



What Every Ad Exec Should Know about the DTV Transition

What is Digital Television (DTV)?

Digital Television (DTV) is an innovative type of over-the-air broadcasting technology that enables TV stations to provide dramatically clearer pictures, better sound quality and more programming choices than ever before.

DTV technology allows stations to provide multiple channels of programming, called multicasting, and makes high definition (HD) broadcasting possible for viewers with HD sets. It can also be used to deliver future interactive video and data services such as significantly enhanced closed captioning.

Why the switch?

The Deficit Reduction Act of 2005 passed by Congress requires all full-power TV stations to turn off their analog channels on February 17, 2009, and begin broadcasting exclusively in the digital format.

What are the benefits of DTV?

DTV is more efficient than the traditional way of broadcasting known as analog, and it frees up the airwaves for a variety of new services. DTV also provides crystal-clear pictures and sound, more channels and even free over-the-air high definition television (HDTV) for consumers with HD television sets. For advertisers, it will mean additional targeting opportunities as stations add more niche programming, not to mention commercials that look and sound better than ever.

Is HDTV the same thing as DTV?

No. DTV is digital television. HDTV is high definition television. HDTV is the highest quality format of DTV, but it is only one of several formats.

Consumers who have high definition TV sets can receive HD television programming for free using an antenna. And over-the-air, uncompressed HD is the highest quality HD. A cable or satellite transmission may compress or degrade the signal.

Which consumers will be affected?

Consumers who watch free television using antennas on television sets that have analog tuners – and who do not subscribe to cable, satellite or other pay TV service – will be affected by the transition.

As of April 2008, Nielsen Media Research estimated that only 9.4 percent of television households were “completely unready,” meaning homes that did not have any sets equipped to receive digital signals. It also estimated that another 12.6 percent of homes were “partially unready,” meaning they contained at least one set that was not ready to receive digital programming as well as one or more sets that are ready. These numbers are steadily shrinking as more consumers become aware of the digital transition and act to get their households ready for February 17, 2009.

It is important to keep in mind that the completely unready/partially unready percentages of those still needing to prepare for DTV vary widely from market to market and demo to demo.

What is the industry doing to get the word out to households?

Educating the public about the DTV transition is the top priority for television broadcasters. The broadcast industry has committed more than \$1 billion to an education effort and is

using a variety of methods, including public service announcements, crawls, earned media coverage, a speakers bureau, community outreach and much more to reach viewers.

How many additional channels will each station have?

Every station will have the ability to multicast four or more additional channels. Each station will make its own decision on how it wishes to expand its programming choices.

How will the industry keep track of all the additional channels?

The Television Bureau of Advertising (TVB) and the American Association of Advertising Agencies (AAAA) adopted a naming convention that built on the long-standing practice of four-letter call signs that begin with either W or K. For WAAA, for example, its digital channels would be DAAA, EAAA, GAAA or HAAA. For KAAA, its digital channels would be MAAA, NAAA, OAAA and QAAA. These designations were developed for the use of buying and traffic systems and will not be seen by the general public or used by stations to rebrand themselves.

How can I possibly manage all my spots inserted on all these new channels?

The broadcasting industry has created TVB ePort, a free service to agencies that will allow them to send and receive any transaction (order, make good, etc.) for all the channels offered by participating stations, whether or not they have a buying system. For more information, visit www.tvb-eport.net.

Those agencies with buying systems should inquire with their vendors and ask about the system's state of readiness.

Will my ads appear automatically in HD if they're inserted in an HD program?

No. Your ad must be produced or finished in HD, which does have cost implications. It is also important to keep in mind that while local stations can "pass through" a national HD network commercial onto their local audiences, there are varying levels of capability for inserting a local HD spot.

As we get closer to the transition deadline, more stations will offer this capability, but it is important to check with your station partners if you plan to run HD spots locally.

How will HD commercials look on standard definition TVs?

The 4 x 3 shape of the standard definition (SD) screen isn't the same as the 16 x 9 shape of an HD screen, so an HD spot usually will either be

cropped on the left and right sides in order to fill the SD screen, or will have bars at the top and bottom of the screen in order to preserve the full image, called "letterbox." This is why advertisers currently producing in HD should ensure that all essential information – including character action, logos, titles and legal disclaimers – resides in the center portion of the frame. This is called center-cut production.

The Association of National Advertisers has published a white paper on the production issues associated with the transition available at www.ana.net/digitaltvproductionimplications. Also, there is a technical "fix" that automatically corrects the screen shape called "active format description" that is beginning to enter the marketplace. Information about the deployment of this technology and the AFD Ready Initiative can be found at www.nab.org/AFDReady.

What are the implications of the transition for Nielsen ratings?

Nielsen Media Research is moving the February 2009 sweeps to March to avoid the potential disruptions associated with the switch to digital and to ensure the accuracy of television audience estimates throughout the transition period. Nielsen will continue to provide overnight ratings in metered markets as usual for February. Nielsen is currently monitoring sample homes that make changes to their TV equipment as well as television stations that are making changes to their signal distributions. The company has stated it will adjust its plans as conditions warrant.



The DTV Transition: Keeping the Ad Community in the Loop

The American Association of Advertising Agencies, the Association of National Advertisers, the National Association of Broadcasters and the Television Bureau of Advertising have formed a coalition to guide the advertising community through the digital transition. The coalition will use email notifications, webcasts, a speakers bureau, luncheons, one-on-one meetings and our Web sites to keep the industry informed on the issues and developments that impact operations, client decisions and broadcast television viewers. For more information, please visit www.aaaa.org, www.ana.net, www.nab.org and www.tvb.org.

