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CHANNELS Now Twice a Month

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THE BUSINESS OF COMMUNICATIONS JUNE 11, 1990

NBC's John Miller and Vince Manzi (with peacocks).

MARKETING MANIA

New marketing chief John Miller has a tough job – protecting NBC's first-place perch. With low-key promo maven Vince Manzi, Miller is overhauling the network's pitch.


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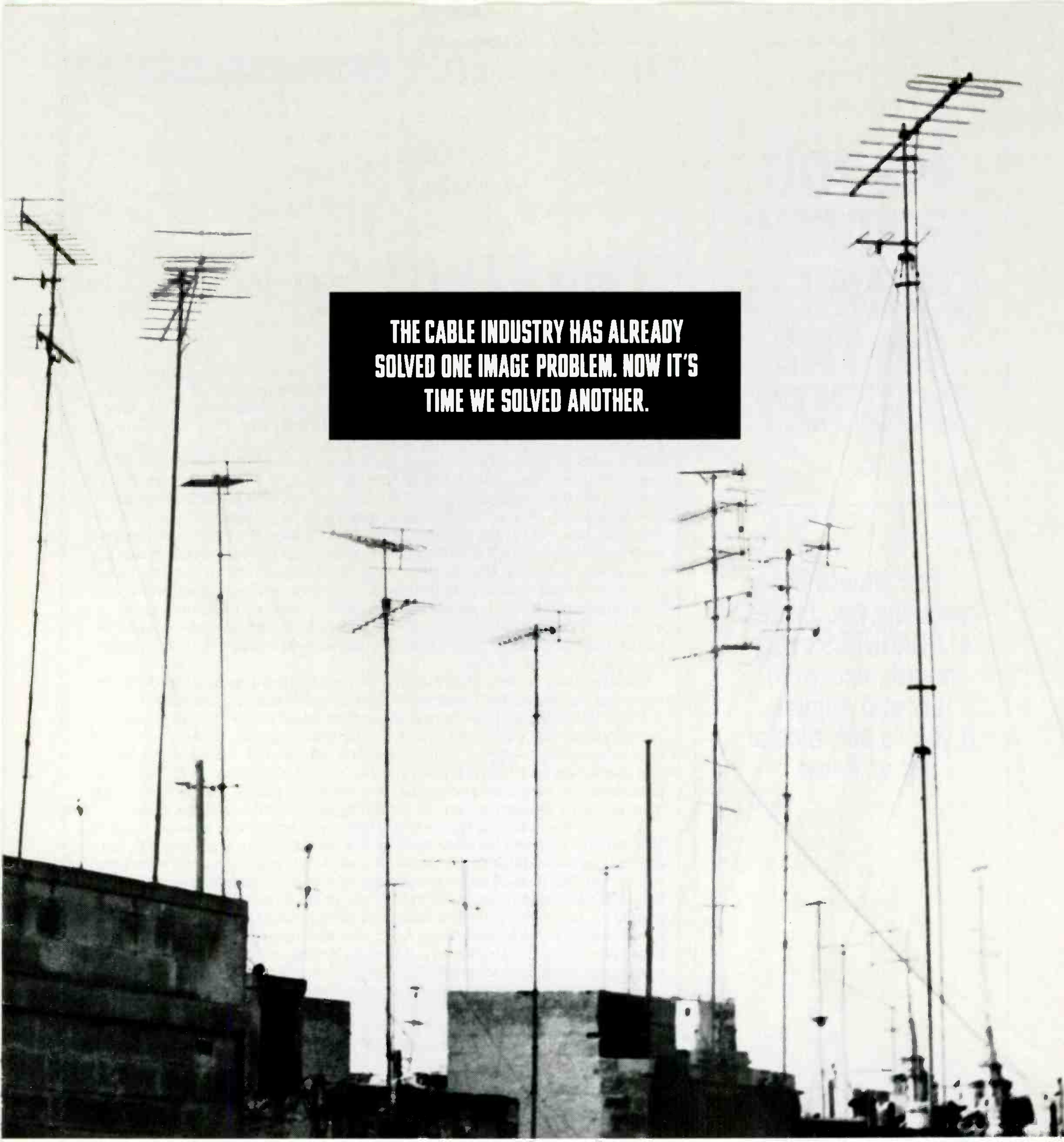
CHANNELS

