

THE HARMELIN MEDIA REPORT

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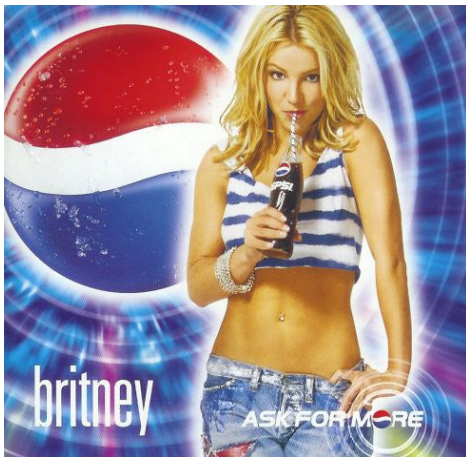
February 2010



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Pepsi Trades Super Bowl for Social Media by Bridget Crowther

Do you remember the Pepsi commercial featuring an impressive rendition of the "Joy of Pepsi" jingle performed by Britney Spears, along with an awkward Bob Dole appearance? How about the one that featured Cindy Crawford promoting Pepsi's "new look - same great taste?" My personal favorite is the one where the little boy on the beach enjoys his Pepsi so



much that he gets sucked into his Pepsi bottle. You may remember them because each of these ads aired during one of the most watched programs in television history - the Super Bowl.

CBS carried Super Bowl XLIV on Sunday, February 7th, and millions of viewers tuned in to watch the New Orleans Saints win the game against the Indianapolis Colts. It was the most watched TV show in history, with 106.5 million viewers surpassing the M*A*S*H finale's 106.0 million viewers.

Some say that many viewers tune in just to see the entertaining commercials they have come to expect. Over the past 23 years, Pepsi has been one of the leading Super Bowl advertisers. According to Kantar Media, the company spent over \$30 million in the 2009 Super Bowl, advertising products like Pepsi, Gatorade, and Cheetos. The millions of viewers tuning in to CBS for Super Bowl commercials this year might be wondering what happened to the usual Pepsi ad line up.

Pepsi decided to pull its Pepsi drinks advertising dollars from the 2010 Super Bowl telecast

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Super Controversy by Kathy Ruddy

Super Bowl XLIV wasn't just a championship football game. It wasn't just a showcase for the (supposedly) most creative advertisements we'll see all year. Super Bowl XLIV was also a venue for political controversy.

Focus on the Family, a conservative Christian group, ran its first Super Bowl ad this past Sunday. The organization claimed that the funds for the ad came from a handful of "very generous and committed friends" who donated specifically to the project. No money from the ministry's general fund was used.

The ad featured college football star Tim Tebow and his mother, Pam. The spot had the theme "Celebrate Family, Celebrate Life."

The ad touched briefly on Pam's story: In 1987, Pam contracted amoebic dysentery while she was in the Philippines. Doctors advised her to terminate her pregnancy because the medications threatened the fetus. Pam ignored their advice and gave birth to Tim, who grew up to be one of the most accomplished players in college football history. As quarterback for the Florida Gators, Tim Tebow led his team to two national championships and became the first sophomore to win the Heisman trophy.

Focus on the Family claimed that the spot was neither political nor controversial, but women's organizations begged to differ.

Although the script may not have contained the words "abortion" or "pro-life," the nature of Pam Tebow's story portrayed a strong anti-abortion message.

According to Jehmu Green, president of the Women's Media Center, the commercial inserted "an exceedingly controversial issue into a place where we all hope Americans will be united, not divided."

Women's Media Center, the National Organization for Women, and other women's rights groups asked CBS not to air the ad and urged boycotts of the network.

Other feminist movement veterans suggested fighting fire with fire. Catholics for Choice president Frances Kissling and former NARAL president Kate Michelman wrote an op-

(Continued on page 3)



Pam Tebow with son

Broadcast Nets 2010 Outlook

by Lisa Rothmiller

The first half of 2009 was rough for broadcast networks, especially in primetime, with effects of the Writers Guild Association strike still lingering, tough competition from cable networks, and disappointing ad sales due to the recession. However, against a bleak outlook, the fall TV season exceeded expectations. CBS' *NCIS: Los Angeles* and *The Good Wife* proved to be winners, while Fox's *Glee* and ABC's *FlashForward*, *Modern Family* and *Cougar Town* have been successful. This upturn gave network execs relief and increasing optimism for 2010 and beyond.

Networks will use the upsurge of the fall 2009 TV season as a benchmark for 2010, and will re-focus their efforts toward continuing this success throughout the summer months. Because broadcast television networks continue to fight for ratings, ad sales and incessant buzz, they can no longer afford to take a break in the summer, especially with the ever-present threat of competition from cable. According to an article in *Broadcasting & Cable*, in 2009 USA Network posted its highest-rated summer of any cable network in history, while many others saw notable ratings as well. On the contrary, none of the broadcast networks managed to average a 2.0 rating in the A18-49 demo. As one network exec put it, "It used to be there were one or two new cable shows each summer, now there are two or three. They're doing a better job, they're smart about originals."

