



INTERACTIVE PROFILE

INTERACTIVITY: GSN online opens the imagination to a new universe

Representing a technological breakthrough for Internet-based interactivity, Game Show Network's first of its kind "sync-to-broadcast" online gaming experience — in a simulcast synchronization with the network's popular original series telecasting nationally — has taken the personal computer world to the next level. Unlike any other broadcast- or cable-linked Web site out there today, GSN's www.gameshownetwork.com offers a totally engaging, entertaining, immersive, and enthralling experience — for either the intense or novice game player, alike.

Accessibility and ease-of-use make GSN's "play-along" online games an open gateway to fun for all proficiency levels of personal-computer users. Launched and designed by John P. Roberts, GSN's Senior Vice President of Interactive and Online Entertainment, new players registering at www.gameshownetwork.com need only to only initialize an easy-to-follow "one-time" download of its proprietary EventMatrix® interactive program (from technology partner Gold Pocket Interactive) to get in on the games!

"When we set out to launch our first interactive program with the network's premiere of game show GREED [in January 2003], we wanted to make the online sign-up process as simplistic and seamless as possible for our at-home PC users," Mr. Roberts said.

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Now with over 70 hours per week (or 10 hours per day) of its on-air programming integrating the online, “play-along” interactive technology, Mr. Roberts, said the network intends to expand to 84 hours per week (or 12 hours per day) before the end of 2003. As GSN has rolled out new original series (such as its highly-rated **LINGO, FRIEND OR FOE?, WINTUITION** and **WHAMMY: THE ALL-NEW PRESS YOUR LUCK** games), the number of PC users registering has “exponentially” ballooned to just over 650,000 online players (comScore Media Metrix, Oct. 2002).

“Clearly, we are the only network with this kind of interactivity and this many hours of original sync-to-broadcast series mated with the Internet,” said Rich Cronin, President and CEO of Game Show Network. “There are other networks that offer different kinds of interactivity, but no one has as many hours of this original, robust two-way interactive content like we do.”

In reaching all generations of game show fans, but with even greater enrollment among the “tech-savvy” and coveted adults 18 to 49 demographic, Game Show Network has taken it to the next level by offering everyday viewers the first true high-speed, broadband online game-playing experience from the comfort of their own homes.

ONLINE FEATURES: More than just bells and whistles

Once a PC user assigned a log-on identity after registering online, entering GSN's Web site thrusts them into an online community of players in a chat-room environment, where they can see how they stack up on a scoreboard against 20 or more players in a particular room.

When a game like WINTUITION goes on the air, the GSN online member's personal computer is synced to receive its greetings and then commences rapid-fire rounds of quiz questions as they are simultaneously posed to the TV contestants (keeping up, giving correct answers and racking up your score then becomes the ultimate challenge!).

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If the GSN player has scored well, he or she gets the reward and recognition of seeing their log-on name broadcast on the top-20 leader-board, which is seen going into and out of commercial breaks.

Furthermore, to keep things entertaining and retain players/viewers during commercial breaks, GSN's online system poses bonus online quiz questions, polls viewers on different topics and even ask advertiser-related research questions (as the advertisers' commercial is airing) to further enhance recognition and recall of the marketing message.

Game Show Network's two-screen interactive approach is also offering advertisers real-time focus group research from a nationwide database of over 650,000 online players. In fact, GSN officials say that over 30 advertisers — including such notable blue-chip marketers as Kraft/General Foods, Discover Card and AT&T — have been utilizing GSN's pop-up, interactive research queries addressed to its huge national pool of online players.

"The advantage of interactivity is building this database of our customers, where we can have this kind of two-way communication with them," said Game Show Network's Executive Vice President of Marketing, Dena Kaplan, who is one of the architects of GSN's Internet-based research and marketing database. "It is not only about giving them information, but also about hearing back from them on product preferences and other consumer-related information. We really see this respondent data as a value-added benefit we can present and deliver to our [advertising] clients on a regular basis."

"TWO-SCREEN" RETENTION: A "TiVo-proof" tool for advertisers

It is the engrossing nature of GSN's "play-along" interactivity that has been an additional hook-and-lure with the lucrative adults 18 to 49 demographics, which represent 87 percent of the network's online registrants.

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But, most notably, Mr. Roberts cites in-house data estimating that GSN's "two-screen," dual-media online players typically watch 29 minutes out of a typical 30-minute program telecast. The intensified viewing levels, also known as "sticky time," mean that online users are watching the show from beginning to end without leaving the TV and PC.

Retention of viewers, especially in an ever-fractionalizing television universe of growing cable/satellite network offerings, has been of paramount importance to advertisers around the world. Additionally heightening those fears among most network programmers is the nascent growth of digital Personal Video Recorders (PVRs), such as those manufactured by TiVo and Replay Networks, which allows a presently small number of subscribers to fast-forward or remove (known as "zapping") commercials from advertisers. That's not a fear at Game Show Network, whose interactive strategy has built a better mousetrap — to fully address any potential tune-out of commercials from advertisers.

"For advertisers, to have this form of TiVo-proof advertising, our two-screen approach really looks to minimize commercial zapping and maximize the amount of people who are watching and paying attention to their messages," said Michael Sakin, GSN's Senior Vice President of Advertising Sales.

