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## Studying Viewers Blink-by-Blink

PreTesting Deploys Next Generation of Audience Measuring Tools

By **Jon Lafayette**

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For years, most commercials were sold at prices based on a program's ratings. This year, it became how many people watch commercials.

Now the race is on to generate data on what exactly it is in commercials that viewers respond to.

Research company PreTesting Co. is working with local TV stations to place 100,000 set-top meters in homes this year that will generate second-by-second information on when viewers tune in—or out.

The boxes are already up and running in Omaha, Neb., where KMTV-TV is working with PreTesting, and Austin, Texas, where Fox-owned KTBC-TV signed on. A third station, Televisa-owned Fox affiliate XETV-TV in San Diego, should be up and running by the end of the summer.

Those will be followed by stations in 15 other midsized to small-market stations that will have them on a market-exclusive basis for a year.

PreTesting, best known for developing eye-motion technology, formed a new subsidiary called AdGiftz to carry out the project.

The commercial-effectiveness data the meters generate may prove valuable to advertisers who want to maximize the effectiveness of their commercials. It also has potential to help broadcasters, who need to demonstrate the selling power of their medium as more marketers become enamored of the direct-response aspects of the Internet.

"While everyone is condemning TV and saying TV is dead and long live the king, the Internet, what we have here is really the messenger being blamed," said PreTesting CEO Lee Weinblatt.

Second-by-second data on the effectiveness of commercials may redirect attention to the content of advertisements, he said.

"What we found was with the same time slots and clutter and so on, some commercials had nearly twice the audience of others," Mr. Weinblatt said.

Claudia Martin, president of Redstone Communications, an Omaha agency that was hired by PreTesting to buy ad time on KMTV for test participants, said the experiment worked.

"It did succeed in keeping people tuned to KMTV and KMTV commercials longer," she said.

Additionally, the second-by-second monitoring let advertisers test how different commercial creative content resonated with audiences, as well as how viewers responded to special offers, she said.

Mr. Weinblatt said clients ranging from American Express to Procter & Gamble are cutting back significantly on their TV budgets for the wrong reasons.

"They just believe that TV is ineffective," Mr. Weinblatt said. "And it's an absolute lie."

Armed with second-by-second data, stations can let advertisers who have weak content in commercials know the medium is not to blame, he said.

"No advertiser likes to waste money," he said. "But up until now it's been a matter of opinion."

The boxes use audio technology to pick up signals encoded into commercials to tell whether they're being watched or being zapped.

The boxes also blink to alert viewers that a commercial is about to make a special offer via the Internet. Some of those offers proved to be surprisingly popular, like a sour cream giveaway at one local supermarket chain, according to Ms. Martin. The blinking light also encourages viewers to stay tuned through commercial breaks, according to the test results.

Mr. Weinblatt said AdGiftz is backed by private investors who have put up nearly \$15 million to fund the manufacture and distribution of the boxes. The stations

are responsible for recruiting local households to participate in the program, which they have done by advertising on-air and reaching out to their own marketing affinity groups. Those groups encourage loyalty to a brand, in this case the local station; members get emailed weather updates, programming schedules, special offers and the like.

To expand the AdGiftz program, Mr. Weinblatt said he is talking to venture capitalists familiar with media investments.

At first, the AdGiftz program will be sold by the local stations to local advertisers, Mr. Weinblatt said.

Once the company has 100,000 meters in place, it will be offered to national advertisers, some of whom already use PreTesting's other services.

"If you were a media agency, and just wanted to know what is the best time to reach moms, when's the best time to talk about automobiles and so on, you could simply test the same commercial in different slots and watch the differences," Mr. Weinblatt said.

Some marketers might choose individual AdGiftz markets as test markets for their advertising campaigns.

Eric Hanneman, director of sales for KMTV, said the station is still running ads to get people to put the meters in their homes.

"It's our understanding that when we reach a 5,000-home participation level, there are a number of national advertisers that are going to be looking to test their advertising with it. But that is yet to be seen," he said.

KMTV expects to generate revenue from local advertisers who participated in the 2005 test.