Global Media and Communication

ARTICLE

Advertising in the global age

Transnational campaigns and pan-European television channels

Jean K. Chalaby
City University, UK

ABSTRACT

The first pan-regional satellite TV stations in Europe ran into financial difficulties because too few companies had the interest and ability to run international advertising campaigns. Their financial shape improved with the upturn of the pan-European advertising market in the 1990s. The pool of international advertisers expanded as multinationals adjusted their marketing strategy to the challenges and opportunities of globalization. The advertising industry restructured, this article argues, creating media buying agencies with specialist knowledge of pan-European television and the network to run transnational advertising campaigns that mix local and global objectives. Pan-European TV stations began, the article notes, to offer flexible local advertising windows and integrated communication solutions involving cross-format and cross-platform opportunities for advertisers.

KEY WORDS

European marketing ▪ global branding ▪ globalization ▪ international advertising ▪ pan-European television (PETV) ▪ transnational television

A tale of two decades: the pan-European advertising market from the 1980s to the 1990s

Cross-border satellite TV channels began broadcasting in Europe in the early 1980s. These stations were soon in the grip of a series of problems that ranged from unreliable satellite technology to governments' reluctance to grant access to their market. Channels were struggling with problems regarding programme production, scheduling, marketing and a whole range of localization issues (Chalaby, 2005). Their finances were in poor shape because advertisers rapidly lost interest in the medium. It was a difficult period for cross-border TV stations and many were out of

Global Media and Communication [1742-7665(2008)4:2] Volume 4(2): 139–156

http://gmc.sagepub.com)/10.1177/1742766508091517

business by the end of the decade. News International's Sky Channel (1983–1989), Thorn EMI's Music Box (1984–1986), WH Smith's Screensport (1984–1993) and Lifestyle (1985–1993), Europa (1985–1986), the Arts Channel (1985–1989), ITV's Super Channel (1987–1988) and the European Business Channel (1989–1990) were the most prominent names in a list of casualties that included other smaller ventures and stillborn projects.

The financial difficulties that caused the demise of these channels might seem paradoxical considering the unsated demand for advertising airtime. Approximately 27 channels accepted commercials in Europe in 1984; nearly all were in the hands of public service broadcasters who doled them out in small quantities. Four countries banned advertising altogether: Belgium, Denmark, Norway and Sweden. A conservative estimate of the time placed the demand for airtime at nearly twice the amount that was on offer (Syfret, 1987: 34–7).

When satellite channels first appeared, advertisers were keen to book airtime. The first commercial was booked by Unilever for the deodorant Impulse on Haynes' Satellite Television plc (the channel Rupert Murdoch bought and renamed Sky in the summer of 1983), followed by multinationals ranging from Coca-Cola and Philips to Shell and Kellogg's. It became quickly apparent to these companies that pan-European television was a medium particularly ill-suited to advertise FMCGs (fast moving consumer goods). Most multinationals did not return to international TV stations, which ultimately saw very little of their advertising money. Research in 1988 estimated that the pan-European TV advertising market was the equivalent of 1.5 per cent of the British market or – according to a 1991 study – about the combined advertising revenue of ITV and Channel 4 in the UK for a month (Barker, 1991: 19; O'Carroll, 1988).

Three advertising agencies were initially interested in pan-European television: Foote, Cone & Belding, McCann Erickson and J. Walter Thompson, and they all quickly spotted a range of issues. Too few companies had the need for the pan-European coverage offered by channels like Sky and Super. Brand names changed across the continent, as did packaging and product cycle. Most multinationals devolved marketing to their local affiliates, passing on the advertising budget to a local agency (Billen, 1984: 56). Very few campaigns were suitable for international treatment, and to place a message on pan-European television an advertising agency had to coordinate marketing strategies across Europe.[1] For instance, this localized marketing structure was adopted by two big advertising spenders, Nestlé and Unilever, and they had practically no means of running a centralized advertising campaign. As Toby Syfret (1989) summarized:

> either budgets allocated to pan-European broadcasts were constrained by the client's difficulty in securing a central budget; or proposals that looked good were not acted upon because the client had no mechanism for taking a central decision; or local agency opposition defeated a consensus. From the client angle, nothing would seem to work worse than the quite common practice of going cap in hand to local offices in order to persuade them to stump up their contributions. Some want the campaign, others are sure to prefer to invest in domestic media, quite possibly urged on by the local agency which does not want to see part of its natural budget disappear, and so on. The end result is frustration for all concerned.

