



Every Few Decades An Industry Is Revolutionized!

In The Year 2001

Global business saw a brutal advertising and marketing slump!
CNN Money, The Miami Herald, MSN Money and the Washington Post report...
"worst slump since World War II"

March 12

US News published...

"...only about 3 surfers in 1,000 actually click through banner ads to see an advertiser's wares."
"...after years of great growth and even greater expectations, spending in online advertising tailed off faster than you could say Pets.com."

April 17

CNN Money published...

"...Gannett Company, publisher of USA Today and 98 other newspapers, reported lower first-quarter results, citing an advertising slump that has afflicted the entire newspaper industry...."

December 4

CNN Money published an article stating...

...Carlton, part owner of Britain's largest commercial TV network ITV, reported a 39-percent fall in annual profits on Tuesday and blamed the advertising slump for the sharp drop in their annual profit...

In The Year 2002

The slump continues to have a great impact on large corporations!.

April 11

BBC News published

...Financial news specialist Dow Jones, publisher of the Wall Street Journal, has blamed an advertising slump for a decline of more than one half in profits...

October 15

CNN Money published...

...The Financial Times reported that executives at the AOL Time Warner's troubled Internet division, America Online, are expecting a further decline in revenue...

In The Year 2003

Traditional advertising seems to continue to slip but we see signs of a shift!. Articles from all over report major industries are still having issues with headlines and reports such as...

"The newspaper industry Fading"

"...Publishing houses are affected the most by this, but also television commercials are decreasing..."

Yet reports such as the one from DUX Computer Digest state

"...Internet Advertising Slump Ends..."

This is the first glimpse of revolutionary change in the history of advertising.

In The Year 2004

By 2004 the advertising industry starts to realize they had been hit blind sided by new technologies.

June 24th

The Economist published an article reporting...

"...More people are rejecting traditional sales messages, presenting the ad industry with big challenges ..."

it continues by reporting...

"...The advertising industry is passing through one of the most disorienting periods in its history. This is due to a combination of long-term changes, such as the growing diversity of media, and the arrival of new technologies, notably the Internet. Consumers have become better informed than ever before, with the result that some of the traditional methods of advertising and marketing simply no longer work..."

The slump started in a very bad economy, it was easy to blame the slump as a result of the current situation. What most people did not realize is that in 2001, Tivo® had their first big year and XM, commercial free satellite radio pounded the market, breaking previous benchmarks set by initial cable subscriptions as well as dial-up Internet subscriptions by adding over 1 million subscribers in less than two years time. These two forms of technology are the main reason traditional advertising is no longer working.

A survey by Forrester Research shows...

...DVR (digital video recorder) users spend 60% of their TV time watching recorded or delayed shows (news and sports are watched live). In the time-shifted shows, DVR users skip 92% of the ads...

April 26

CNET News published...

"...A majority of national advertisers plan to cut spending on TV commercials by 20 percent in the next five years..." and **"...The Web is at the top of many advertisers' lists for a replacement medium, according to a survey Cambridge, Mass. based Forrester Research released..."**

The article went on to state...

"...At least three-fourths of the 55 national advertisers Forrester surveyed said they will cut spending on commercials as a result. Of those, 63 percent plan to reduce spending by 20 percent or more. A majority said they will first scale back national cable ads, followed by national network ads, local spots and local cable ads..."

Even more interesting is the fact that...

"...Three-fourths of advertisers surveyed said they will boost budgets for the Internet, including banner ads and rich-media spots."

November

Media Life published reports released by Magna Global USA

"...The Magna study reveals that 56 percent of DVR owners always fast forward through commercials of shows they've recorded, and that number rises to 72 percent for those who have used a DVR for longer than a year..."

the article also revealed...

"...in four years DVRs will be in 33.5 million homes, according to a Yankee Group forecast, up from the 7 million it forecasted by the end of 2004..."

...Magna's report observes that among those who have had a DVR for more than a year, 88 percent claim to watch fewer commercials than they did previously...

November

"Broadcasting & Cable published an article on their web site stating that..."

"Although DVR penetration is relatively low, only about 4% of U.S. TV households have them, according to Nielsen, the impact is significant in terms of viewers' skipping spots. "

In The Year 2005

By 2005 large corporations start to make a shift in the way they advertise their products and services.

MAY 23

"Business Week published an article that shows..."

"...Marketing departments of some of the world's biggest advertisers, from General Motors Corp. (GM) to Unilever, online video represents a golden opportunity to move beyond the 30-second spots that TV viewers so often zap or ignore. These advertisers view online video as a laboratory for new ways to connect with customers. And they're busy figuring out ways to use the Internet to transform the most powerful advertising tool in history: television..."

"...Lincoln Mercury, American Express and Converse are drawing viewers to their sites utilizing online video which can be cheaper to produce -- often only a fraction of the \$300,000 to make a standard 30-second TV spot..."

"...Now big advertisers such as McDonald's Corp. are shifting budgets toward the Net..."

"...Some 36% of American households now have fast, always-on hookups, according to eMarketer. and 60% of U.S. homes are expected to be hooked up by 2009. Broadband catapults Internet video into the realm of the mass market..."

"...As many as 20 million online viewers click on video every week, says a report by Arbitron Inc. and Edison Media Research. That nearly matches the number who watch FOX Broadcasting Co.'s hit American Idol. And most of the video-watchers are the young consumers advertisers crave..."

"...American Express says its online traffic grew by 31% when it ran a Jerry Seinfeld ad on its Web site..."

”...A leading force in linking TV and the Net is McDonald's. Only four years ago, the fast-food giant poured 80% of its ad budget on prime-time TV. These days, McDonald's is spending less than half of its budget on prime-time TV and is trolling far more for young customers online boosting its young-adult share by 9%...”

”...Cadillac, one of eight GM brands, is doubling its online media budget this year, to nearly \$20 million...”

**Get more from your marketing media...
join the revolution.**



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