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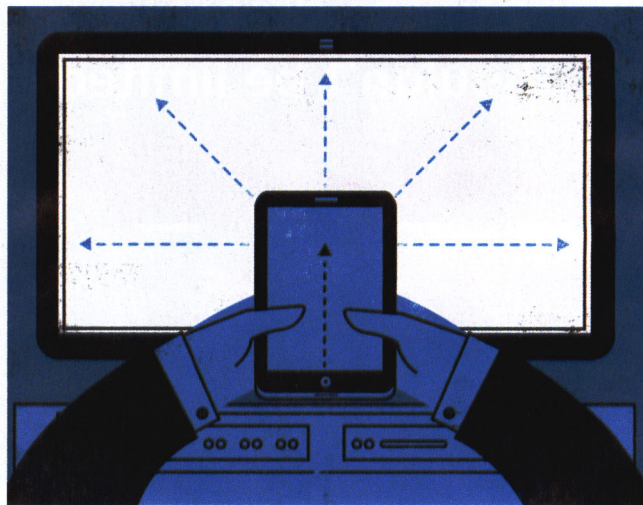
# Second Screens With a View

Television is battling the smartphone and the tablet for attention. VIGGLE aims to co-opt such devices to boost ratings and revenue. *by Jennifer Alsever*

TELEVISION executives and advertisers alike are desperate to interact with television viewers. Media mogul Robert F.X. Sillerman wants to help them.

Viggle, his New York-based startup, hopes to become the entertainment industry's chief loyalty-rewards program. Its app, which is available for Apple and Google phones, lets users check in as they watch shows. The software "listens" to a broadcast to confirm what's on the tube. Users can then play games and trivia related to onscreen events or a program's sponsor. The app also awards points that can be redeemed for movie tickets, gift cards, and other prizes.

Since its January launch, Viggle has amassed an impressive lineup of advertisers, including Pepsi, Kraft, and Capital One. Some 1 million people now use the app while watching shows like *America's Got Talent* and *Project Runway*. Mark Gunheim, CEO of TV-measurement service Trendrr.com, says the concept's potential is obvious because of the



so-called second-screen phenomenon. Around 86% of TV viewers now watch with cellphone or tablet in hand. The trend has touched off a race to find ways to co-opt those additional screens and generate more revenue.

Sillerman, who made his fortune in radio, got the idea while trying to boost *American Idol* viewership. (Until last year, his company CKX controlled the firm that makes the show.) The stakes were high: Every ratings point translated to \$125 million in additional ad revenue, he says.

So far, the idea seems to be catching on. Unilever used Viggle to reward

people who watched Dove ads during March Madness. NBC used it to promote its *Today Show* summer concerts. And in August, DirecTV signed a deal to give away free movies for using the app. The company should bring in about \$10 million in revenue this year. Sillerman says it should be profitable in early 2013.

Viggle has plenty of competition, though. Yahoo, Microsoft, and Hearst, among others, are backing similar services. And Zeebox, a popular U.K.-based startup, is launching in the U.S. this fall. But Sillerman isn't fazed. "You're going to see Viggle everywhere," he promises.