

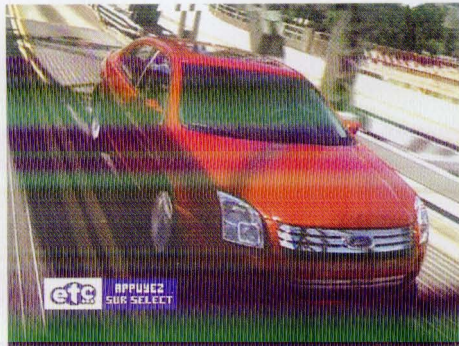
Not So Remote

Interactive TV ads could be right around the corner

Interactive TV ads, commonplace in England and undergoing extensive testing in Canada, are still not in the mainstream in the U.S., although that could soon change.

“Television innovation does not move at Internet speed. But within the next three years, I think we are going to see widespread deployment of interactive advertising, and interactive programming on broadcast and cable networks,” said Tracey Scheppach, vp, video innovation director at Starcom USA.

The technology allows a viewer using a remote control to click on an icon within a traditional 30-second commercial, for example, to get more information about a product. Down the road, Scheppach said, viewers could use their remotes to vote on shows like *American Idol* and *Dancing with the Stars*, changing the face of live TV.



Advertisers like Ford run spots on Canadian TV and could accelerate deals with U.S. networks.

Currently in the U.S., OpenTV, which acquired interactive ad technology innovator Wink Communications in 2002, has a deal with satellite giant EchoStar, which airs interactive ads nationwide. Scheppach recently made an interactive ad buy on EchoStar for client Walgreens. Another player, Navic Networks, has deals with cable operators Time Warner, Cablevision and Cox in some markets, reaching about 8 million homes.

In Canada, etc.tv and Quebecor Media, owner of that country's third-largest cable operator, Videotron, and the French-language broadcast net TVA, are partnering on providing interactive TV. Advertisers using the service include General Motors and Procter & Gamble.

Mark Sherman, etc.tv founder and president, said he's talking with U.S. networks as well. “The tone of our conversations in the U.S. has changed dramatically in the past year,” he said, adding that the cable operators, in particular, have been more receptive.

Cable and/or satellite operators are key to these deals because viewers use remotes and set-top boxes to interact with ads. Sherman said while “heavy lifting” remains in the negotiations, advertiser demand will speed things up.

“Any tools that can spur a deeper level of viewer engagement is a good thing,” said one broadcast network sales exec. “As long as the interaction doesn't take viewers away from the programming.” ■