A BROADBAND SOLUTION: GSN is driving the high-speed train

GSN's two-screen, interactive strategy is also serving as a catalyst and an applications tool to help spur cable and satellite affiliates marketing and sales of upgraded high-speed data/modem service to their subscribers. As a result of this turnkey marketing solution — launched in mid-2001 from Mr. Cronin's and Mr. Roberts' blueprint for a multi-pronged interactive/technology broadband approach — Game Show Network has increased its subscriber distribution 43 percent (from 35 million to about 50 subscribers) during that span.

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Cable and satellite operators clearly see the value in GSN's turnkey interactive marketing strategy. That's because GSN offers a fully integrated marketing and affiliate sale system designed to exploit GSN's synergistic links with parent company, Sony Corp., which is the world's best recognized brand leader in consumer and commercial electronics products. (GSN is jointly owned and operated by Sony Pictures Entertainment and Liberty Media, the latter of which is also widely recognized in the cable and satellite TV industries as a pioneer in the delivery of content-rich broadband services.)

Devised by Ms. Kaplan and Anne Droste, GSN's Senior Vice President of Distribution and Affiliate Marketing, the affiliate marketing plan is tied to helping cable system operators to convince subscribers to buy upgraded high-speed/broadband modem services. For example, GSN's affiliate marketing contest offers the first 500 customers a chance to win free Sony VAIO computers or Sony MP3 players if they sign up for broadband modem services--at no marketing expense to the cable system operator.

"We tied in the Sony high-speed campaign using our interactive [sync-to-broadcast service] and using Sony prizing in exchange for distribution...it's a total home run for both of us," said Ms. Droste, a long-time cable network distribution executive. "What we're trying to get the cable operators to understand is that you need to own all of the screens in the home and that Game Show Network adds value to the broadband pipe," Ms. Droste added.

Combined with an attractive menu of original and classic series, robust online content and aggressive affiliate/subscriber marketing campaigns, Game Show Network has been an integral programming asset to a who's-who of the nation's cable and satellite system operators. Among the major MSO cable operators, GSN gets carriage on Cox Cable, Charter Communications, Comcast Communications and Adelphia Communications, in addition to major satellite operators DirecTV and Echostar Communications.

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“On the affiliate side, we think our interactivity is one of our key selling points and it is the differentiator we have from all of the other [network] programming services out there,” Ms. Kaplan said.

“That is why we are very practical in saying [to GSN distributors], ‘Hey, you’ve got 45 million [U.S.] homes out there that have the TV and PC in the same room, so there’s this huge available pool of perspective broadband customers to go after.’ What we have are these people we like to call *‘telewebbers,’* who are doing both at the same time, so why not tap into that? That’s why we’ve positioned Game Show Network’s two-screen solution as pathway to bridge both [traditional and new] media.”

A “ONE-SCREEN,” INTERACTIVE FUTURE: “The Holy Grail”

In fact, another key spoke in GSN’s long-term broadband strategy is to help usher in the long-anticipated but technically-challenging age of “one-screen” interactivity, where cable and satellite subscribers can access information and play games through a *single* remote control and TV set.

The billions of dollars the cable and satellite TV industries have put behind the build-over and upgrading to high-speed, digital broadband services has made impressive progress. But getting actual delivery of one-screen interactive services to customers have either been bottled up by competing operating systems or standards for digital settop TV boxes and the expense of creating original program content for two-way services.

Again, that is where GSN — under the guidance of Mr. Roberts, a veteran broadband technology engineer — comes in as an agent of change and progress in the “one-screen” interactive world.

As GSN has already become a matured force in the “two-screen” interactive arena, Mr.

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Roberts said the network is already in the advanced stages of working on a single-screen interactive system with technology partner Gold Pocket Interactive—trials of software applications are to be conducted on one or more unspecified cable systems by mid-2003.

“We are in negotiations with a number of MSOs [multiple-system operators] to utilize their settop boxes so that people can interact through their remote controls,” Mr. Roberts said. “That is the Holy Grail and we are building toward that, but no one is quite there yet because of competing technology hurdles.”

For the cable system operators who have already spent billions in capital investment on laying down a broadband pipeline to the nation’s homes, Mr. Roberts said Game Show Networks is looking to ease their pocketbook pressures by providing encoded, interactive software applications for new digital settop boxes being installed in subscribers’ homes.

“It is a three-way partnership, where Gold Pocket Interactive goes in and installs the technology for the MSO and we fund the production,” Mr. Roberts said. “If [cable system operators] are finding they don’t have the resources to do this, we try to make it as simplistic as possible for the MSOs, giving them application solutions to reach the goal of tackling one-screen interactivity. “

“One-screen interactivity is going to be the home rum, so when we are actually watching people along with them using their remote control, that is going to pure interactive TV,” added Mr. Roberts, who previously headed up broadband technology research and development for Microsoft co-founder Paul Allen’s Vulcan Ventures (parent company of Charter Communications). “But our [two-screen] sync-to-broadcast technology is the steppingstone that allows us to appeal to the masses. That is why we do it. We are educating [consumers] and getting them used to playing along with their TV, albeit with a computer or laptop and TV in the same room. But eventually, when they are using their remote control, we’ll have arrived.”