

DIGITAL

Why AOL Lags Its Rival Portals

Execs say reorganization still impacting business PAGE 6

OUT-OF-HOME

RFPs Converting to Sales in Digital OOH

Adcentricity study also shows clients buying deeper PAGE 10

MAGAZINES

Parade Pitching Papers' Sites

Will rep 190 carriers; Pepsi, GE signed as sponsors PAGE 14

THE UPFRONT

Brand and Market Planning Report

We analyze the spending of 10 major ad categories PAGE 16

MEDIAWEEK

MAY 3, 2010 VOL. 20 NO. 18 \$3.99

MEDIaweek.com

National CineMedia lands major TV advertisers with its in-theater ad offerings, putting it atop our first-ever

OUT-OF-HOME HOT LIST

BY KATY BACHMAN SPECIAL SECTION BEGINS ON PAGE 30

NCM head Kurt Hall atop one of his theaters



OUT-OF-HOME HOTLIST 2010 >

The 10 most innovative and successful out-of-home media companies

By Katy Bachman

MOST PLAYERS IN THE SPACE—which is growing and evolving into new formats every day—are private, small companies, startups that didn't exist a few years ago. There is little financial information to go on and scant research that tracks revenue or ad dollars. So a lot of this list is subjective. It's also hard to compare these smaller companies with the three giants that have dominated the traditional space (Clear Channel Outdoor, CBS Outdoor and Lamar, the first two of which are represented) and are also innovating in the medium. For those companies, some real metrics are available.

The result of exhaustive research by Mediaweek senior editor Katy Bachman, we based our choices on a few, simple criteria. Is the audience growing? Does the company have staying power? Is the business helping to grow or evolve the medium, either through creating a new category or innovating one that's been around for a while? Is the company helping to consolidate the space, making it easier for advertisers to access the medium and deliver reach?

The result is a diverse list, one that spans the growing diversity of the OOH space, from the giant publicly traded companies to the private digital startups. No doubt the list will be controversial, but we look forward to hearing your feedback (which you can send to kbachman@mac.com, or mburgj@mediaweek.com; or, comment on the digital version of this section at mediaweek.com/outthere).



1 National CineMedia

With movie advertising red-hot and impossible to ignore, national TV advertisers are sprinkling cinema into their media plans, occasionally breaking campaigns on the silver screen before rolling out on the tube. National CineMedia, the larger of the two cinema rep firms with 16,800 screens, reaches 60 percent of all moviegoers and 70 percent in the top 10 markets. In a tough year, NCM added 38 first-time clients and lured back 18 clients that advertised in 2006 or '07. This year, NCM is being asked by the biggest agencies to present during the TV upfront season. NCM is also expanding its revenue sources beyond on-screen advertising, rolling out interactive lobby capabilities, using off-hours to run events, and extending its presence on its year-old Web site. The next frontier: 3-D. In April, NCM aired its first 3-D ad, and its three largest chains are planning to install digital projection systems in 14,000 movie theaters. Finally, NCM last year bought a minority interest in RMG Networks (No. 6 on our list).

2009 revenue grew 1.5 percent to \$335 million, largely on digital screens (NCM has the most, with 15,400). > National ad revenue, representing 87 percent of the total, was up 6.1 percent. > In June 2011, NCM will add about 900 additional screens representing 30 million cinemagoers when Consolidated Theatres and Rave move over to its network from primary rival Screenvision (No. 5 on our list). > Monthly reach is 35.3 million persons 18-plus and 48.1 million persons 2-plus, per Nielsen's Fourth Screen Report.

2 Zoom Media & Marketing

François de Gaspé Beaubien, Zoom's main owner and top executive, is in the place-based ad business to stay, and to consolidate. In the last 18 months, Zoom—backed by \$30 million in funding from partner ABS Capital Partners—made six acquisitions building out three networks (Social, Fitness and Family) across 10,000 venues. To boost local ad sales and strengthen its business model, Zoom just a few weeks ago acquired Sports Display, giving it a ready local sales force of 100. Zoom's



Zoom says total revenue has grown at a compound rate of 35 percent annually since 2003 (being private, it doesn't release revenue). > Fitness and Social Networks reach more than 54.5 million monthly, per Nielsen's Fourth Screen Report. > Social Network is No. 1 for targeting men, reaching 20 million monthly, per Nielsen.

Fitness Network has nearly tripled in size to more than 1,650 health clubs; nearly 1,400 have been converted to digital, making it the largest in its category. In more than 3,300 bars, restaurants and nightclubs in the top 50 markets, Zoom's Social Network has doubled in size since '08. In the last year, Zoom has run digital ad programs for more than 100 clients including AT&T, CBS, Coca-Cola, Colgate, Gatorade, HBO, J&J, NBC, Paramount Pictures, Reebok, Showtime, Turner Networks, VH1, Walt Disney, Verizon and Walmart.

