Revised Children's Online Privacy Rule Effective Now

BY DOUG MCPHERSON

WASHINGTON — The Federal Trade Commission's (FTC) revised Children's Online Privacy Protection Act (COPPA) Rule took effect on July 1 after more than two years of edits and reviews.

The revised rule addresses changes in the way children use and access the Internet, including the increased use of mobile devices and social networking. The modified rule, which the commission approved in December 2012, widens the definition of children's personal information to include persistent identifiers, such as cookies that track a child's activity online, as well as geolocation information, photos, videos and audio recordings.

FTC Chairwoman Edith Ramirez said protecting children's privacy is a "top priority" and that the updated rule helps put parents "in charge of their children's personal information as it keeps pace with changing technologies."

Congress passed COPPA in 1998 to require operators of websites or online services that are either directed to children under 13 or have actual knowledge that they are collecting personal information from children under 13 give notice to parents and get their verifiable consent before collecting, using or disclosing such personal information, and keep secure the information they collect from children.

The FTC also released a document and video designed to help small businesses that operate child-directed websites, mobile applications and plug-ins ensure they are compliant with upcoming changes to the rule.

The document, "The Children's Online Privacy Protection Rule: A Six-Step Compliance Plan for Your Business," is for small businesses and explains how companies can determine if they are covered by COPPA, and what steps they need to take to protect children's privacy. The FTC also released a video to help explain businesses' obligations under the revised rule, including an explanation of the changes.

The FTC staff also maintains a "COPPA Hotline" E-mail address, *COPPAHotLine@ftc.gov*, where industry members can send questions on how to ensure they are compliant with the rule. Comments on the FAQs or suggestions for new FAQs may also be submitted through the COPPA Hotline E-mail address.

FTC Tells Senate Illegal Robocallers Retargeted

BY DOUG MCPHERSON

WASHINGTON — The Federal Trade Commission (FTC) told a U.S. Senate Commerce Subcommittee in mid-July that it's been stepping up its attack to fight illegal commercial robocalls by enforcing the Do-Not-Call (DNC) registry and seeking to spur technical solutions to block those calls.

Lois Greisman, associate director for the agency's division of marketing practices, said the DNC registry now has more than 221 million phone numbers, and that the registry has protected consumers' privacy from the unwanted calls of tens of thousands of legitimate telemarketers each year.

But the FTC said robocalls are still a problem causing "significant economic harm" with fraudulent goods and services. To address that, the FTC last year sought ideas and input on the issue from technologists, industry experts, policymakers and other stakeholders. One clear finding: the convergence between the legacy telephone system and the Internet has facilitated new technologies have make robocalls inexpensive and easier for robocallers to hide their identities.

To step up its fight on robocallers, the FTC held a "Robocall Challenge" in 2012 with a $50,000 prize for the person or team that could find a workable way to help consumers block robocalls. The FTC got 798 eligible submissions. In April, the FTC announced that two winners split the prize money for their proposals, which both focus on intercepting and filtering out illegal prere-

Tribune to Acquire 19 TV Stations in $2.7B Deal

BY DOUG MCPHERSON

CHICAGO — Tribune Co. has agreed to buy 19 local TV stations from Local TV Holdings for $2.7 billion in cash — a deal that makes it one of the largest TV station owners in the country.

If the deal goes through, Tribune will have 42 stations in 16 markets, including New York, Los Angeles, Miami and Seattle. Tribune contends that "most of Local TV's stations are ranked No. 1 or No. 2 in revenue share" in their markets, and the transaction will bring "significant free cash flow."

Tribune's new broadcast portfolio will include 14 CW affiliates, 14 Fox affiliates, five CBS affiliates, three ABC affiliates, two NBC affiliates and four independents. It will own 14 stations in the country's top 20 markets and become the largest Fox affiliate group, the company said. Local TV is principally owned by private equity firm Oak Hill Capital Partners.