Satellite channels did not have the flexibility of offering local advertising windows. Clients could not block out a country where, for instance, their product had yet to be introduced. Pan-regional coverage was a waste if they were present in only a handful of territories. The distribution of audiences was another matter for concern. As far as they could be measured, satellite channels reached vastly different audiences, both in size and demographics, from one country to another. A channel could reach a young audience in high numbers in a country like the Netherlands and an older audience in fewer numbers in Germany, where cable penetration was not as extensive.

Political and cultural issues were also a matter of concern. In particular, advertising regulations differed markedly: some countries banned advertising for children and others banned children in commercials. While advertising for tobacco was prohibited everywhere, a range of products, such as alcohol, faced a variety of legal restrictions. When advertising itself was not regulated, consumer markets for products such as pharmaceuticals differed from country to country.

These impediments to pan-European marketing campaigns restricted the pool of international advertisers to well below the 200 or so multinationals that possessed international brands (Syfret, 1989: 56). These limitations resulted in a soft market for pan-European TV advertising, which explains much of the financial difficulties that satellite channels faced in the 1980s.

PETV in the 1990s: a change of circumstance

The market for pan-European television (PETV) greatly improved in the 1990s. Technology became altogether more affordable and more reliable and EU legislation facilitated the international reception of satellite TV

Table 1 Full-time distribution of leading eight pan-European television channels, 2003–2006 (in million of TV households)

	2003	2004	2005	2006
BBC World	57.5	66.0	72.6	82.2
CNBC Europe	54.3	55.5	63.5	61.6
CNN International	90.0	95.8	98.2	101.6
EuroNews	55.5	56.0	62.8	75.9
Eurosport	94.4	95.6	101.2	104.5
MTV	99.2	103.6	107.8	112.2
TV5 Monde	83.7	87.4	94.6	99.3

Source: *M&M Guide to Pan-European Television*, 2003/06

Table 2 Cross-border TV channels in Europe according to genre

Genre	Channel
News	Al-Jazeera English; BBC World; CNN; Deutsche Welle; EuroNews; France 24; Fox News International; NDTV 24x7; Russia Today; Sky News
Business news	Bloomberg Television; CNBC Europe
Generalist	Arte; TV5
Factual entertainment	The Biography Channel; Discovery suite of channels; E! Entertainment; Fashion TV; The History Channel; National Geographic; Travel Channel; Zone Reality suite of channels
Sports	Eurosport; ESPN Classic; Extreme Sports Channel; Motors TV; North American Sport Network
Entertainment	BBC Prime; FX; Hallmark; Paramount Comedy; Zone Club; Zone Romantica
Movies	13th Street; Cinemax; HBO; Sci-Fi; Studio Universal; Turner Classic Movies; Zone Europa; Zone Fantasy; Zone Horror
Music television	Mezzo; MTV; TMF; Trace TV; VH1; Viva
Children	Baby; BabyTV; Boomerang; Cartoon Network; Disney Channel; Jetix; Nickelodeon; Playhouse Disney; Toonami; Toon Disney
Adult entertainment	The Adult Channel; Playboy TV; Spice
Shopping	QVC
Religion	Daystar; The God Channel; Islam Channel; Revelation TV; TBN Europe
Migrant television	All channels that target a specific ethnic and/or linguistic community in Europe

channels (see Harcourt, 2005; Krebber, 2002). Europe's cable and satellite reception universe grew and with it the distribution of transnational TV channels. Today the leading PETV stations reach well in excess of 100 million TV households across more than 50 territories (Table 1), and the average distribution of the top 20 channels is above 50 million homes. As the market can support more players the number of cross-border TV stations is increasing and expanding into new genres (Table 2). In turn these new channels give further opportunities to advertisers to associate themselves with TV brands that suit their overall marketing strategy and enable them to target narrowly defined audiences.

Most channels are in much better financial shape than in the past, a change of fortune that is largely due to the upturn in the international advertising market. In the course of the 1990s, the pool of international advertisers grew as multinationals adjusted their marketing strategy to the challenges and opportunities of globalization. The group of international advertisers further expanded with the growth of cross-border brands and companies. In addition, the advertising industry restructured, creating international media buying agencies with specialist knowledge of PETV and the networks to run transnational campaigns.

Globalization, European integration and pan-regional advertising

In the 1980s, attempts to use pan-European TV channels to promote FMCGs were inconclusive. Their subsequent absence from PETV screens prompted many observers to place question marks over the medium's viability and prospects. But over the following decade, international stations found new clients and FMCGs were replaced by products and services that were better adapted to international television.

European market integration and the growth of multinational companies have led to a surge of products and services sold on a multi-territory basis. An increasing number of banks (for example HSBC and UBS) and insurance companies (AXA, Allianz and Zurich) have activities that are transnational in scope. This trend is gathering pace in the services sector because of the growth of cross-border mergers and takeovers in Europe. PETV is a useful platform for products that need little adaptation from one market to another, such as music, films, electronic games and consoles, computers and mobile phones. It is also popular with products that have a cosmopolitan appeal, such as the luxury brands of the fashion sector.

