

Hi-tech tunnels ads, an alternative to TV

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Imagine watching a man being pulled by a team of dogs as you travel in a metro train under the streets of Washington, D.C. That's what the Travel Channel hopes when metro riders see its new 15-second motion-picturesque advertising display -- a new initiative to generate revenue for the Washington Metropolitan Transit Area Transit Authority.

The hi-tech tunnel ads inspired by the 200-year-old children's toy known as the zoetrope is creating a new niche for potential consumers as companies seek new avenues for advertising.

A March 2006 survey found that 78 percent of advertisers felt that over the last two years television had lost effectiveness according to the Association of National Advertisers and Forrester Research -- indicating that they are moving to alternative ways to capture audiences.

But beyond the Internet, transit advertisements are offering a novel way for advertisers to capture potential consumers without irritating them, says Submedia Chief Executive Officer Peter Corrigan.

Some 70 million people in major transit cities around the nation from Atlanta to New York have seen the tunnel ads from New York-based company Submedia LLC, and this isn't even mentioning those overseas from cities including Prague, Tokyo and Hong Kong.

And the Travel Channel with the promotion of its program "Anthony Bourdain: No Reservations" isn't the only one who is debuting an ad in the nation's capital.

The Ford Motor Company has an ad too where a red carpet rolls out to greet the driver of the luxury car and Toyota's Lexus will have one up in May.

In fact, since its launch in 2001, Submedia has transferred ads into short motion pictures for tunnels for over a 100 big name companies including Target Stores, Coca-Cola, General Motors, Infiniti Motors, American Express, Budweiser, Cartoon Network and United Airlines, among others.

And mass-transit systems are finding it a great way to generate non-passenger revenue, without putting the burden on its customers.

"It's an innovative way to advertise and for its main purpose -- generate revenue -- without going to the customer base and raising fares," said Cathy Asato, a spokesperson for WMATA.

In fact, WMATA expects in-tunnel advertising to generate \$100,000 this fiscal year and \$700,000 next year, and there are plans to use the money on customer enhancements such as bomb-containment trash cans, telephone-based Spanish language Trip Planner, a remote monitoring system for the Passenger Information Displays and a new sales and service center.

Transits systems gain a quick return on the purchase of the technology, which despite the initial costs of up to \$1.4 million, allows for displays of advertising that can sell for as much as \$35,000 to \$250,000 a month.

According to Corrigan, the ads are a series of static images that appear to move for 15 to 30 seconds as if it was a big flip book.

Using the average speed of the metro train to determine frame count with some 200 to 300 frames per second seen by a rider, these frames

are mounted in backlit boxes and thus creates the illusion of a flipbook.

This technology that produces the animated advertisement was developed by astrophysicists Josh Spodek, who founded Submedia with Matthew Gross in 1999.

Spodek took the idea of the zoetrope, turning the cylinder concept of the toy into a linear one and applied it to subways.

The company acting on this principle launched their first tunnel ad back in 2001 in Atlanta and has since launched ads for pedestrians, walkways, and escalators, as well.

Advertisers are finding that these transit ads are a viable option in marketing to an audience.

"The response has been great since we've been doing this for a number of years now," Corrigan said. "The advertisers are there, but more importantly, the customers love it -- they're a captive audience who actively looks forward to the ads."

According to Corrigan, such companies have turned towards advertising in tunnels due to dwindling effectiveness of television commercials as a result of cable, TiVo, and Digital Video Recorders.

In the same March 2006 survey from the ANA and Forester, 70 percent of the 133 national advertisers interviewed believed that DVRs and video-on-demand will reduce the effectiveness of 30-second television ads.

And while DVRs are expected to reach 30 million households, almost 60 percent said they will spend less on conventional commercials and 24 percent said they will cut their TV budget by at least 25 percent.

Instead, some 80 percent of advertisers said they will spend more on Web advertising and 68 percent will look to a search engine.

And while your TV is not completely out, advertising over the tube will mean branded entertainment within TV programs, TV program sponsorships, interactive advertising during TV programs, in addition to online video ads and product placement, advertisers surveyed said.

This trend also signals the rush of advertisers to answer the download problem as television networks are rushing to provide online downloads for laptops and video iPods.

"We're what you call capturing the 'out-of-home market,'" Corrigan said.

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