Tribune plans to distribute more video and digital content through its TV and digital properties, and the acquisition gives it more options to offer advertisers, *USA Today* reports. "Since joining Tribune in early 2013, we have been setting the strategic foundation to transform Tribune and help chart the path forward — building our multimedia capabilities and asset portfolio to become the country's leading independent content creator and distributor," Peter Liguori, Tribune CEO, told the newspaper. "This is a transformational acquisition for Tribune."

The deal came just weeks after Gannett signed a similar deal to nearly double its TV station business agreeing to buy Belo's TV stations for $2.2 billion, increasing its broadcast portfolio from 23 to 43 stations. The deal, financed by debt, is expected to close by the end of 2013.

Reportedly, more deals for consolidation also could be brewing in the cable TV industry, as investors are drawn to the possibility of combining pay-TV service with Internet subscriptions to keep viewers under one tent.

Cable TV pioneer and chairman of Liberty Media, John C. Malone remains interested in a deal for Time Warner Cable, according to a report in the *New York Times* July 1. Citing unnamed sources, the report said Malone would have Charter Communications acquire TWC. Liberty owns 27 percent of Charter (*Response This Week*, June 19).

If Malone pulls off the deal, the *Times* report says he would use the combined company to drive further consolidation in the cable industry.

DO-NOT-CALL (DNC) REGISTRY LISTS 221 MILLION PHONE NUMBERS

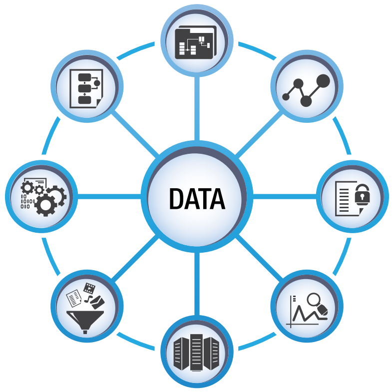
corded calls using technology to "blacklist" robocaller phone numbers and "whitelist" numbers associated with acceptable incoming calls.

In its testimony, the FTC said as technology changes and fraudsters exploit those changes, it will remain agile and creative with continued aggressive law enforcement, innovative technological solutions and ongoing consumer education.

The registry's 10th anniversary was just more than a month ago, and during its existence, the government has filed lawsuits against 298 companies and 234 individuals. The FTC has so far received court orders totaling more than $741 million in consumer restitution or disgorgement and $126 million in civil penalties.

One recent registry case — the largest civil penalty ever for registry violations — involved Mortgage Investors Corp., which refinances veterans' home loans (*see page 10*). It earned a $7.5 million fine for calling consumers whose numbers are on the registry.

DMA, Winterberry Group Offer New Data Stewardship Rules



BY DOUG MCPHERSON

NEW YORK — The Direct Marketing Association (DMA) and the Winterberry Group, a marketing consultancy, have released a white paper dubbed, "The New Rules of the Road: Marketing Data Governance in the Era of Big Data" that says good data stewardship not only reduces risk, but also increases profits.

Key findings include:

- 93 percent of marketers surveyed expect customer information will drive a "significant" contribution in the future, and they believe the maximizing that value to be the best benefit of an effective marketing data governance strategy.
- 79 percent of marketers say their organizations would benefit from more sophisticated, strategic data governance approaches. But only 32 percent "strongly agree" that data governance is currently a clear priority within their companies.
- Internal process challenges and misaligned organizational structures are limiting marketers' abilities to develop and implement strategic data governance approaches.

The paper offers five actions marketers should take to build data governance capability:

1. Maintain an evolving map of their customer information, breaking down the class of each marketing data asset at a deeply granular level.
2. Develop a unified data strategy that considers (and incorporates, over time) several inputs, supporting use cases, deployment technologies, regulatory and best-practice guidelines and other operating parameters.
3. Build infrastructure to support marketing data usage while improving the roles of people, platforms, processes and partners in unlocking the value of those assets.
4. Consider the needs of all constituents in developing and refining data governance guidelines — leveraging information to improve the value (and protect the interests) of customers, employees, shareholders, partners and other parties.
5. Develop a "data culture" grounded in continuous learning and improvement, leveraging information to help drive product and customer innovations (and reinforcing the need to safeguard those critical corporate assets).