The number of international brands is growing every year. The names of products that used to differ from territory to territory are being standardized. In new sectors (e.g. energy drinks, mobile telephony), brands internationalize at the very beginning of their life cycle (e.g. Red Bull, Vodafone). These brands will always use local media for efficiency purposes and reach consumers in great numbers. But media buying agencies have realized that cross-border advertising allows them to develop these brands homogenously across a region and achieve consistent brand image and positioning. They also appreciate that a presence on transnational television can add international appeal to a brand, if it is in their marketing brief. As a result, the number of advertisers on PETV has steadily climbed throughout the 1990s to reach a few hundred today.[2]

Table 3 shows PETV spending by sector. Tourist boards and hotel chains (travel & tourism), banks and insurance providers (services), airlines (transport), and media and entertainment companies (culture & leisure) are among the most frequent PETV advertisers. Pan-European stations are also commonly used for corporate campaigns. Companies that have figured among the top advertisers in pan-European television over recent years include Adidas, Nokia, Philips, Samsung, UBS, Toyota and Vodafone.

Many companies that advertise on PETV are in cutting-edge sectors that are particularly sensitive to an economic downturn. Thus the advertising revenue of cross-border TV channels suffered in the early 2000s following the events of 9/11 and the burst of the internet bubble. Following a peak at approximately €628 million in 2002, the advertising income of Europe's leading PETV channels dropped to €419 million in 2004, before picking up in 2005 and climbing back to €535 in 2006 (*M&M Guide*, 2002/06).[3] These figures are a fraction of the money spent on national media but represent a marked improvement from the late 1980s when the total pan-European advertising spending was measured at the modern equivalent of €31 million (Collins, 1992: 44). In addition, they only take into account advertising campaigns that take place in at least three countries, leaving aside local advertising spend on PETV which accounts for most of the advertising on certain stations (see below).

From a media buying perspective, PETV can be used in two ways. The 'umbrella strategy' consists of booking PETV as a complement to local campaigns. A transnational company with budgets in a handful of European countries may aim to complete its European coverage via PETV, typically in Central and Eastern Europe. Another reason to opt for this approach is to run local and regional ad campaigns concurrently. This type of campaign implies a marketing strategy that has both local

Table 3 Top 10 sectors by spending on pan-European television, 2003–2006

2003	2004	2005	2006
Publishing	Travel & tourism	Travel & tourism	Travel & tourism
Automotive	Services	Telecommunication	Services
Telecommunication	Culture & leisure	Transport	Telecommunication
Travel & tourism	Telecommunication	Culture & leisure	Culture & leisure
Services	Automotive	Services	Transport
Culture & leisure	Sport equipment	Publishing	Publishing
Media information	IT	Energy	Clothing & accessories
Clothing & accessories	Audio & photo	Clothing & accessories	Energy
Drinks	Clothing & accessories	Corporate	Information media
IT	Corporate	Sports equipment & sportwear	IT

Source: TNS Media Intelligence in *M&M Guide*, 2003/06

and regional objectives. In this case PETV contributes to the communication of the brand at international level. While local advertising concentrates on driving sales, a pan-European campaign can reinforce a brand message and refine its positioning. A car manufacturer can promote its models locally and outline the values of the brand at regional level. Toyota, among others, has become adept at this type of campaign, which can be qualified as transnational because such campaigns are not merely international but mix the local with the global. This strategy is sophisticated and can be difficult to implement because it involves a high level of coordination between the agency's international department and the local office, and sometimes among the local offices themselves.[4]

The umbrella strategy is for corporations that have the luxury of both local and international budgets. However, PETV is not the preserve of transnational conglomerates but is also booked by companies that have little advertising money. Not only are the rates for a 30-second advertising slot relatively cheap on PETV (see Table 4), but the medium is cost efficient as the rate per thousand viewers is well below that of national stations. Thus small advertisers can reach key European territories through PETV at a fraction of the price of national media. Tourist boards, airline companies and banks from the accession countries to the European Union, which tend to have small advertising budgets, count among PETV's regular clients.