3 JiWire

Reaching growing numbers of Wi-Fi users when they access hot spots, JiWire currently has no competition. The company has locked up

JiWire doubled its ad impressions last year; it forecasts 200 percent growth in 2010 as more people access Wi-Fi hot spots. > Revenue growth up 150 percent in first-quarter 2010 compared to Q1 '09.

exclusive relationships with about 40 Wi-Fi operators to offer advertisers front-page inventory when consumers access Wi-Fi hot spots. The network increased its locations by 22 percent last year to more than 30,000 Wi-Fi hot spots in high-traffic, long dwell-time locations: 10,000 hotels reaching 13 million a month; 100 airports reaching 4 million a month; and 7,000 cafes reaching 3 million a month. JiWire continues to build out the industry's first in-flight, ad-supported Wi-Fi with partner Row 44. Last year, JiWire partnered with Nielsen Claritas to integrate lifestyle data into its location-based metrics. It also introduced a Wi-Fi app for the iPhone and upgraded it in March, creating a new ad opportunity. The app is now a top 10 utility for the iPhone, according to Apple.



4 Captivate Network

Unless you're into staring at strangers, there's nowhere to look in an elevator except at Captivate's small screens, one of the earliest success stories in place-based advertising. More than half of Captivate's viewers identify it as their primary news source.

Founded in 1997, Gannett snapped the company up in 2004. It's a well-defined network reaching a desirable business target in 20 markets (of which 15 are in the top 20 DMAs) and has worked with advertisers including Sprint, General

With estimated 2009 revenue around \$30 million (Gannett's broadcast group doesn't break it out separately), Captivate's sales execs hope for double-digit revenue growth in first-half 2010. > Captivate added 300 new screens last year in the top three markets. > Nielsen's Fourth Screen Report pegs reach at 31.3 million monthly.

Motors, ESPN, FedEx and Amtrak. Leading a move to incorporate programming into out-of-home video networks, Captivate was among the first to create its own news unit, hiring editors to make sure its content fit the environment. Captivate has also evolved into a multimedia brand, posting blogs from its journalists on a Web site to provide more in-depth news coverage. In April, Captivate rolled out its newest innovation: giving advertisers the capability to embed real-time content into ad messages, such as snow reports for ski lodges or CD rates for banks.

5 Screenvision

The second-largest cinema rep firm (after No. 1 NCM) with a network of 15,300 screens in 2,500 theaters (7,800 of them digital), Screenvision has racked up a lot of firsts: the first 3-D ad for Wrigley's Skittles; the first live ad with Daffy's in New York's Ziegfeld Theatre (pictured); and the first use of live interactive on-screen polling with Sprint. Also with Sprint, Screenvision pioneered an interactive in-lobby polling station featuring a scanner that provides theatergoers with redeemable coupons and other theater discounts, in more than 500 theaters. To strengthen its lobby marketing, last year Screenvision partnered with Cinema Scene Marketing to offer in-lobby interactive kiosks, 3-D ad displays and other lobby tech; by year-end, they were in 300 lobbies. Screenvision continues to roll out its 3-D screen capabilities, now in 1,500 theaters. Departure of top management in April does raise questions about ownership, but the company remains stable for now.



Inked 27 deals with theater chains representing 3,444 screens. > Each month reaches 36.5 million people 2-plus, and 26.4 million 18-plus, per Nielsen's Fourth Screen Report. > Revenue grew 4 percent last year; national revenue was up 5.5 percent (it doesn't disclose revenue). > According to Screenvision execs, 2010 is pacing 25 percent over '09, driven by business from autos, health and beauty, retail, packaged goods and consumer electronics.

6 RMG Networks

Another consolidator, RMG Networks started as Danoo in 2006,

operating a network of interactive screens in cafes in five markets reaching 6 million monthly viewers. It's grown to 60,000 screens reaching 25 million viewers a month. With the seminal acquisition of IdeaCast in July '09, RMG added a network of screens in 700 health clubs across 100 markets to create its Fitness Network, as well as an in-flight entertainment network in 7,800 seatbacks of JetBlue, Frontier and Continental Airlines. Just last month, RMG expanded its in-flight net via a deal with

Delta, doubling reach to 10 million monthly viewers. Also this year, RMG bought Pharmacy TV, a network in ShopRite pharmacies, with plans to expand to 200 locations

by the end of third quarter. The company got a lot of attention in March when it took 850 screens in cafes in New York, Boston, Chicago, San Francisco and Los Angeles and partnered with The New York Times Co. to create NYTimes.com Today. That network includes interactive features, harnessing Bluetooth and Wi-Fi to drive viewers to the NYT Web site. By the end of the year, the partners intend to double reach by heaving up in existing markets and expanding to new ones.