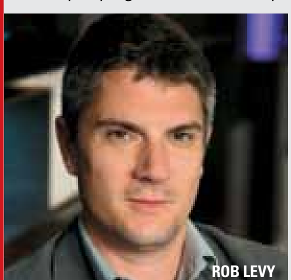
DMA President and CEO Linda A. Woolley says proper data stewardship is a "business imperative."

"Marketers have traditionally thought of data stewardship only in terms of risk-management, but they now can make it part of their business growth strategy," she adds. "After all, consumer trust is directly connected to successful business relationships — and in the end, that trust drives the bottom line."

Rich Walker, managing director at Winterberry Group, says, "Our research revealed that a new imperative is emerging: Manage information as a strategic asset, responsive to the needs of customers, marketers and other stakeholders. That's driving many to reassess the role of governance, with an eye on managing, safeguarding, and optimizing the contribution of data across the enterprise."

NEWS CORNER

The InterMedia Group of Companies taps Rob Levy to head up InterMedia Entertainment. As president of the division, he will lead the company's growth in celebrity endorsement and branded entertainment deals, talent and entertainment partnerships and intellectual property ventures.


ROB LEVY

InfoTech, a leading software house and system solutions company, delivers its Web-based Media Management System (MMS) to DX Media Direct, a leading direct response agency located in Aubrey, Texas.

Venable LLP hires Ms. Po Yi, the former chief advertising counsel for American Express. Yi joins as a partner in the firm's New York office and will serve as an expert on branding and media partnerships.


PO YI


MARI ESCAMILLA

Public relations firm **Marketing Maven** announces that Mari Escamilla, its Hispanic media manager, earned the 2013 *Pacific Coast Business Times*

Study: Online Viewers Interact More With Ads

LEXINGTON, KY. — Consumers who watch TV ads on laptops or desktops interact more with those ads than those who watch the ads on TV, a recent study from cable repfirm Viamedia says.

A majority of TV watching Americans (59 percent) admit to having some "degree of likelihood to act on a commercial" they watch, with the strongest percentage saying they are most likely to do so when watching on a computer (29 percent), followed by television (24 percent), smartphone (21 percent), tablet (21 percent), and smart TV (4 percent).

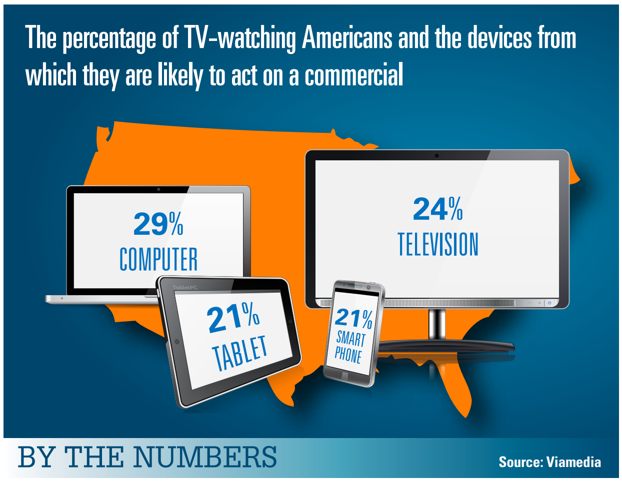
TV viewers in the West are more likely than those elsewhere to say they will act on commercials seen on a computer (38 percent) followed by the Midwest (31 percent), the South (27 percent), and the Northeast (26 percent).

Of the 64 percent of Americans who watch on-demand programming, 69 percent say it's okay to air commercials during on-demand programming, and women were statistically more likely than men to be okay with it (74 percent vs. 65 percent).

"[The] survey has proven that a majority of Americans will act on commercials they watch," says Jeff Carter, Viamedia CEO.

Overall, U.S. TV watchers still prefer watching programming by more traditional means — with 72 percent saying they watch cable TV and 33 percent watching on a device such as tablet, smartphone or computer.