Table 4 Selection of rates for a 30-second advertising slot, 2006

Channel	Period/Programme	Time	Price (€)
BBC World	Evening Peak	19:00–24:00	2,012
CNBC Europe	*Worldwide Exchange*	10:00–12:00	1,500
CNBC Europe	*European Closing Bell*	17:00–19:00	1,800
CNN		19:00–20:00	5,390
Discovery		20:00–24:00	2,973
EuroNews	Evening peak	19:00–22:00	3,200
Eurosport	Average		4,500
Fashion TV	Primetime		950
NBC Universal	Primetime		1,500
Sky News	Evening peak	19:00–24:00	2,000
TV5	Prime 1	19:00–21:00	1,500

Source: *M&M Guide*, 2006: 8

The restructuring of the advertising industry

Among the many evolutions that benefited PETV in the 1990s is the restructuring of the advertising industry. Over the past decade a series of factors in the media sector induced full-service agencies to break up into creative shops and buying groups. The formation of global media conglomerates prompted the advertising industry to consolidate its media buying capacity. Large groups such as OMD, Universal McCann or Mediaedge:cia that purchase airtime and space in bulk have enough leverage to negotiate volume-linked triggers bringing discounts and other benefits. They are also able to discuss marketing partnerships that can involve content development and cross-border exploitation. In addition, the advertising industry faced an increasingly complex media environment due notably to the multiplication of content platforms and audience fragmentation. Media buying agencies have three advantages where PETV is concerned. Being global, these agencies can handle the accounts of multinationals likely to be interested in international advertising.[5] They are in a good position to understand the benefits that cross-border TV channels can bring to a regional or global campaign, and they have the resources to build up their specialist knowledge of new media such as PETV.

Media buying agencies expanded their international departments as relationships with PETV owners developed. Carat has probably the largest international department in London, with over 100 staff spread on three floors. Twelve people alone are involved in planning and buying pan-regional television. It is a stark contrast to the recent past when the ‘international used to be something you would almost do in the basement [and] you would have three people who might buy a page

Table 5 PETV's top buying agencies (ranked by *M&M Guide*'s billing estimates)

Agency	**Billing 2003 (€M)**	**Billing 2004 (€M)**	**Billing 2005 (€M)**	**Billing 2006 (€M)**	**Holding company**	**Major clients**
ZenithOptimedia	24	28	29	32	Publicis	Allied Domecq, British Airways, HP, Hyundai, Lexus, Puma, Toyota, Whirlpool, Zurich
MediaCom	24	24	29	32	WPP	Dreamworks, Emirates, Nokia, RBS, Shell, Tourism Australia
Media Planning Group	19	18	17	26	Havas	Air France, Accor Hotels, BNP Paribas, Dassault, Delta, Lacoste, Orange, Société Générale
Carat	27	29	26	25	Aegis	Adidas, Disney, EU Anti-tobacco, Lego, Philips, Tourism Australia, Toyota
Starcom	21	23	24	24.5	Publicis	BT Global Services, Johnnie Walker, Oracle, Twentieth Century Fox, UBS
MindShare	20	20	21	24	WPP	BP, Gillette, HSBC, IBM, Jaguar, Land Rover, Motorola, Nike, Rolex
Mediaedge:cia	20	18	17	24	WPP	Accenture, Sony, Sony Ericsson, UIP, Visa, Xerox
OMD	7	13	13	18	Omnicom	Apple, Blackberry, Elizabeth Arden, General Electric, Vodafone
Universal McCann	14	13	14	14	Interpublic	ExxonMobil, Microsoft, Intel, UPS
Initiative	16	12	12	13	Interpublic	Credit Suisse, Egyptian Tourist Board, Samsung
Columbus (Eurolab)	2	2	2	2		Domino's Pizza, Hornby
BJK&E	1	1.5	2	1.5	WPP	*Financial Times*, Systems Capital Management

Source: *M&M Guide*, 2003/06; holding companies: *Campaign*, 25 February 2005: 15

in *Time* sometimes'.[6] All the international departments of London's top media buying agencies are expanding, with an average size of between 40 and 60 people. Some agencies have smaller departments because they incorporate their international specialists in client teams (see Table 5).

Local advertising windows

A great limitation on international stations in the 1980s was that they could only offer pan-European exposure. Capacity was too scarce on analogue satellite systems for channels to be able to split their feed at a viable cost. Furthermore, legislation was in place to protect local advertising markets. Before the implementation of the Television Without Frontiers Directive in 1991, several countries forbade international TV channels from carrying commercials specifically aimed at their market. Understandably, there was little demand for pan-European campaigns. Most advertisers that paid interest to international advertising were present in three or four markets, not the entire continent. Very few messages can be beamed across a whole region without adaptation. The same product can be at different stages of its lifecycle from one territory to another. Cars, for instance, rarely get launched in all markets at once. Different variants of the same product can be launched in different territories. Typically, car manufacturers might launch a cheap version in Central and Eastern Europe while they sell a premium model of the same car in Western Europe. Some industries, such as pharmaceuticals, face many different regulations across territories and a pan-European campaign is strictly off-limits. European cultural diversity makes it difficult for the same message to remain efficient, let alone relevant, across different markets.

