.'s online TV-ad buying system could seriously set back plans to create an alternative advertising marketplace.

The Cabletelevision Advertising Bureau, a trade group that represents most major cable networks, said it wouldn't participate in further testing of the Online Media Exchange system, created last fall by a consortium of about 10 high-profile advertisers, including Home Depot Inc., Toyota Motor Corp. and Microsoft Corp. Without cooperation from a television network, the eBay exchange won't have airtime to sell to marketers.

The eBay consortium said it was "dis-

appointed" by the cable group's decision. It added that it will "continue to pursue cable networks and [is] confident that the eMedia exchange will have traction with cable and other media."

eBay didn't return calls seeking comment.

The advertiser group teamed with eBay last year to create what it hoped would be an Internet auction site for TV advertising time. Right now most TV ad time is sold through negotiations done over the phone or email. After writing the software to create the system, the group had planned to test it by selling national ad time available on one cable network.

The CAB's decision will put that plan on hold. The decision to withdraw comes after several cable networks—including ESPN, MTV, Discovery Net-

works, Lifetime and Turner—studied the system for several weeks. "Clearly one picture was emerging and it was universally negative," says Sean Cunningham, president and chief executive of the CAB.

He says the networks believe the system failed to capture important parts of the buying process. Mr. Cunningham says many of today's media deals involve complicated product integrations. In addition, the system didn't allow for media deals to have Web, promotional or retail extensions.

The networks' withdrawal also reflects opposition within the TV industry to the new system. TV executives fretted that the system would commoditize the value of TV ad time, while some big advertisers—which get price breaks in the current system—were

also opposed.

Even some big media buyers on Madison Avenue were leery about the implications of the system. Much of these firms' business rests on their ability to pool clients' ad dollars and use the resulting leverage to negotiate better rates. An open-auction system could undercut that approach.

Ad executives suggest the CAB decisions could also have bigger ramifications for others, such as Google Inc., that are looking to digitize the media buying and selling process. "Google is going to realize not everyone is rooting for this," says Greg Smith, chief operating officer of the North American operations of Neo@Ogilvy, an interactive ad agency owned by WPP Group's Ogilvy & Mather. Google didn't return calls seeking comment.