THE BUSINESS OF COMMUNICATIONS

VOLUME 10, NUMBER 8 JUNE 11, 1990

FEATURES

COVER PHOTOGRAPH BY DAVID STRICK/ONYX



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EDITOR'S NOTE

The Hard Sell

The plight of NBC's John Miller sounds like the setup to one of those "we should all have such troubles" tales. Miller is charged with marketing the number-one network to its viewers, advertisers and affiliates. Two years ago that would have seemed a perfectly effortless task. With *The Cosby Show*, *Family Ties*, *Cheers*, *L.A. Law* and other shows at the peak of their power, NBC's sales department could have borrowed a pitch from Honda: They had the shows that sold themselves. But now *Family Ties* is gone, *Cosby* appears to have forfeited the top ratings spot to ABC's *Roseanne*, and *Cheers* heads into each new season with the cast making noises that it may be the last.

Without new hits to juice up its audience, NBC is watching its ratings base grow older and smaller. That's where Miller comes in. Until Brandon Tartikoff and his programmers come up with the next *Cosby*, Miller must work his magic to bring new viewers back to NBC's old programs, and convince advertisers to stick with its diminishing but still dominant audience. Our cover story this month goes inside the NBC marketing machine, with Miller at the controls and veteran promotion man Vince Manzi (that's him with the peacocks on the front) taking over the network's on-air efforts.

The NBC story is part of this month's "In Focus" special section, timed for the upcoming meeting of the Broadcast Promotion and Marketing Executives (BPME) in Las Vegas. Elsewhere in the section we detail the delicate process of "Foxification" (Fox's term) at stations that for years carefully crafted an image of local independence—relying on movies, sports, off-network sitcoms—and now find themselves part-time affiliates. We also take a look at the state of local cable promotion, and report back on some systems that are raising standards for a segment of the TV industry not known for distinguished local marketing efforts.

At *Channels*, coverage of trends in marketing and promotion, whether at television stations, networks, or cable systems, is a central part of every issue. In fact, the most recent addition to the *Channels* staff, senior editor Andrew Grossman, will be spending most of his time reporting on television marketing and promotion. Andy was most recently at *Cable World*, where he reported on cable programming, marketing and advertising, and before that he was a syndication reporter with *Multichannel News*. Andy joins assistant editor Richard Katz, who began covering marketing for us last year, in writing our Marketing & Promotion column and tracking down marketing stories from every corner of the business.

Rounding out our local coverage is senior editor Steven Beschloss, who joined *Channels* late last year from *Crain's New York Business*. In addition to reporting on the broadcast networks from New York, Steve has taken over our Market Eye department, which focuses on a single local TV market and its unique competitive environment.

These editors, and the rest of the *Channels* editorial team, are committed to finding stories—in marketing and promotion, sales, research, local news—that uncover new ways of doing business in television.


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CHANNELS The Business of Communications (ISSN 0895-643X) is published twice monthly except monthly in July and August by C.C. Publishing L.P., an affiliate of Act III Publishing, 401 Park Avenue South, New York, NY 10016. Second class postage paid New York, NY and additional mailing offices. Volume 10, Number 8, June 11, 1990. Subscriptions: $65 per year; all foreign countries add $18. **Please address all subscription mail to CHANNELS The Business of Communications, Subscription Service Dept., P.O. Box 6438, Duluth, MN 55806, or call 218-723-9202. Postmaster:** Send address changes to CHANNELS, The Business of Communications, Subscription Services Dept., P.O. Box 6438, Duluth, MN 55806. **Editorial and business offices:** 401 Park Avenue South, New York, NY 10016; 212-545-5100.
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If I could only run an "off-network" comedy in access.

MARRIED WITH CHILDREN

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You can.

The non-network
"off-network" comedy.

Comic-book Heroes Drafted for TV

But who will play The Silver Surfer?

It was inevitable. First *Batman*, now *Dick Tracy*—how long could it take before network television began the serious task of plundering comic-book history?