RMG Networks says sales have grown 1,000 percent in the last year (clearly off a small base and due to acquisitions). > Nielsen's Fourth Screen Report pegs the Fitness network (the only one it measured) at 9.5 million monthly viewers 18-plus.

8 CBS Outdoor



CBS Outdoor's expansion into the digital world has leaned towards smaller digital screens. The company quietly amassed nearly 8,000 digital displays, of which 4,300 are in GameStops, a retail magnet for the hard-to-reach male 18-34 demo; reach is 24 million monthly. A year ago, less than half of the displays in GameStops were digital; today the network is completely digitized, helping to double sales in '09. CBS Outdoor also had a number of firsts last year, including rolling out the nation's first 3-D ad campaign in New York's Grand Central Station for Visa's Go World campaign. It also offers the only turnkey mobile platform, called txt2go, which attracted some 60 new clients drawn by the economical \$450 set-up price and per-response rate card. CBS Outdoor recently nabbed the New York MTA bus and rail contract (it already has Los Angeles'). The company's unique ability to provide fully integrated local media programs (with TV and radio) have attracted a number of clients including Footlocker, Dodge Ram and Sears Optical. On the traditional side, its 70 digital billboards in iconic locations are sold out.

CBS Outdoor Americas (includes Latin America) '09 revenue was down 15 percent to \$1.1 billion. CBS chief Les Moonves says Q1 2010 "pacing flat." > Monthly reach, per Nielsen, is 24 million.

9 Clear Channel Outdoor

The largest traditional outdoor company has embraced digital billboards in a big way, with 472 billboards in prime locations in 33 of the nation's largest markets (91 in Los Angeles alone). CC's Spectacolor division continues to add interactive and social-media capabilities to its full-motion jumbo and HD video signs in New York, L.A. and Las Vegas. Last year, despite soft revenue across its traditional inventory, CCO rolled out an additional 120 digital boards. The company intends to deploy at least that many more this year, expanding into markets such as San Francisco and Dallas. Plans also include adding digital video to static inventory in airports, and the introduction later this year of full-motion digital screens in bus shelters in Washington, D.C., and San

Francisco. CCO has also been at the forefront of advancing digital billboards as a news source, airing sports scores, election results, or helping out local authorities with Amber Alerts. More recently, CCO leveraged the traffic division of sibling Clear Channel Radio to create a traffic network on its digital signs.

Digital led the company in revenue growth, helping prevent a deeper decline than the 13 percent revenue loss in '09. > Added 156 new digital clients in first quarter. > The addition of 150 signs in '09 increased circulation of its digital networks from 17 million to 28 million.

7 Monster Media

Another category creator, Monster Media is a hybrid out-of-home media company, selling its gesture-based interactive technology and creating large-format, can't-be-missed interactive campaigns in big spaces, from malls to airports to storefronts, and on walls, floors and kiosks. This is the company the big outdoor companies turn to when they're looking for unusual and breakthrough campaigns for top clients. CBS Outdoor, JCDecaux, Clear Channel Outdoor all exclusively use

Monster Media interactive technology. Founded in 2003 by Chris Beauchamp, CEO, and John Payne, president, the two not only run the



firm, but have their own money in the venture. Last year, the company created 245 campaigns, such as a giant pinball machine in Times Square for Zyrtec, or taking up an entire terminal for Travelers Insurance at the Minneapolis Airport. Part of the appeal is built-in audience measurement: the displays' ability to track gestures becomes the OOH equivalent of a mouse click.

10 IndoorDirect



A pioneer in the quick-service and casual restaurant venue, IndoorDirect's Restaurant Entertainment Network syndicates video ad networks and provides programming to some of the nation's biggest chains, including Wendy's, Denny's, Arby's, Carl's Jr., Hardee's and McDonald's. The company produces and provides three one-hour shows weekly (*BITE*, *Bite@Night* and

BITE Weekend) hosted by dedicated personalities, and including daily updates on sports and entertainment news. Last year, the company increased distribution from 244 restaurants to 1,074. It has signed contracts to add another 7,000 restaurants over the next four years, of which 1,000 will be added

CEO Fred Margolin predicts 2010 ad revenue will be up 16 times over '09. > He also forecasts its first profit by end of third quarter. > Monthly reach is 14.1 million persons 18-plus, per Nielsen's Fourth Screen Report.

mostly in top 10 markets by the end of 2011. With a long dwell time, programming and advertising gets noticed. According to an Arbitron study of IndoorDirect, nine out of 10 customers who noticed the screens spent some time watching. Nearly two-thirds of the group recalled at least one featured ad.