

MEDIA & MARKETING

ADVERTISING | *By Stephanie Kang*

Fine-Tuning Cable Audiences

Software Monitors Favored Viewers, Shifts Commercials

When real-estate company RE/MAX International advertises with local cable operators, it typically asks them to air its commercials during home-improvement shows like A&E's "Flip This House" and HGTV's "House Hunters." The idea is that viewers of such programs may also be in the market to buy or sell a house.

Such logic makes sense, but advertisers these days are demanding more precision, and getting the technology to do it. During a two-week ad campaign last month, RE/MAX was able to find out what other TV programs those viewing households were tuned to. Using a new process that taps into data from cable set-top boxes, RE/MAX found that, along with home-improvement shows, those households were also likely watching cable channels such as auto-focused Speed, as well as shows including TNT's "Without a Trace." So RE/MAX shifted some of its money to quickly place ads on those shows, hoping to reach consumers interested in real estate.

The results were part of a test conducted by RE/MAX and closely held Cox Communications in parts of Southern California to try out a new electronic ad-network platform and targeting system for cable TV. The goal: offer marketers an environment similar to online advertising, where marketers can target consumers, as well as quickly place ads and measure its effectiveness.

Abby Lee, director of regional advertising at RE/MAX, said the test gave her more information about where her ads were being viewed, as well as a way to quickly change ad-buying plans, much like on the Web.

"I don't think many people thought Internet and TV would get on the same page, but this is one way to know where your dollars are going," says Ms. Lee.

National advertisers have been reluctant to buy ads with cable operators in part because of a fragmented cable land-



RE/MAX recently tested a new system to determine where best to run cable-TV commercials (above) to reach potential homebuyers, sellers.

scape where no one operator covers the entire country. The new technology offers advertisers more flexibility, says Ms. Lee.

The ad-network technology comes from closely held **Navic Networks**, an interactive TV company in Waltham, Mass. Navic's goal with the technology, called **Admira**, is to make TV commercials targeted, measurable and interactive, says its chief executive, Chet Kanojia.

Advertisers are "looking for efficient ways to reach people," Mr. Kanojia says. "They're looking for accountability that works with digital media."

The electronic platform includes ad inventory from three operators, including Cox. That means advertisers can electronically buy ads offered by multiple cable operators in one place. Navic also offers marketers the ability to target cable TV viewers, much in the same way marketers can online.

By using viewing data from cable set-top boxes and merging it with information from demographic data companies such as Claritas, the technology can create a general behavioral profile of a viewer. For instance, RE/MAX wanted to reach women 25 years to 54 years old with \$75,000 or more annual income and who were in the market to buy or sell a home in the next 12 months.

Meanwhile, by using the set-top-box data, **Admira** hunts for other programs these kinds of viewers were watching. The electronic system then monitors the media buys, determin-

ing every two minutes how many set-top boxes in the test were tuned to RE/MAX's ad. The program automatically places the ad to an available TV program with its intended viewership, a boon that previously hadn't been possible, says Ms. Lee.

"You're getting real time, real viewership [data]," she says. "That enables you to make adjustments here and there." Ms. Lee says that during the campaign, the RE/MAX ad was placed on 40 different networks across 813 programs. A typical media buy only includes a few different networks, she says.

Navic has been talking to cable operators for about a year about its **electronic** ad network. For Cox, **Admira** is a way to generate new revenue without disrupting its business or invading consumer privacy, says David Porter, vice president of new media advertising at Cox Media. During the test, Cox offered the **Admira** network several 30-second spots, knowing that an advertiser was more likely to buy multiple spots at once, rather than just a one-off. When an advertiser buys a spot using the network, Navic and the cable operator share the revenue.

Cox and others say the information from the set-top box doesn't violate consumers' privacy because the information is aggregated and anonymous, that is, **Admira** doesn't see the name or address of a subscriber. "The viewing behavior they have can't be tied back to a person or to a household," says Tracey Schepach, senior vice president, video innovations director at Publicis Groupe's Starcom USA.