Sure, *Batman* had already launched an illustrious small-screen career before Hollywood made him a mega-movie star. *Superman* had done the same years earlier. Yet in a business that rides on tidal waves, television is about to launch a flood of comic-book spinoffs with flesh-and-blood actors.

CBS has signed up for a two-hour pilot of The Flash, and ABC bought a one-hour pilot based on The Human Target. NBC last month aired a two-hour live-action made-for based on characters from Archie Comics. Both CBS and NBC have committed to scripts for other projects.

It would be a mistake to simply give the credit—or the blame—to the networks in these cases. Because in a clear illustration of—yes—synergy, each of these deals are the outcome of the combined resources of Warner Bros. Television, Lorimar Television and D.C. Comics, all of which are divisions of superpower Time Warner Inc.

Norman Stephens, v.p. of dramatic development at Warner Bros. TV, says that two years ago, prior to the release of *Batman*, he met with writers Danny Bilson and Paul DeMeo, who insisted that *Batman* was going to create a "revolution." Stephens was taken by their thinking and commissioned a script drawing on several D.C. superheroes, including The Green Arrow, Dr. Occult and The Flash.

CBS bought the project, but by the time it got to Kim LeMasters, then president of CBS Entertainment, *Batman* had opened and LeMasters opted for a series based on a single character, The Flash.

The comics version of The Flash: synergized for the small screen.

That project only greased the cogs within Warner Communications, Stephens notes. After D.C. Comics president Jenette Kahn assigned her staff last year to write one-page synopses of more than 50 D.C. Comics characters, executives at Warner and Lorimar divvied up the properties. Lorimar is developing two scripts, Justice League of America for NBC and Suicide Squad for CBS, while Warner Bros. has pursued The Human Target, The Flash and The Green Arrow.

"We like the group, *A-Team*-type heroes," says Leslie Moonves, Lorimar executive v.p. of creative affairs. "Warner Bros. went for the more individual ones."

In the post-*Batman* era, Stephens is reluctant to push too many of these heroes on the American public. "We have to be careful how we manage these resources," he says. There's always the next wave. STEVEN BESCHLOSS

WWL Sale May Mean A Local Ad Boon

Nonprofit status kept everybody poor.

The New Orleans market, buffeted in recent years by a slew of TV station sales and rep-firm switches, is about to be hit with the most significant change yet.

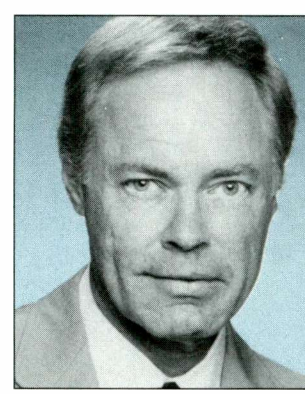
Television executives at Big Easy stations predict the market's deflated TV economy could eventually be lifted by the sale of CBS affiliate WWL-TV, whose ratings routinely leave the competition coughing in the dust.

Three other stations have changed owners in the past three years. But "when the WWL sale goes through, it will be the single most important thing that's happened in the marketplace in some time," says John Carpenter, v.p. and general manager of NBC-affiliate WDSU-TV, which was purchased by Pulitzer Broadcasting last December.

WWL is able to save millions of dollars each year because its ownership by the Roman Catholic Church's Loyola University of the South gives it special tax exemptions. Historically, much of that money has been plowed back into the station. But the station's liberal spending on talent and equipment is likely to be curbed not only by the loss of the tax exemption, but by a hefty debt load for the new owners, says Philip Nye, president and general manager of the Burnham Broadcasting-owned ABC affiliate, WVUE. "That will make the playing field a little more level," he adds.

Two groups have spent the spring vying for ownership of Loyola's station: a WWL management group called Rampart Operating Partnership and led by the station's general manager, J. Michael Early, and a minority group, United Communications, founded by a former New Orleans mayor.

The WWL executives involved in the buyout contend that no big cutbacks are anticipated. But Nye maintains, "They can't continue to outman our news department—and WDSU's—two to one. And they won't be able to continue buying three of every new piece of equipment that comes out."



WDSU's John Carpenter.