Recently at the Television Critics Association press tour, both Fox President Kevin Reilly and ABC's Stephen McPherson vowed to steamroll ahead throughout the summer months with original episodes of scripted series, while continuing to push their 'bread and butter' reality programs. "That is really our first step to beginning to really break down this spring-summer curtain call that we have in May. . . we are programming the summer. . . there's no reason to watch *Burn Notice* on USA and not watch *Code 58* on Fox," says Reilly.

With the recent success that broadcast networks saw in fourth quarter 2009, the 'summer push' will not only be an incentive for the Big Four to capitalize on ratings with new programming, but also a chance to build on the successes of some of its returning shows for the upcoming fall season. Summer is a perfect opportunity to hit the audience with not only new series, but also to televise repeats that will help launch into the upcoming fall season. "We'll be looking for that sophomore bump. . . this is the season for sampling, critical acclaim, to get people talking," says Jeff Bader, executive VP of program planning and scheduling at ABC.

Although many industry executives see the opportunity to bridge the spring-to-fall gap in programming, the end of the traditional broadcast TV 'summer break' will be a gradual process. Network heads are not going to magically come together and all of a sudden shift entire scheduling and production cycles to compete for marginal viewership increases without first determining if the spending that comes with creating quality shows and promoting them is well worth it. Nets are going to be smart about this transition. Some options that have been tossed around by execs include airing one or two upfront series that may not have made the fall season cut as original programming, as well as new episodes of reality shows, which are relatively cheap to produce. It will take the success of one or two programs to create buzz, and hopefully other networks will soon hop on board.

Around the Harmelin Water Cooler

This Month's Question:

What were your three favorite Super Bowl commercials this year?



Doritos 'Play Nice'	48%
Snickers 'Betty White'	44%
Doritos 'Dog Collar'	25%
Google 'Parisian Love'	20%
Careerbuilders 'Causal Friday'	13%



Keep Your Hands Off My Doritos

(Continued from page 1) **Tebow**

ed in the *Washington Post* on the subject. They argued that women's groups responding to the Tebow ad should "take a page from the Focus on the Family playbook," suggesting the purchase of a competing 30-second ad.

The ad's content also caused some concern among ob-gyn's who saw it as an attack on medical expertise. "I'm about to do an abortion for a woman with



a hole in her heart," said Dr. Anne Davis, medical director of Physicians for Reproductive Choice and a practicing ob-gyn in New York City. "If she were to stay pregnant, there's a 75% chance that she wouldn't make it. When people want to stay pregnant no matter what the risks, we hang in there with them and do whatever we can do for them. But it doesn't always turn out well."

These groups may have been caught off-guard by the inclusion of an anti-abortion commercial in the Super Bowl because the major broadcast networks have avoided political advocacy ads for years.

CBS said that it has "moderated [its] approach to advocacy submissions after it became apparent that [its] stance did not reflect public sentiment or industry norms on the issue." They claim that most media outlets have accepted advocacy ads for some time. CBS stated that its standards and practices division continues to adhere to a process that ensures that all ads – on all sides of an issue – are appropriate for air.

According to Bob Garfield, advertising critic for *Advertising Age*, determining whether an ad is suitable for air is not about making moral judgments. Rather, it's about determining whether an ad is "going to be offensive to large swaths of the audience."

No one knows about offending "large swaths" of the Super Bowl audience better than CBS. We all remember the "wardrobe malfunction" of 2004. The Federal Communications Commission hit CBS with an unprecedented \$550,000 fine for the accidental exposure of Janet Jackson's breast for about half a second during the halftime show. The FCC also increased its fine per indecency violation from \$27,500 to \$325,000 after the incident.

Since November 2004, CBS has challenged this fine on the grounds that the broadcast was unintentional and thus exempt from indecency regulation. In July 2008, the US Court of Appeals for the Third Circuit voided the FCC's fine, but in May 2009 the Supreme Court vacated that judgment and sent the case back to the Third Circuit for reconsideration.

One would think that CBS had learned from this incident and that the network would be perhaps even *more* cautious about the ads that it approved

for the Super Bowl.

Maybe that's why CBS refused to air the ad for ManCrunch.com, a dating site for gay men. The ad showed two men wearing football jerseys sitting on a couch watching the game. When both men reach for a bowl of chips, their hands touch and suddenly the two men begin kissing. The ad had a humorous tone, but upon review by CBS's standards and practices division, it was determined not to be appropriate for the Super Bowl audience.