The survey was conducted online in the U.S. by Harris Interactive from June 24-26 among 2,029 adults ages 18 and older, of which 1,958 watch TV programming.



Broadcast-Only TV Homes on the Rise

BY DOUG MCPHERSON

NEW YORK – A new study from researcher GfK says the number of broadcast-only TV homes continues to rise.

This year, 19.3 percent of U.S. TV homes — 22 million — will be broadcast-only and not subscribe to any pay TV service. A year ago, 20.7 million-plus homes were broadcast-only.

The report says the top reason cited by viewers is saving money; 60 percent of those who cancelled their pay TV service cited cost cutting as the reason. More online video viewing and Internet-connected TV options also may have boosted cord cutting.

Other reasons for cord cutting, according to a different survey from CouponCabin, include: not watching enough TV (27 percent); alternative ways of watching live TV (17 percent); and watching few TV channels (17 percent).

Latino Business Award in the Professional Services/ Marketing category.

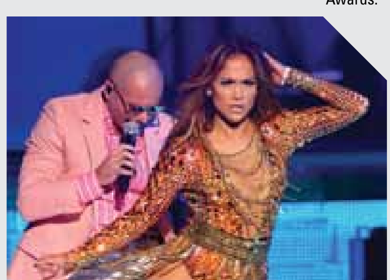
Hawthorne Direct, a full-service brand response advertising agency, teams with the creative leads at **PJA Advertising** to create new one- and two-minute commercials for Brother Intl. Corp. The agency also celebrates its three Moxie Award nominations from the Electronic Retailing Association (ERA). The nominations are in three separate categories: Best Long-Form, DR Corporate Branding; Best Long-Form, Health; and Best Short-Form, DR Corporate Branding.

Argo Marketing Group opened a third location in downtown Portland, Maine on June 1. The company says the new center means "greater client services, new amenities for employees and room for growth, including 60 new positions." The company is headquartered in Lewiston, Maine with its other office located in Pittsfield, Maine.

Gary Pudles, president and CEO of **AnswerNet**, wins the 2013 Association of TeleServices International (ATSI) President's Award. The award is reserved for those who have demonstrated continuing exceptional service and support to companies and colleagues in the call center industry.

Delivery Agent, a shopping enabled entertainment company, announces it has renewed its partnership with A+E Networks to manage the company's E-commerce services through 2015.

For the first time ever, **Univision** captures the No. 1 network spot in the 2013 July sweeps, beating ABC, CBS, FOX and NBC.



Pitbull and Jennifer Lopez perform on Univision's 10th Annual Premios Juventud Awards.

Mortgage Broker to Pay $7.5 Million to Settle Violations

BY DOUG MCPHERSON

WASHINGTON — The Federal Trade Commission (FTC) levied a $7.5 million civil penalty against Mortgage Investors Corp., the largest fine the FTC has ever handed down for a do-not-call violation.

Coincidentally, the ruling was announced on the 10-year anniversary of the Do-Not-Call Registry. The case is also the first action the FTC has brought under the Mortgage Acts and Practices advertising rule, which allows the FTC to collect civil penalties for deceptive mortgage ads.

According to the FTC's complaint, Mortgage Investors Corp., one of the nation's leading refinancers of veterans' home loans, called more than 5.4 million numbers listed on the do-not-call registry. The company also failed to honor consumer requests to remove them from the company call list. Plus, Mortgage Investors Corp. misstated the terms of its loan products during the telemarketing calls.

Under the settlement, the defendant is barred from denying consumers' future requests to be placed on its do-not-call lists; calling consumers on the national

do-not-call registry; misrepresenting any terms related to mortgage credit products including rates, closing costs, fees, interest and savings; and misrepresenting its affiliation with any government entity or organization.

FTC chairwoman Edith Ramirez said the settlement leaves no doubt "that do-not-call enforcement remains a top priority."

About 221 million Americans have registered with the do-not-call registry at *Donotcall.gov*. The settlement marks the 105th enforcement action since staff began enforcing the do-not-call provisions in 2004.