WWL's competitors say that the station's big spending is a major reason for the wide gap between WWL's ratings and everyone else's. In February, WWL had a 32 share sign-on to sign-off, more than the two other network affiliates combined. That gap, in turn, has helped keep down advertising rates, as the lower-rated stations slashed prices to attract customers. For example, according to TV rep sources, national spot rates in New Orleans, the 36th ranked U.S. market, are 25 percent less than Cincinnati, which ranks 30th.

WWL's director of sales, Jimmie Phillips, disputes the view that her station's wide lead is the cause of deflated rates. "We can only push so hard," she says. "If I go [to advertisers] with a cost per point of $100 in late news, and everybody else goes in at $50, what are buyers going to do? WWL is the leader, but the other stations need to follow." JANET STILSON

Adding Cable To the Arsenal

Lawrence M. Higby, a former fast-food marketer, may be an unlikely general in a news war, but he's nevertheless on the front lines.

The battlefield: California's affluent Orange County. The adversaries: the giant Times Mirror Co., publisher of *The Los Angeles Times*, and Freedom Newspapers Inc., publisher of *The Orange County Register*, which outsells the *Times* among the 2 million residents of Orange County. The weapons: news programming, and what the rivals see as an untapped marketing resource in cable TV.

Higby, who joined the *Times*' Orange County edition as president in February 1989 from Times Mirror Cable, where he was senior v.p. of marketing, programming and sales, is used to scrapes. An intense 44-year-old, he was known for his tenacity in the Nixon White House, where he served as an aide to H.R. Haldeman.

To win the latest skirmish, he has struck an alliance with Walt Disney Company's KCAL-TV similar to deals between TV stations and cable systems elsewhere in the country. Since April, KCAL and the *Times* have been producing a local news show for two of the region's 17 cable systems. In addition, subscribers to those two systems—Times Mirror-owned Dimension Cable and Comcast Cablevision—who pay for a monthly cable TV magazine now get a weekly version in Sunday's *Times*. Since March, 18,000 cable customers have become *Times* subscribers.

Higby kept the *Times*' move under wraps while Freedom let it be known it was planning a 24-hour cable news service, set to begin in September. Higby's preemptive strike was bred by his bosses' frustration that their considerable investment in Orange County—$15 million over two years, on top of typical operating costs, spent on promotions and a doubling of edit staff—failed to boost circulation. "The issues were beyond editorial," Higby says. "They are marketing and promotional issues, and that's why I'm down there."

Prior to his stint at Times Mirror Cable, Higby had been a marketing chief for PepsiCo's Taco Bell chain and president of America's Pharmacy, a unit of Caremark. "I love the challenge of competitive marketing," Higby says. He must have a huge crush on Orange County. ANDREA ADELSON

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72 half-hours.

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Women On The Wire

BY RICHARD KATZ

JUNE 10-13: The **Broadcast Promotion & Marketing Executives** association rolls into Bally's Hotel in Vegas for its 35th annual conference in conjunction with the **Broadcast Designers' Association**. The opening keynote speaker this year is **Howard Stringer**, president of **CBS Broadcast Group. McAdory Lipscomb Jr.**, senior vice president, corporate affairs for **Showtime Networks**, will present the cable keynote address on the theme of promotion at the local level. "For the past few years the networks have done the majority of the promotion," says Lispcomb, "and we're not going to continue to have the financial wherewithal to drive all the marketing that needs to take place. The cable operators at the system level will have to step forward and consistently fund and orchestrate promotion at the DMA level." Lipscomb's message may fall largely on deaf ears: BPME wants to attract more cable members, but currently only 146 of its 2,000 members work in cable.

•

JUNE 15: Women in Cable finishes up its third annual membership drive today. The 2,000 member organization's goal is to increase the presence and influence of women in the industry. "Management is not going to reach down anymore and pull up that white Anglo-Saxon male for their management roles," says WIC spokesperson **Christine Kane**. "They're going to be pulling up women who are capable for those positions. That's where our membership fits in—to help the industry understand that women are going to be playing an increasing role and to prepare those women for those roles." According to an FCC report, women made up 34.5 percent of cable's managers and 87.8 percent of its clerical workers in 1988. **Home Shopping Network** sponsored the membership drive, donating 20 stereo systems and two visual telephones as prizes for the top recruiters.

