



A political fix

*By Holly Sanders Ware
June 28, 2010*

After a slow start, the cable guys are gaining traction with political advertisers who typically go straight to their broadcast TV brethren.

While candidates and political consultants still lavish the lion's share of their budgets on local stations, they are finding it harder to ignore cable's growing clout and targeting capabilities.

The cable ad business -- which can be broken down into local spots sold by cable operators and national ads bought from cable networks -- has seen its share of political dollars jump since 2004.

As overall spending on political TV campaigns hit \$2.6 billion in 2008, the amount spent on cable ads, including local and national, more than tripled to between \$325 and \$400 million, according to industry estimates.

In 2004, the last presidential election year comparable to 2008, the combined figure for the cable industry was less than \$100 million.

"It is no longer a luxury to buy cable," said Evan Tracey of Kantar Media's Campaign Media Analysis Group, which tracks political advertising. "It's a necessity."

This year's midterm elections, with an unusually high number of governor's offices and Senate seats closely contested, will bring a windfall in TV ad spending between \$2.5 billion and \$3 billion.

As political ads clog the broadcast airwaves, swamping local TV stations and driving up prices, more campaigns will spill over into cable.

Aside from the political tsunami, the cable industry chalks up its market-share gains in part to its ability to zero in on voters.

Cable system operators like Comcast and Time Warner Cable can carve up a TV market into smaller segments, by county or neighborhood for instance, than a broadcaster that blankets the entire market.

"I think the biggest leap for this industry was in 2008, when 'micro-targeting' became the buzzword," said Dan Sinagoga, vice president of political advertising for Comcast Spotlight, the ad sales division of Comcast Cable.

Cable is also benefiting from a growing share of the TV audience. Viewers continue to migrate to cable from traditional broadcast TV. This trend is taking its toll on ratings for evening newscasts -- almost always the first stop for political advertisers -- at local stations across the country.

Cable has long coveted the billions that flow to local TV stations, but the business had some kinks to work out to persuade political advertisers to come on board.

In 2007, the industry came together to develop standard practices and pledged to make it easier for political advertisers to buy across cable systems.

"When it comes to dealing with a category like this, we had to be aligned," said Andrew Capone, who leads the political ad charge for National Cable Communications, the industry-owned ad sales firm. "The political ad agencies were telling us what we needed to do to compete."

Cable is also pitching new ad gimmicks to candidates, such as on demand ads and "RFI," or requests for information, which allows viewers to hit a button on the remote to get a bumper sticker, for instance.

In California, Meg Whitman, the former eBay CEO-turned GOP gubernatorial candidate who has spent some \$80 million on her campaign, experimented heavily with cable.

She bought a 30-minute, prerecorded town hall commercial that viewers could watch on demand through cable, as well as a spot that let supporters order a Whitman bumper sticker via their remote.