These barriers began to fall when cross-border TV channels split their pan-European feed and started to insert commercial breaks for one or several territories. The pioneers in local advertising windows were CNN and MTV, who began offering local advertising in Germany in 1992. Commerzbank was one of CNN's first local sponsors; the bank's spokesman explaining the attractiveness of the deal as follows: 'we finance 11 per cent of Germany's foreign trade, and it's important for the bank and its customers to keep abreast of breaking news elsewhere in the world' (quoted in Flynn, 1992: 48).

In the course of the 1990s, local advertising grew in popularity and PETV channels continuously expanded the number of windows on offer. BBC World and CNN (which stopped the German local ad window) are about the only stations not to offer local ad inserts today, reflecting the fact that clients book these channels in order to build up the international appeal of their brand. The rest offer anything between one and 15 local advertising windows (Table 6). Most channels pick the UK – Europe's biggest TV advertising market – followed by any of the other four key territories (Germany, Italy, France or Spain). Stations also tend

Table 6 Selection of advertising windows on PETV

Channel	Local advertising windows
Cartoon Network	Denmark, France, Greece, Hungary, Italy, Netherlands, Norway, Poland, Romania, Russia, Spain, Sweden, UK
Discovery	Benelux, Central and Eastern Europe, Denmark, France, Germany, Hungary, Iberia, Italy, Nordic countries, Poland, Romania, Sweden, Turkey, UK & Ireland
Jetix	Central and Eastern Europe, France, Germany, Greece, Italy, Netherlands, Russia, Scandinavia, Spain, UK & Ireland
MTV	Belgium (Flanders), Denmark, France, Ireland, Netherlands, Nordic countries, Poland, Portugal, Romania, Spain, Switzerland, UK
National Geographic	Benelux, Denmark, France, Germany, Hungary, Italy, Netherlands, Poland, Portugal, Romania, Russia, Scandinavia, Spain, Turkey, UK & Ireland

Source: *M&M Guide*, 2006: 8

to open ad windows in the markets where they do well. Arte offers local inserts in Romania, EuroNews and Fashion TV in Russia, Hallmark in the Czech Republic and Hungary, and Travel Channel in Poland.

Local advertising windows open up a realm of possibilities for advertisers who can book PETV flexibly and are no longer required to buy pan-regional. Clients can buy a local campaign and advertise in one country, opt for an international campaign and select a group of territories, or buy a whole pan-European campaign. Advertisers can also run locally produced advertising spots simultaneously across Europe, ensuring that a pan-European campaign remains relevant to all markets. Advertisers in the FMCG sector frequently employ this method since tailoring is an effective marketing strategy and aspects of their products (such as packaging) may differ from country to country. Pan-European campaigns can also be staggered in time. Advertisers can start a campaign in the Netherlands in June, run it in Scandinavia in July and carry it through across Europe during the following months. Film studios use this technique to time their promotion campaigns according to a movie's release date. Another frequent situation is that an advertiser may want to isolate a country where it cannot be seen for legal or business reasons (Vodafone, for example, cannot advertise in France), or where it already runs a separate campaign that would clash with its international message.

From a media owner perspective, local ad windows have enabled cross-border channels to compete for local advertising budgets. Many

PETV channels (at least all those listed in Table 6) sell local advertising through offices or representatives spread across the continent. For the children's channels (Cartoon Network, Jetix, Nickelodeon), Discovery, National Geographic and MTV, local advertising represents three-quarters or more of their total advertising income.

Delivering an affluent audience

Most PETV channels have an audience that is more upmarket than that of terrestrial stations. This is the case for the factual entertainment channels (Discovery, History Channel and National Geographic), Fashion TV, Travel Channel and Eurosport, while the news channels (BBC World, Bloomberg, CNBC Europe, CNN, EuroNews and Sky News) carry an ever more upscale and business-oriented audience. For instance, the average CNBC viewer has an income over €107,000 and a net worth of €615,000; 30 per cent are senior managers.[7]

A battery of surveys tracks down this lucrative but elusive audience at pan-European level. The leading one is the European Media and Marketing Survey (EMS), conducted by Amsterdam-based Interview-NSS. The EMS universe consists of 40 million Europeans (13% of the adult population) in the top 20 per cent of the population by income (corresponding to an average annual revenue of €50,000) (*EMS Guide*, 2006: 7). In the 2006 EMS universe's representative sample of 24,000 respondents in 16 countries, 42 per cent of individuals have a university degree, 77 per cent understand English, and the majority make several business trips a year and hold a variety of financial investments.