•

JUNE 18: Network and syndication development executives might do well to swoop down on the students in **UCLA Extension**'s "Producing the Game Show: From First Pitch to Daytime." The six-week class, taught by **ABC**'s director of daytime development, **Bob Boden**, ends today. "The game show is an extremely specialized form," says Boden, a game-show fanatic since childhood. In his college days Boden's UCLA dorm-room walls were covered with game-show tickets. "It requires great understanding of what has gone on in the past, how they've changed, what elements make them work and how to create maximum participation of the home viewer. Only a handful of packagers have the ability to create, mount and produce an idea from scratch."

•

JULY 1: The **Broadcast Financial Management Association**, another organization in search of a cable constituency, celebrates its 30th birthday by changing its name to the **Broadcast*Cable Financial Management Association**. BCFM president **Philip Giordano**, president of radio station-owner **April Broadcasting**, explains that a fresh name and attitude will attract new members to the organization while providing a much-needed service to the cable industry. "In its inception, cable wanted to [be] unorganized when it came to finances in order to keep the government away, for growth purposes," says Giordano. "Now that it's a maturing business, we're going to provide cable with resources that will help them with things like accounting and operations guidelines." Giordano believes the recent election of three cable executives to the board, **Lifetime Cable**'s **Philip La Greca**, **Cox Cable**'s **Don Sepe** and **ESPN**'s **Christine Driessen**, will greatly increase cable membership. Cablers currently account for only 65 of the organization's 1,270 members. •

JUNE CALENDAR

June 14-16: "Fundamentals of Cable Accounting and Budgeting," cable management program, sponsored by Women in Cable and the University of Denver. University of Denver campus, Denver. Contact: Nancy Ring, (312) 661-1700.

June 14-17: Missouri Broadcasters Association annual spring meeting. Rock Lane Lodge, Branson, Mo. Contact: Ted Griffin, (314) 636-6692.

June 21-24: Society of Cable TV Engineers' Cable-Tech Expo '90. Nashville Convention Center, Nashville, Tenn. Contact: Anna Riker, (215) 363-6888.

June 21-24: North Carolina Association of Broadcasters summer meeting. Elbow Beach Hotel, Bermuda. Contact: Laura Ridgeway, (919) 821-7300.

June 21-24: 20th conference on broadcast meteorology, sponsored by American Meteorological Society. Clarion Harvest House, Boulder, Colo. Contact: Evelyn Mazur, (617) 227-2425.

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ARBITRON

The Local Market Champion

No Kidding With Kidvid

Stations use kids clubs with a message to lure sponsors in New York and Boston.

BY JACK LOFTUS

Most kids would be satisfied with a new bike, a day at the ballpark or maybe a ride on a fire truck. Earth Day may have added a new dimension to things that turn kids on, as Fox-owned WNYW-TV in New York discovered when it started handing out chunks of rain forest. What the kids get is honorary ownership of an acre of Costa Rican rain forest, an offer that's attracted several thousand youngsters to Channel 5's "How to Save the Earth" contest. The station gets publicity, memberships and sponsorships for an elaborate—and profitable—Kids Club campaign, one similar to others that are capturing the imagination of stations and advertisers across the country.

The concept isn't new. Stations, mostly independents, have had mixed results promoting kids clubs for cartoon blocks, sort of a "value-added" sales gimmick for advertisers. As the TV business becomes more marketing-driven, however, stations find that high-minded, high-profile kids clubs closely allied with popular issues attract big bucks from image-conscious advertisers. The children get in free.

Child World put up just under $700,000 for a year's sponsorship on WNYW, and somewhat less than that for the WLVI-TV Kids Club in Boston. Fox's New York outlet claims to have signed up more than 100,000 children and to have covered its 1990 costs, not including airtime, of about $600,000 with one advertiser. The Gannett indie in Boston, which has a $350,000 nut to crack, signed on last February, two months after WNYW, and has five sponsors: McDonald's, Child World, The Mass. Bowling Association, Roller Kingdom and Boston Edison.

