

Are TiVo and the Cable TV Guide Hurting Direct Response?

If you believed everything you heard, you would think media rates were doubling every quarter and have been for the past three years. After all, how many times have you heard, “Media is terrible. We can’t get clearance, and the rates are just outrageous.”

If it’s not media rates, then the excuse is, “It’s April and tax season,” or “Must be ‘Red October.’” Have you ever heard results were down because, “There’s a heat wave back east, and everyone was outside instead of watching TV?”



The on-screen guide now available on most cable and satellite systems may be hurting DRTV with its “Paid Programming” designation. But, for smart marketers, its easy to change that listing to your product or company name.

The “From the Lab” team was curious and wanted to find out if media rates really were significantly higher today than three years ago. We also wanted to investigate another potential problem pertaining to the increased popularity of TiVo and the development of the cable TV listings guide that is so conveniently accessible through a television’s remote control.

Here is what we found:

Contrary to popular opinion, some of the largest direct response media buying agencies say media rates have *not* actually skyrocketed over the past few years. In reality, rates have gone up modestly — and one agency contends rates may even be flat.

It is true that some of the newer cable stations have

raised rates in line with increased viewership and demand for the time. It is true that media rates aren’t what they were, in proportion to viewership and response, 10 or 15 years ago. But, if rates have truly been flat for the past couple of years, why doesn’t it seem like it, and what else could be contributing to lackluster media efficiency results?

On the second topic, I love the cable TV guide that shows up on my TV screen. It shows me exactly what is playing, whether it is “60 Minutes,” “American Idol” or a string of “Friends” reruns. That full-screen guide makes it so easy for me to find what I want to watch, no matter what time of day it is. Maybe even more significantly, it shows me exactly what I can skip over — such as “Paid Programming.”

To make matters even more complicated, many cable networks are also offering TiVo or TiVo-style capabilities as a free service for subscribing. Now — not only am I able to skip the long-form paid program listings — I’m also able to record up to 40 hours of my favorite shows to watch at my leisure. That means I can now avoid surfing through the long-form shows on certain channels, *and* I can also skip the one- and two-minute DR spots and get right back to my show.

While I haven’t been able to prove empirically that these changes in television technology are having a deleterious effect on direct response — and the company that actually lists the programs on the on-screen guide doesn’t have any data to back it up — it seems logical. Have you ever wondered why Guthy-Renker shows are listed under “Guthy-Renker” rather than “Paid Programming” on the cable guide? Do they know something we don’t? After all, it is the most successful company in the business.

The answer is no. It’s common sense to list your show name or company on that guide — and it’s not difficult to do, from what we’ve learned. Still, there is no hard data out there yet to prove that these issues are hurting response, but it only makes sense that it is impacting an already tough media landscape. In the meantime, “From the Lab” and *Response* will keep investigating and reporting the findings.

For years, Adam MacDonald has given direct response marketers an edge by combining in-depth knowledge and “big picture” DR experience to provide uniquely creative and practical input in developing successful DR campaigns. Take 2 Direct specializes in bringing your vision to screen with unparalleled creative production, taking your product to market and managing all the details in between. For the latest trends in creative direct response marketing, contact Take 2 Direct at (714) 979-5555 and ask for Adam MacDonald at ext. 202.

