

VIEW FROM THE CHEAP SEATS



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In the Land of the Fee

Consumers keep paying more, but it doesn't mean less advertising

Who's more rabid in their devotion: Green Bay Packers fans or TiVo customers?

If you've met anyone who owns a TiVo, they begin preaching the gospel the moment the topic gets broached. And I've got a friend who raves about XM satellite radio. They both sound neat to a media junkie like me, but I won't get them because they represent 2 more monthly bills that I don't need.

Can you buy your way to an ad-free existence? Now that we live in an era of ad-free TV and ad-free radio, just how many consumers will pay to live a life without advertising?

Advertising as we know it has traditionally subsidized the media. It's the reason why newspapers still cost 50 cents or so, a magazine only costs a few bucks and you can watch network TV for free. But little by little, things are changing. New media and new technology have led to new costs and new charges.

Let's face it, radio without commercials and TV with instant fast-forward are luxuries. One of the great paradoxes of this is that anyone who readily ponies up for services like a TiVo or XM has lots of disposable income—not to mention they're early adopters of technology. In other words, they're an advertiser's wet dream. But if these consumers are avoiding commercials now, budget-conscious consumers are the ones watching ad-supported media—and no audience gets condescended to more by the ad industry than a downscale demographic. It's why Mercedes ads are always more intelligently written than Hyundai ads.

Subscription plans are changing in print media, too. As newspapers and magazines keep losing classified and other print ad revenue, many now offer content online and charging for access. But paying monthly fees for online news doesn't mean you won't see ads. Most times you still have to contend with banner ads and pop-ups. Plus, revealing your email address, home address or other information puts you in their database—making you a target for other services, with, of course, more monthly fees.

And guess what--there's a need for traditional advertising to advertise these services to consumers. But the clients want to avoid customer "churn," so all the advertising is focused on hammering the latest deal or monthly price into your brain. Doesn't it leave you numb?

Or maybe you won't be numb—just broke. "Making ends meet" isn't what it used to be. Never mind the rent and water and electricity. If you're a modern, plugged-in person, chances are you're up to your eyeballs in assorted services with monthly fees. Cell phone, Internet access, Cable TV (or satellite), NetFlix, OnStar, TiVo, XM, any number of premium Internet sites, etc. Don't forget that many of these services feature multi-tier pricing levels which mean higher monthly charges. If you've got 3 or 4 people in your household, the monthly bills multiply if you want to keep them all safe and happy. (Don't forget the home alarm system with the monthly maintenance fee).

Just thinking about all these options (and the bombardment of ads for them) is giving me a headache. When will enough be enough for consumers? Can be there such a thing as having too many choices?

I keep waiting for a minimalist movement to take hold. For the masses to revolt and say, "No. I'm going outside to ride a bicycle." But it's not happening. Instead, they're watching Lance Armstrong on satellite TV. Or getting race results delivered straight to their Blackberries.

Every new way of getting information, paid or not, is now a vehicle for advertisers to penetrate. For example, some marketers are trying to get their messages through on TiVo or in text messages. Restraint is simply not in the lexicon of the ad business.

Consumers will begin to realize that no amount of money thrown at personalized media content will allow them to orbit the giant advertising hairball. And people will hate advertising more than ever if they believe they're paying to view it.

You'll be glad to know, however, that I promise never to charge a monthly fee for this column. Now if you want to send a donation, well, that's another story.