Ken Zuckerman, director of children's marketing for WLVI, won't divulge how much these advertisers are paying for Kids Club sponsorship packages, but says 26,000 kids have signed up.

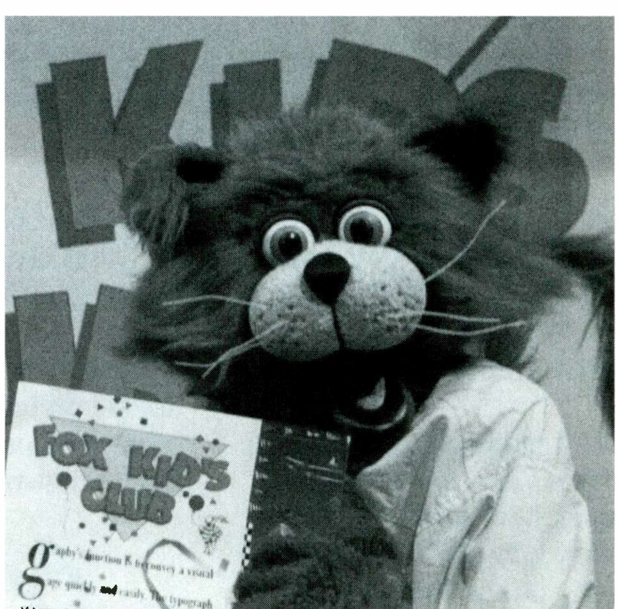
Zuckerman calls his a "clean" kids club, meaning no hard-sell commercials inside the locally produced short takes that are sprinkled throughout the afternoon kidvid schedule. "We know when we're inside a Kids Club segment that children's attention is much more focused," says Zuckerman, "so we have an extra responsibility not to place commercials inside these blocks." The 15- to 60-second vignettes concern health, education, safety and the environment and usually tout such venerable Boston institutions as the public library, the zoo, museums, hospitals and schools.

WLVI launched its membership drive last February by papering the market with almost a million membership applications. Club sponsor Child World slipped the Kids Club applications into its Washington's Birthday newspaper inserts. Zuckerman hired a Boston-based database company, DMT, and an ad agency, Cohn Thompson McKay Communications, to coordinate the club's huge print needs: the membership package, mailing and fulfillment. "The biggest mistake most stations make," says Zuckerman, "is trying to handle all of the member recruiting and fulfillment in-house under the guise of saving money. What usually results is that an inundated promotion manager or sales assistant ends up with hundreds of unfilled member applications."

That must be the way Teresa Matthews felt at WNYW. The executive producer and her staff of three have been working round the clock since launching the Kids Club last Christmas. "Finally, it's starting to run itself," says Matthews, adding that the station, which sent out more than 3 million applications, came close to overextending itself.