A couple of surveys have an even more restrictive universe. EMS Select, from the same Dutch company, targets the top 3 per cent of the population in terms of income, which translates to frequent flyers (at least six international business flights a year) with a minimum annual revenue of €80,000 (*EMS Guide*, 2006: 7). The European Business Readership Survey (EBRS) is a print survey, in existence since 1978, which added questions about TV channels for the first time in 2004. EBRS has a very narrow universe, concentrating on half-a-million individuals in the business population.

The EMS surveys measure audiences in terms of *reach*, which is defined as the number of people having seen at least once a specific programme or spot over a defined period (daily, weekly or monthly). Table 7 shows the weekly reach – the most commonly used figure – of a selection of PETV channels over the last decade in the EMS universe (average sample size is 15,703 respondents for the period).

Table 7 PETV weekly reach in EMS regular universe of 40 million Europeans, 1995–2006 (in percentages)

Channels	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
BBC World	1.8	2.3	3.3	4.4	5.7	6.3	6.6	7.8	9.7	11.4	11.9	11.6
Bloomberg	–	–	–	1.7	2.0	3.7	5.2	4.6	5.0	5.7	6.1	5.9
CNBC	–	–	2.0	3.9	4.5	5.3	6.1	5.6	5.8	7.0	7.1	7.0
CNN Int.	16.5	15.1	15.5	16.1	18.2	17.2	19.5	17.0	18.5	19.0	19.2	19.1
EuroNews	12.1	11.2	12.1	13.3	16.5	16.0	15.2	15.0	15.0	16.9	17.8	17.4
Sky News	3.7	8.1	9.5	9.5	10.5	10.7	10.2	9.7	12.2	14.2	14.7	14.5
News/business	24.8	26.9	28.4	29.3	33.9	33.9	33.7	32.6	36.3	41.1	42.9	42.0
BBC Prime	0.3	0.3	0.5	0.7	0.7	0.6	0.6	0.6	1.0	0.9	0.9	0.9
Deutsche Welle	1.7	1.8	1.8	1.9	2.2	2.5	1.6	1.4	1.6	1.7	1.7	1.7
Discovery	6.1	7.0	8.4	9.2	10.4	12.5	12.9	13.7	14.1	16.1	18.1	17.1
Eurosport	31.4	33.0	32.5	33.2	33.3	34.3	30.8	28.9	27.5	31.1	32.4	31.7
MTV	14.5	12.1	13.5	14.1	15.6	16.0	16.7	15.6	23.4	27.9	27.8	27.8
National Geographic	–	–	–	–	6.0	8.0	9.0	9.7	11.0	12.6	13.9	13.3
Travel Channel	2.0	2.0	2.3	3.1	3.7	4.3	4.6	4.7	–	6.3	6.7	6.5
TV5	6.6	5.3	5.4	5.1	6.5	6.6	6.5	6.3	6.6	7.1	7.4	7.2
General PETV	40.4	39.4	40.3	41.1	43.2	44.8	43.7	44.5	46.9	55.1	56.6	55.8
PETV weekly	42.2	42.6	42.0	41.7	43.4	44.6	43.1	44.6	48.1	63.2	65.2	64.2

Source: *EMS Guide*, 2005: 19 and 25, and 2006: 21

These scores are far higher than those of the pan-European business press, which includes dailies such as the *Financial Times*, the *International Herald Tribune* and the *Wall Street Journal Europe*, and magazines like *The Economist* and *Time*. In 2006 dailies' reaches ranged from 0.3 per cent (*Wall Street Journal Europe*) to 1.5 per cent (*Financial Times*); among magazines, *The Economist* stands at 1.8 per cent and *Time* at 2.0 per cent (*EMS Guide*, 2006: 19). While the PETV figures are going up, those of the print titles have been falling for the past decade (*EMS Guide*, 2005: 23). It is arguably not fair to compare exposure to a TV channel that can last a fleeting moment to that of a press title that requires the reader's undivided attention. Nonetheless, by the early 2000s, it had dawned on media buying agencies that the reach of television was far superior to that of the press, and the news and business PETV channels established themselves as the medium of choice to reach upscale audiences.[8]

The unique audience profile of news and business PETV channels presents several advantages. These stations offer minimum audience wastage to advertisers who wish to reach a corporate audience, either to advertise a product or deliver a corporate message. There is no point for a luxury car manufacturer to advertise on terrestrial television because it would pay for millions of viewers who cannot afford its cars. News and business channels are perfect for advertisers such as luxury goods manufacturers, technology firms and service providers to the corporate elite who prefer 'talking to the people who count' than 'counting the people they talk to'.[9]

These stations also offer an advertising environment that is adapted to an affluent and business audience. If a CEO stumbles on a commercial for cleaning products, his or her attention is likely to drop. If a series of advertising spots deals with logistics, cash flow issues and luxury holiday destinations, his or her interest is more likely to be maintained.

