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Ads, ads everywhere: SpotRunner, Rhythm get big \$ infusions

Posted By [Matt Marshall](#) On 30th October 2006 @ 07:33 In [Business and Technology](#) | [2 Comments](#)

Updated



The advertising revolution continues, in both the Internet and wireless worlds.

[1] [Spot Runner](#), the internet start-up that gives advertisers an easier, cheaper way to insert their ads into local TV programming, has [2] [raised \\$40 million more in backing](#).

And [3] [Rhythm NewMedia](#), meanwhile, has soaked up \$18 million more in venture capital, to claim a stake in the other sexy ad area right now: inserting ads in wireless video clips.

This is a lot of money for both players. For SpotRunner, it is significant because backers include major buyers and sellers of advertising: WPP, CBS Corporation and the Interpublic Group. WPP says it manages about \$50 billion in advertising budgets and Interpublic Group says its ad agencies serve 4,000 clients. Existing shareholder Allen & Co. led the third round of financing.

It suggests Spot Runner is getting traction. Its model is compelling: The complexities and cost of producing a video and buying air time are daunting for most small business owners. Spot Runner, which we [4] [first wrote about here](#), has developed a self-serve, web-based ad-buying system for TV.

The service works like this: The local business owner goes to the Spot Runner site, picks a business category and then chooses from among thousands of generic, pre-taped video ads. Each ad comes with pre-written voice-over text that can be customized. Once the business has picked an ad, it tells Spot Runner how much it wants to spend on air time and which media markets it wants the ad to run in.

Also among the latest investors are Tudor Investment and Capital Research and Management, and existing investors Battery and Index Ventures.



Meanwhile, Rhythm NewMedia's technology, which is still in development, will use its new funding to work with carriers to insert relevant ads in video streamed to their users' cellphones, the company told VentureBeat Friday. Carlyle Venture Partners led the investment, while existing investors also participated. These include Rembrandt Venture Partners, Lightspeed Venture Partners, Morgenthaler Ventures.

Separately, the company told [5] [VentureWire](#) (sub required) it is about to launch with two carriers — one in the U.S. and one on the U.K — with one of those as early as this quarter, the second during the first quarter of next year.

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URL to article: **<http://venturebeat.com/2006/10/30/spotrunner-gets-big-40m-infusion-for-local-tv-ads/>**

URLs in this post:

[1] Spot Runner: **<http://www.spotrunner.com>**

[2] raised \$40 million more in backing:

http://www.spotrunner.com/pr/materials/PR_20061030.pdf

[3] Rhythm NewMedia: **<http://www.rhythmnewmedia.com/>**

[4] first wrote about here: **<http://venturebeat.com/2006/01/11/spotrunner-easy-tv-ads-for-local-businesses/>**

[5] VentureWire: **<http://professional.venturewire.com/story.asp?sid=NQQQJOQPKKI>**

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