

A CONVERSATION WITH PEGGY CONLON

President and CEO of the Ad Council

In looking at the new media environment that is before us, what would you say are the most exciting opportunities for public service advertising? What are the greatest challenges?

I think there are terrific opportunities as new technologies are deployed. We've seen a tremendous growth with the Internet. Our Internet banners went up from calendar year 1999 to calendar year 2000 by 500 percent.

The greatest challenge will continue to be the fragmentation of the audiences. As each new medium comes along, it's additive. And so you didn't have television replacing radio, but you did have it developing its own following and eating into the shares. We saw that when cable companies began to compete with broadcast networks. And, that's going to be the same with all the other new technologies that come along. It's a more challenging job because now you can't reach a 30-percent share of all television viewers with one spot. Those kinds of audiences aren't amassed anymore. So we just have to do business differently.

How are online public service advertisements (PSAs) faring today? How do we measure their success?

We valued our dollar support on the Internet just under \$400 million for calendar year 2000. But it's not just that. It's the traffic that we're driving to our campaign sites. If you talk to our more sophisticated campaigns that have sites and they can track where the traffic is coming from, they'll tell you that the number one source of visitors coming to their sites are people who click through on the donated banners that are populating the media right now.

It's very vogue now to pooh-pooh the effectiveness of banner ads on the Internet, but we can certainly demonstrate that they have driven traffic to sites for more information. You don't always know who you are reaching, because it's a self-selecting process by who is interested enough in the topic to click through to the site. [But] it's a good measurement. And, it's certainly what most advertisers will focus on. We'll have to see because we're just now getting a little more sophisticated about how we research the actual impact, and sometimes it's hard to separate that from the effectiveness of changing attitudes and behaviors, which is ultimately the goal.

We talked about the Internet, but what are some other ways that the Ad Council has responded to these changing times and found new ways to reach the mass audience?

You have to do it all. What is the best way to reach the mass audience? It's the traditional media – it's television, radio, outdoor, print. The Internet only becomes effective in that its audiences have grown. And fortunately we've grown right along with it. But if you're talking about new technologies like interactive television and wireless technologies, we're experimenting with all of that.

We [also] have a department here that just handles network partnerships. And so we will take our campaigns and work with the networks. We've worked through the years with [NBC's] The More You Know, with CBS, with Fox and ABC.

Turning to the debate about the increase in the number of paid PSA campaigns such as those from the Office of National Drug Control Policy (ONDCP), what effect do you think that has had on the whole traditional system of donated time?

I don't think we've seen a measurable decrease in public service advertising as a result of the paid campaigns that are out there right now. We've tried to look at it from several different dimensions and directions, and so far we haven't found any evidence of that. Is that a possibility in the future? Sure, you can't discount it. But it hasn't had an impact yet. And, I think another question that you have to throw into the mix as you think about these things is 'how sustainable is the paid model of PSAs?' You know, there have been a lot of organizations that have said 'we're going to do a lot of fundraising, and we're going to buy our media because we want more control.' They may be able to do that for a year or two, but they can't sustain that model because they are not a for-profit organization. There isn't a monetary return on that investment. So after a while it loses steam and it goes away. The public service model has been a model that has grown and prospered for 60 years.

So, all of which is to say that you feel pretty confident that the donated model that we've relied on for so long will in fact survive?

Yeah, I do. I don't know that the inventory that makes up the donated model is going to grow fast enough to accommodate the dramatic increase there has been in organizations that put out public service messages. We're going to have to look at that in years to come. Not-for-profit organizations have become more sophisticated. Everyone has a friend in the agency business. It gets cheaper and cheaper to put together radio spots, television spots, print campaigns with all the new technologies that are available in production. So there is a tremendous amount of volume out there that is all competing for this donated media inventory. I think the donated media as a model will survive. I don't know that it's going to be enough to make everyone happy.

What are your feelings about the amount of time that broadcasters are donating today?

I think there is an awful lot of rhetoric out there, "broadcasters should do more, should do more, should do more." I think we have to balance that with the fact that they recognize they have obligations to their communities, but they are also organizations that are in a very competitive environment, and they're businesses. Our government decided to deregulate broadcasting because it recognized that [broadcasters] don't own the viewer anymore. There are too many alternative choices between cable and satellite and soon to be streaming media on the Internet, and all the other distractions. These guys have a business to run. And I think if we don't recognize that we'll be making a big mistake. We should be just as interested in their viability as a successful communications outlet. Because if their business model fails and they go away, who will run our spots?

What are your feelings about the current regulatory scheme?

The regulation train left the station 15 years ago, and it's not coming back. I think it's naive of our industry to think that we can make big daddy government make these communications outlets do things for us that they don't want to do. That's not the way we're going to compete in this marketplace.

In your opinion, what will be the impact of the mergers, like AOL Time Warner and others, on public service advertising?

I think that one of the things you are going to start to see – because these are public companies and they are always looking for efficiencies – is more centralized decision-making. I'm not saying that that kind of consolidation is going to diminish the opportunity, but I think it changes the way we have to approach the marketplace – you know, be smart about making sure that we are getting in to see the right people, because I think that the decision-making is going to get concentrated in fewer and fewer hands.

It's a folly to think that there is anything that is going to happen that will turn the clock back. We just need to understand that we are going to have to figure out how to compete for attention in this new marketplace. Just as paid advertisers have to compete. They are wrestling with the same things we are. We have a tendency to think that just because they have budgets it must be easy for them. It's really tough to decide how you are going to spend your media dollars to get the biggest share of the audience that you are trying to target. And we don't have budgets, so it's that much tougher for us. But I guess my point is, the universe is not going to change to suit us; we're going to have to figure out how to do business in the new media marketplace.

So, along those lines, what advice would you give advocates and others who want to create public service campaigns in the future?

If I could them give any advice, it would be, number one: do what you're doing very, very well. Execute your messages and your creative and make sure you have the highest quality that you can possibly deliver when it comes to the PSA model itself because that will help you compete. Number two, it's tough work, but just basically get out there and get in front of as many media gatekeepers as you possibly can.

So, finally, if you could look into the future, what do you think the world of PSAs will look like?

I think it'll look very much like it does today, except it will also be part of the landscape of all the new media out there. I think our messages will find their way to the consumers the same way they have for almost 60 years as we've watched all these new technologies birth all these new media opportunities.