News and business PETV channels are high-value media brands with which advertisers like to be associated. Channels like BBC World and CNN are well regarded by their audience. They are perceived as trustworthy, stimulating, up-to-the-minute in terms of reporting and 'ahead of the game' with their comments and analysis. When something significant happens in the world, international TV channels are where this audience turns to because they appreciate that these stations have *access* to places and key people. They know that they can report from anywhere on the planet as opposed to merely relay what other channels say.[10] Global newsgathering capabilities, objective coverage and reporting based on what the audience needs to know, bring credibility and a certain aura to these channels. These attributes rub off on brands that advertise on these stations and companies will pay for the kudos of being seen on them.[11]

Beyond spot advertising: cross-format and cross-platform media deals

PETV channels have pioneered non-spot advertising. They must try harder than terrestrial stations to attract advertising clients. They also benefit from a more relaxed cable and satellite regulatory framework. Programme sponsorship used to be the staple of non-spot advertising but many more options are available to advertisers today. Corporate profiles are one- to two-minute clips in which a company, region or country makes a presentation. With ad-funded programming a broadcaster agrees to produce and air a programme paid for by an advertiser on a mutually agreed topic (which is of course related to the client's activities). Ad-funded programming ranges from one to two-minute vignettes to debates and full-length documentaries. EuroNews currently airs a debating forum for Shell (*Comment*) and a series of documentaries on space for the European Space Agency. BBC World produces a programme on world cultures for Samsung and a series of vignettes on logistics for UPS. CNBC runs half-minute vignettes on Wimbledon for IBM (the event being sponsored by the computer firm), in addition to producing programmes for clients like HSBC, HP and Cisco. After guidelines have been agreed, the editorial rests firmly in the control of the broadcaster. Credibility is a major asset for these channels and none of them would risk airing material that would breach the trust viewers place in them.[12]

Integrated communication solutions prepared by PETV stations combine several media, such as online, radio, press and events. Conglomerates like Time Warner manage to offer multimedia deals with titles that belong to the group (e.g. CNN and *Time* magazine), but it does not need to be the case. In addition to the usual on-air facilities, Jetix's online opportunities expand to games, promotions and bespoke websites. The station offers merchandising and licensing opportunities and can involve advertisers with magazines and events, such as the pan-European annual Jetix Kids Cup. All the other children's channels are able to set up similar packages. Fashion TV's offering is not quite as extensive, but the station's forte is the opportunity it gives to clients for on-the-ground presence through events such the Fashion TV Model Awards and Fashion TV parties. Some of the most intricate deals are put in place by MTV's advertising team, which can tie up on-air activities, ranging from spots, competitions and co-branded messages to programme sponsorship, with a multimedia campaign and on-the-ground promotional activities that can take place at ad hoc events or the MTV Awards show (Bowman, 2005; Durrani, 2006).[13]

On air cross-format advertising presents several advantages for PETV clients. Ad-funded programming enables them to become part of the channel, not merely to advertise on it. As they often sign long-term deals with broadcasters (6 months to a year) they benefit from their association with a strong media brand. They can articulate their own brand in different fashions and approach the audience with material that is relevant to them. Integrated communication solutions that combine several platforms allow advertisers to involve the audience even more actively and build up an intimate relationship with them, especially when interactivity plays a part in the package.

Conclusion

It is not the role of pan-European or even transnational advertising to supplant local advertising. Certain products in the FMCG sector require a creative style (e.g. the use of humour or irony) that does not translate well at international level. PETV does not fit the objectives of all international ad campaigns and terrestrial television remains an efficient way of reaching people in great numbers in a national market.

But PETV channels have travelled a long way over the past two decades to offer a focused proposition to advertisers. Their improved ratings enable them to deliver audiences with interesting demographics. They reach the young, the affluent, the corporate, and sometimes a mix of all three. Many of these channels are trusted and well regarded by their viewers who engage with them more than with terrestrial stations. The sheer number of PETV stations enables advertisers to pick the channel that best suits their campaign brief and target specific audiences that congregate towards a certain genre (e.g. youth and music television).

Even if PETV channels stood still, the world is moving in their direction. European market integration and globalization are trends that are affecting businesses across all sectors. World trade is expanding and cross-border commercial activities can be conducted ever more efficiently. These trends are forcing companies to re-think their organizational structure and international marketing strategy. The 'international' is no longer a far-away land but part of everyday business life and is transforming the very fabric of most companies. In order to thrive in such an environment companies need to coordinate flows of people, capital and products across borders. PETV channels enable them to reach consumers across markets simultaneously. They also help them to define brands internationally and achieve consistency across markets. Local windows offer the opportunity for clients to decide how they want to run a pan-regional campaign and pick the territories in which they want to advertise. This flexibility enables advertisers to adapt advertising campaigns to marketing strategies that mix the local and the global, a distinct advantage in an age when the success of a company can be determined by its understanding of the exigencies of both terms and its ability to hold them in balance.

