

Advertising / *By Brian Steinberg*

Ready-Made Pitches on the Cheap

**Canned Spots for \$499
Seek to Draw New Clients
To Local Television Markets**

THE AD LOOKS like many on television. It opens with shots of people holding and arranging flower bouquets, as a voice intones "special moments bring special memories." A toll-free number and Web-site address, **Devynns.com**, is on-screen throughout, and the commercial closes by telling viewers Devynns also has two flower shops, in Pomona and Covina, Calif.

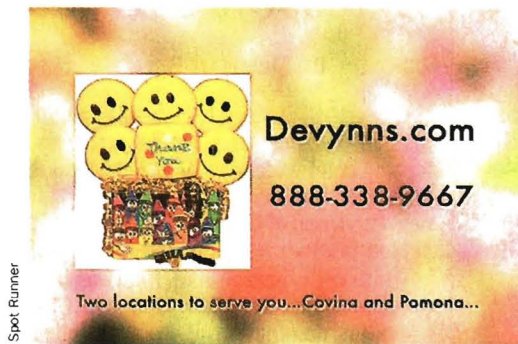
Using a conventional ad agency, this message typically would cost thousands of dollars to make. But Devynns's president, Mitchell Stein, says the firm paid only \$499—plus several hundred dollars for the airtime for the spot, which ran on cable channels such as A&E and HGTV this past fall. It's an example of a new form of cheap TV advertising that is attracting an array of small businesses to television for the first time.

The ads are courtesy of Los Angeles ad firm **Spot Runner**, which uses its Web site to offer a menu of ready-made ads designed for different types of businesses. With a click of the mouse on their computers, doctors, dentists, real-estate brokers and others can select a format and add personal information such as phone numbers and logos.

Spot Runner will then arrange for the spot to air on television, usually on local cable systems serving just a few towns or a county. To ensure that two advertisers don't run the same spot in the same area, Spot Runner gives advertisers exclusivity in a specific market for the duration of a campaign and a period afterwards.

Founded in 2004 by two Web executives, the firm launched its service earlier this year and is drawing increasing attention from big media and advertising companies who see the potential of Spot Runner to open up a new market. Local businesspeople have long relied primarily on the Yellow Pages, direct mail and newspapers to advertise, steering clear of television because of its cost and complexity.

And while local advertisers' individual marketing budgets are usually pocket change to big ad agencies and media companies, the sector in aggregate generates a sizable amount of money. Local newspapers, for instance, generated \$17.5 billion in ad revenue in the first



This ad for a California florist ran on A&E and HGTV; it cost \$499 (airtime was extra).

nine months of this year, according to TNS Media Intelligence—much of it from small businesses. With television now seeing weaker growth in traditional advertising, these small marketers are beginning to look attractive.

"Local advertising that is not spent on TV or local cable is probably as much as, if not more than" what the industry gets, says Julio Marengi, president of sales for CBS's 35 owned and operated local TV stations. CBS, which recently took a minority investment in Spot Runner, plans to test Spot Runner's system to sell ad time in its TV stations in one area of the country and eventually expects to have all its stations work with the firm, he says.

Other media heavyweights to invest in a recent round of financing were Lachlan Murdoch (son of News Corp. Chairman Rupert Murdoch), **WPP Group** and **Interpublic Group**. Bob Pittman, a founder of MTV and a former executive at AOL Time Warner, is also an investor and recently joined the board.

Small marketers have long been able to buy cheaply produced ads on late-night television and local cable. But advertisers who have used Spot Runner say it is making advertising both cheaper and simpler.

Mr. Stein, for instance, looked into advertising on local cable by himself, but found the process onerous. "Just reading the rates was very hard. It had all these technical codes with the pricing, and I didn't actually get it. Getting the commercial put together was something I would have had to do on my own." Spokespeople for the two biggest cable operators, **Time Warner** and **Comcast**, say their ad-sales processes are easy to understand.

The difference in production cost can be considerable. Mark Anthony Ruiz, a Century 21 Realtor in Cerritos, Calif., says he explored the idea of having a commercial

made elsewhere and found that it would have cost around \$3,700. "If I can get one done for \$499, it just seems like cheaper pricing," he says.

The cost of airtime is usually the most expensive part of a TV ad, but time on local cable systems serving a few towns or a county can be relatively cheap. Mr. Stein, was able to run his ad 50 times over about a month on A&E for a total of \$300 and 35 more times on HGTV for \$525. Mr. Ruiz bought 10 spots for a total of \$190 on Time Warner's CNN, all between the hours of 4 p.m. and midnight. (In contrast, 30-second spots on major broadcast

networks in prime time can cost hundreds of thousands of dollars each. A spot on a major cable channel can cost \$1,000 to \$50,000.)

Certain Spot Runner clients say they have taken dollars they would normally spend on local newspapers and other forms of local non-TV advertising and shifted it to TV. Devynns.com's Mr. Stein, for instance, says he will stop running ads for his Covina and Pomona stores on Google and in Yellow Pages in favor of more local TV ads crafted with Spot Runner. When ads were running on Spot Runner in September and early October, Mr. Stein says, sales at the two stores increased 20% for September. He spends about \$100,000 a year on advertising for his two stores.

The ready-made concept does have its downside. Many of Spot Runner's ads are airing in less desirable time periods, such as during the day. And Mr. Stein says he would like to be able to devise different ads for different occasions—such as Valentine's Day. The commercials, he says, "were all very generic." A Spot Runner spokeswoman says the firm is building its library of ads as clients ask.

Spot Runner Chairman and Chief Executive Nick Grouf says that clients can select TV channels that will best attract their target audience. Spot Runner then tries to negotiate placement of the ads.

Media buyers at bigger agencies believe they can offer a depth of service not available at Spot Runner. "Big advertising agencies are going to do a lot of research to better figure out who their target is, and write a more strategic plan to make a more sophisticated [media] buy," says Kevin Gallagher, a senior vice president at Publicis Groupe's Starcom USA. Still, he acknowledges it's unclear if that matters to smaller marketers. To those advertisers, Spot Runner "is fast, and you can get on the air pretty quickly."