

SINKING CANOE – UNABLE TO CARRY BURDEN OF EXPECTATIONS



Canoe Ventures, which was founded with such fanfare, as the future face of cable TV, by major U.S. cable operators, including Comcast Corp., Time Warner Cable Inc. and Cox Communication is facing rough waters. The venture set up with the intention of developing a national platform for advanced, interactive advertising, has decided to close its interactive television advertising business. The three year old consortium of cable companies had a \$150 million investment and a staff of 150 employees. However, it has not been able to match its expectations and according to the New York Post is “now nearing failure because it has become technically unfeasible.” In recent times, the company lost many of its key executives, including its CEO David Verkin, along with Warren Schlichting and Steve Burke. This left the company feeling rudderless and its leadership “a sense of deflation.” Given that most of its executives had other business interests, there also seemed to be a lack of commitment and dedication. Moreover, all of Canoe’s benefactors are all rivals, aiming for the same piece of the pie. They all continued to sell interactive-ad opportunities on their own, displaying a lack of fidelity towards their joint venture. Other reasons being forwarded, why Canoe finds itself in the position it is, is that Canoe had boasted, that “by using new solutions, such as Canoe and Tru2way, they would give Internet a run for their money.” Instead of perceiving Internet as a competitor and an adversary, Canoe should have perceived it as a technology to be leveraged and used to their advantage. By setting Canoe against the Internet, Canoe put the cable industry at a huge disadvantage. Moreover, it became increasingly difficult for Canoe to figure out and implement technology that would work effectively for each service provider. It would have been more fruitful and simpler if Canoe had delivered their interactive ads via web browser, rather than retrofit cable systems. The on hand set-top boxes did not have the computing power to effectively support applications technologically. After the initial spurt of enthusiasm shown by advertisers, contacts became slow and eventually ad-agencies stopped taking interest at all. Initiatives other than propagated by Canoe have been far more successful. Even after three years, few viewers have actually witnessed an interactive ad – Canoe’s failures are a typically case of biting more than one can chew. Looking for Advertising jobs? [Click here](#).