

## Dish ad hits DirecTV over celebrity endorsements

February 2 2010, By DEBORAH YAO , AP Business Writer

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(AP) -- Satellite TV providers Dish Network Corp. and DirecTV Inc. usually unleash attack advertisements against their cable TV competitors.

But as Dish lost subscribers while DirecTV gained, Dish has increasingly been targeting DirecTV.

At Sunday night's Grammy Awards, Dish unveiled a 30-second [TV commercial](#) attacking DirecTV's list of celebrity endorsers, such as Beyonce, Christina Aguilera and Kim Basinger.

"Maybe that's why on average DirecTV customers spend over \$175 a year more than [Dish Network](#) customers," said the ad, which was created in-house at Dish.

"Someone's got to pay for it," said Ira Bahr, Dish's chief marketing officer.

Bahr, an advertising industry veteran, spearheaded a campaign to go against DirecTV just four months after joining Dish in February 2009. This week's ad is one of the most aggressive yet.

So far, he said, the campaign is working. Dish lost 94,000 net subscribers in the first quarter of 2009 and added 26,000 net customers in the second quarter, its first increase in five quarters. By the third quarter, it has gained 241,000.

Bahr said the commercial will run nationally through February and beyond if it continues to bring in subscribers.

DirecTV didn't immediately return a call for comment.

Sanford Bernstein analyst Craig Moffett said the two have stepped up their discounting and promotions to get customers. Since last year, they're also spending more on attacks ads.

"This time, they're aimed at each other. This posture stands in stark contrast to prior years, when they principally targeted cable as 'the other guys,'" he said in a research note.

"It is hard to view this as a positive development for either one," Moffett added.

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