

A&E unveils digital networks

New Biography and History channels to be carried on HITS

By Donna Petrozzello

After months under wraps, A&E Networks' first digital channels, The Biography Channel and History Channel International, will launch today (Nov. 16).

A&E has secured carriage for both channels on Tele-Communications Inc.'s digital Headend in the Sky (HITS) system, according to TCI officials. Additional carriage deals may be pending, but A&E Networks spokespeople would not comment on the channels.

A&E Networks is likely to spend several million dollars annually—although sources say it will probably not exceed \$10 million—to cover the

costs of repurposing programming from A&E and The History Channel for digital distribution and to rent transponder space, according to industry sources.

The Biography Channel is expected to air a full-time slate of A&E's *Biography* series episodes surrounded with programming from A&E and The History Channel about the times in which personalities lived, sources close to the networks say. The channel also will likely air back-to-back *Biography* episodes about two people whose lives



were intertwined, according to industry sources.

The Biography Channel may cull episodes from the series *Reputations*, the BBC co-produced equivalent of *Biography*. A&E also is leaving open the option to acquire material for the digital networks from outside sources.

History Channel International also is expected to launch as a full-time network with programming that shows "history as seen through the eyes of the rest of the world 24 hours a day," according to A&E's promotional material. ■

TCI leans forward, looks ahead

Meets with advertisers, agencies to ponder potential of interactivity

By Price Colman

By this time next year, TCI Digital Cable subscribers will be able to interact with TV advertising in ways inconceivable a decade ago.

Will they want to? Many in the media world are pretty sure they will as long as the advertising and interactivity are presented in ways that are consumer-friendly and reward the viewer.

But the territory is so new, no one knows the ingredients of a successful recipe. TCI recently hosted a gathering of high-profile advertisers and ad agencies at its suburban Denver headquarters aimed partly at generating ideas but mostly at simply stimulating discussion.

"One thing we really focused on was how important it was to take baby steps in this whole transition," says Jerry Machovina, executive vice president of ad sales at TCI Communications. "The



TCI's Jerry Machovina hopes viewers will interact with advertisers.

TV experience as we've known it is what I call a lean-back experience. The Internet experience is very much lean forward. What we're trying to do is get people [watching TV] to sit up in the chair."

Participants from the advertiser side included representatives of several of the top brands: AT&T, Anheuser-Busch, Citibank, Ford, GM, Johnson & Johnson, Kraft, Nike, Pepsi, Procter & Gamble, SmithKline Beecham, Sony Pictures, Unilever

and Visa. There were equally prominent names representing the ad agency world: BBD Needham, Campbell-Ewald, Grey Advertising, J. Walter Thompson, Jordan Case McGrath, McCann-Erickson, Media Edge, Western International Media and Young & Rubicam.

TCI is at the forefront of interactive TV advertising, not just because of its size but because it is unquestionably the MSO most aggressively deploying

digital cable. That, coupled with sophisticated set-top boxes and two-way capability, is essential to offering interactive advertising. The set-top and two-way network also allow very accurate measurement of audience and audience response, capabilities highly valued by advertisers. Until now, the tools for such measurements have been rudimentary and ponderous.

The gathering produced no pronouncements or official communiqués. Instead, the operative attitude was caution.

"We don't plan on having a 'Field of Dreams' approach to a lot of these advertising technologies and associated advertising applications," says Machovina. "We don't want to build a field and assume consumers will come."

What TCI does want to do is ensure the biggest bang possible for the advertisers' buck, not to mention plenty of repeat business for TCI specifically and cable MSOs in general.

Machovina estimates the annual TV advertising marketplace at about \$40 billion. "Local and network revenue this year will be around \$10 billion for cable. We have a big chunk of opportunity."