Acknowledgements

The author wishes to thank the interviewees for their time and cooperation. Special thanks to Géraut Benoit, Universal McCann; Sylvie Burger, Fashion TV; Ian Clarke, OMD; Justin Davison, EuroNews Sales; Georgina Hickey, Carat; Huw Jones, Mediaedge:cia; Nick Mawditt, CNBC Europe; Sonia Marguin, EuroNews Sales; Reinier Schaper, Interview-NSS; Adrian Smith, MediaCom; Melanie Smith, Carat; Toby Syfret, EndersAnalysis; Phil Teeman, MindShare; and Richard Thurston, CNBC Europe.

Notes

1 Toby Syfret, interview, 6 August 2004.
2 Sonia Marguin, research marketing researcher, EuroNews Sales, interview, 23 October 2003.
3 *M&M Guide* refers to *Media and Marketing Guide to Pan-European Television*.
4 Huw Jones, account director, Mediaedge:cia, interview, 6 October 2004; Adrian Smith, account director, MediaCom, interview, 3 November 2004.
5 For instance, Mediaedge:cia has 118 local offices worldwide in more than 80 countries.
6 Melanie Smith, account director, Carat, interview, 18 October 2004.
7 Richard Thurston, research manager, CNBC Europe, presentation, 23 November 2005.
8 Georgina Hickey, international business director, Carat, interview.
9 Errol Pretorius, director of advertising sales, National Geographic, interview, 14 August 2001.
10 Based on research by BSB Media. Belinda Barker, BSB Media, interview, 19 October 2004.
11 Géraut Benoit, client service director, Universal McCann, interview, 13 April 2005.
12 In the case of the European Space Agency, it could be argued that without ESA's research into communications satellites in the 1970s, channels like EuroNews would not exist.
13 Sonia Marguin, EuroNews Sales, research marketing manager, interview, 29 September 2004; Sylvie Burger, Fashion TV, directrice de publicité, 17 November 2004.

References

Barker, P. (1991) 'Paying to Party', *Cable & Satellite Europe* March: 19–21.
Billen, S. (1984) 'From Testing Ground to Viable Medium?', *Cable & Satellite Europe* November: 55–7.
Bowman, J. (2005) 'More Than Just the Spot', *M&M Guide to Pan-European Television*: 6–7.
Campaign (2005) 'Top 50 Media Agencies', 25 February 2005.
Chalaby, J. (2005) 'The Quiet Invention of a New Medium: Twenty Years of Transnational Television in Europe', in J. Chalaby (ed.) *Transnational Television Worldwide,* pp. 43–65. London: IB Tauris.
Collins, R. (1992) *Satellite Television in Western Europe*, rev. edn. London: John Libbey.
Durrani, A. (2006) 'Thinking Beyond the Screen', *M&M Guide to Pan-European Television*: 4–6.
EMS Guide (2005) *European Media and Marketing Survey Essential Guide*. Amsterdam: Interview-NSS.
EMS Guide (2006) *European Media and Marketing Survey Essential Guide*. Amsterdam: Interview-NSS.
'European TV Channels by Country', *Cable & Satellite Europe*, January 1984: 19.
Flynn, B. (1992) 'German Ad-mission', *Cable & Satellite Europe* October: 48–50.
Harcourt, A. (2005) *The European Union and the Regulation of Media Markets*. Manchester: Manchester University Press.
Krebber, D. (2002) *Europeanisation of Regulatory Television Policy*. Baden Baden: Nomos Verlagsgesellschaft.
O'Carroll, L. (1988) 'United We Stand', *Cable & Satellite Europe* July: 16–18.
Syfret, T. (1987) 'Commercial Breaks – II', *Cable & Satellite Europe* February: 34–7.
Syfret, T. (1989) 'A Recall for the Euro-ad?', *Cable & Satellite Europe* April: 55–7.
The Economist (2005) 'Europe's Nascent Merger Boom', 3 September: 66.

Biographical note

Jean K. Chalaby is Reader in the Department of Sociology at City University in London. He is the author of *The Invention of Journalism* (1998), *The de Gaulle Presidency and the Media* (2002) and *Transnational Television in Europe: Reconfiguring Global Communications Networks* (2008). He is the editor of *Transnational Television Worldwide* (2005) and has published extensively in leading journals on a wide range of media-related topics.
Address: Department of Sociology, City University, Northampton Square, London EC1V 0HB. [email: j.chalaby@city.ac.uk]