Man Crunch's spokesman Dominic Friesen said that the rejection constituted discrimination. The company felt that if the ad was for a straight dating service and featured a man and a woman kissing, there wouldn't have been an issue.

There is speculation that CBS rejected the spot because of money, not content. The network may have been concerned that Man Crunch could not afford the ad. Friesen admitted that CBS rejected a credit application by Man Crunch, but he said that the company had been willing to pay for the ad in advance.

Rejection by CBS is causing just as much (if not more) publicity for Man Crunch than actually running a spot in the game, and it saved the company about \$2.5 million.

CBS certainly had to make some tough decisions this year, and their decisions have set the precedent for the future. There has not been an anti-abortion ad previously running in a Super Bowl according to Jon Swallen, Senior Vice President of Research at Kantar Media (formerly TNSMI). That company's Super Bowl records go back to 1982.

Was the Focus on the Family spot really not political nor controversial in nature? CBS seemed to feel that the spot simply promoted family values. The network may want to seem more family-friendly in light of the 2004 incident with Janet Jackson. Did this lead them to reject the Man Crunch commercial?



CBS officials certainly aren't saying. One thing is for sure. This will not be the last time that we see controversial ads toeing the line of acceptability and airing in national programs. CBS has made a decision to air an ad promoting one side of a controversial issue. Interest groups are going to be citing this example for years to try to get into programming that they may have been excluded from in the past. I wouldn't be surprised if a pro-choice group tried to air a spot during the Academy Awards on March 7th. We'll see what ABC's standards and practices division thinks about that.

(Continued from page 1) **Pepsi**

and shift the budget to the internet with a new social media campaign called the "Pepsi Refresh Project." In an effort to "refresh" communities, the campaign will pay at least \$20 million for projects created by the general public ranging from community food collections to reading programs for children and anything in between.



The projects are posted on the Pepsi Refresh website by the public. By utilizing

Twitter, Facebook and the website www.refresheverything.com, Pepsi has been encouraging people to vote for the project they think will be the most beneficial to local communities. The project is also partnering with the NFL and players Drew Brees, DeMarcus Ware, and Mark Sanchez to help influence the project. Each of the players has listed a Super Bowl Pepsi Grant Project for people to support.

This is an interesting strategy for the beverage brand. Pepsi's withdrawal from advertising in the Super Bowl has already generated a buzz. While the Super Bowl is only one day, it has the largest audience of any TV show every year. Pepsi's move



to the social media platform leaves the field wide open to its archrival, Coca-Cola, the company who has given Pepsi some tough competition

over the past couple years in the Super Bowl. Pepsi hopes the new social media platform will generate even more buzz and strengthen sales of some of its top beverage brands. Time will tell whether the execution of this new marketing campaign will turn out to be a success for Pepsi brands.

22 Million Reasons to Cancel Jay Leno by Bernie Shimkus & Terry Maher

Harmelin Media's analysis of the most recent local Nielsen ratings reveals the carnage from Leno's move to Primetime. There were some dramatic decreases in the performance of late local newscasts by NBC-affiliated stations, and the analysis shows how necessary the cancellation was for local station executives.

Harmelin's analysis of the November Nielsen data across all 210 television markets indicates an average audience decline of 25% in the primary news demo of Adults 25-54. Harmelin's research also uncovered ratings declines of 20% or more for late news broadcasts in more than 100 TV markets across the country, with some of the biggest audience losses occurring on stations in the largest markets. The NBC affiliates in New York, Los Angeles, and Philadelphia suffered rating declines of 48%, 43%, and 47% respectively.

Combining the ratings information with commercial load data from Kanter Media (formerly TNSMI) and market-specific CPP data from SQAD, Harmelin estimates that keeping *The Jay Leno Show* in primetime would have cost stations in the top 20 television markets a minimum of about **\$10 million per quarter** in lost revenue during the first half of 2010. Across all 210 TV markets in the U.S., the total revenue loss in late local news would be more than **\$22 million per quarter**. While these are certainly alarming figures, NBC was probably more influenced by the fact that its 10 owned and operated stations would lose an estimated \$570,000 per week, or **\$7.4 million per quarter** according to Harmelin's analysis.

These late news losses don't take into account the additional revenue declines the affiliates suffered directly in Primetime and in Late Night as a ripple effect of the move. According to Harmelin VP of Research Bernie Shimkus: "Even if *The Jay Leno Show* was itself profitable from a production standpoint, as NBC executives continued to assert to the end, the overall revenue picture for the company was not moving in a positive direction, and the situation has turned into a public relations disaster with affiliates."

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Published by Harmelin Media

525 Righters Ferry Road,
Bala Cynwyd, PA 19004

(610) 668-7900 fax (610) 668-9257

President: Mary Meder Editor: Terry Maher

Visit our website at www.harmelin.com