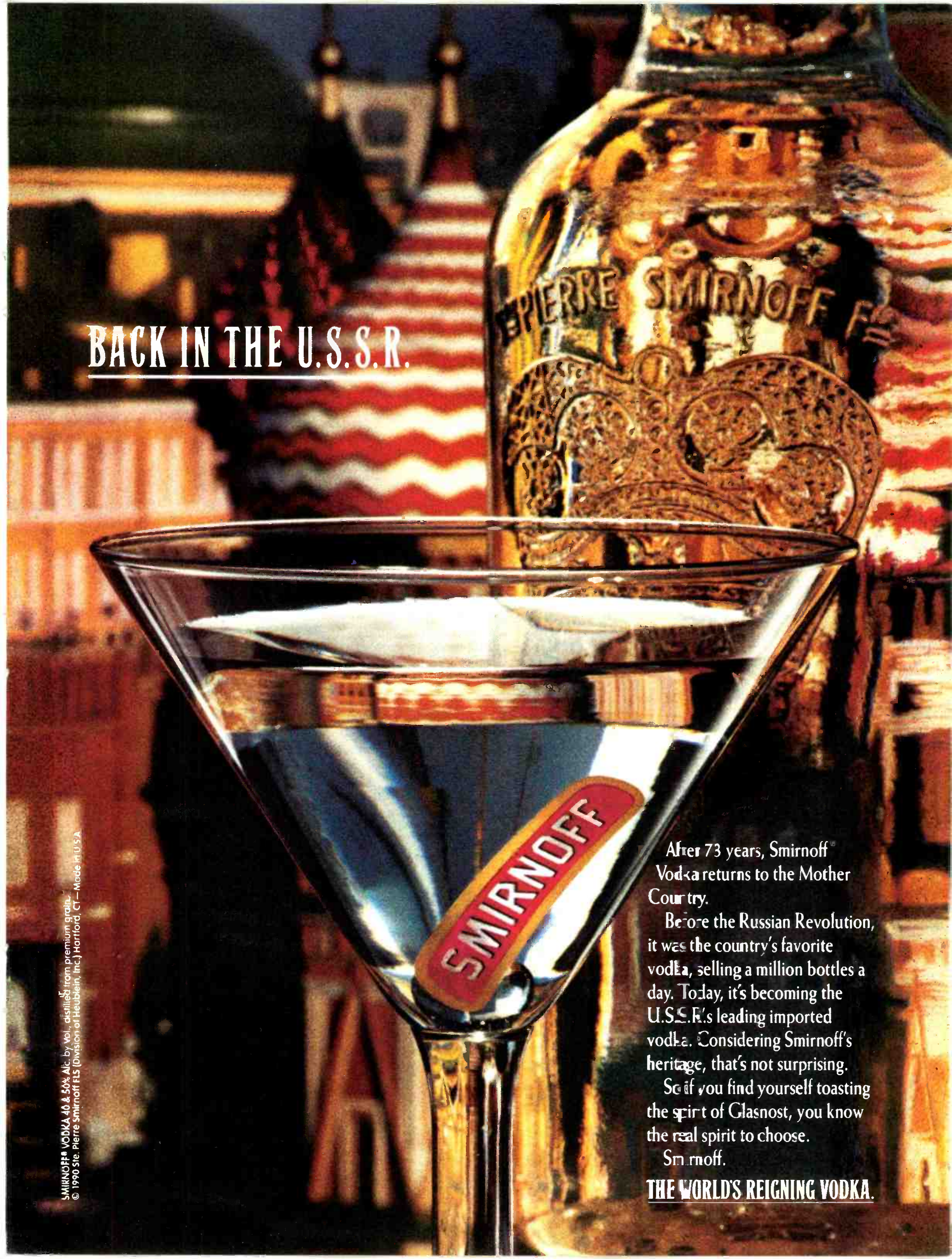
The New York and Boston stations both build their kids clubs around events they create. WNYW is sponsoring four major events a year, including "Balloon Day" at the Brooklyn Children's Museum this summer. The station also arranged tie-ins with the Ice Capades and the Ringling Bros., Barnum & Bailey Circus at Madison Square Garden, and hired the band New Kids on the Block to boost the club.

The stations are also alike in their pursuit of exclusive sponsorships. WNYW's most expensive package—$800,000—includes 260 30-second spots for the year, including six spots a week in the 2 P.M. to 7 P.M. slot, billboards, customized vignettes, coupons and contests. "We can package sponsorships any way the client wishes," says Joanne Cini, WNYW's local sales manager. It's more expensive to produce, she adds, but it's the kind of incentive image-conscious advertisers want. •



WNYW's D.J. Kat hosts "The Fox 5 Kids Club."

Jack Loftus is the former editor of Market Shares.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Big Three Turnaround

After years of blunders with lawmakers, the broadcast networks have hired some smarts.

BY PENNY PAGANO

In 1983, when the battle over the financial interest and syndication rules (finsyn) was in full swing, Martin Franks was working on Capitol Hill for the Democratic Congressional Campaign Committee headed by then-Rep. Tony Coelho (D-Calif.). Not far away, Mark MacCarthy followed communications issues for Rep. John Dingell (D-Mich.).

These were key jobs for both young men, with Franks working closely with congressmen on campaign and financing strategies, and MacCarthy point man for the powerful chairman of the House Energy and Commerce Committee.

From their insiders' perspectives, one of the phenomena Franks and MacCarthy observed was something that others around them had noted—the three broadcast TV networks weren't exactly beloved on Capitol Hill. In fact, the networks were viewed largely as enclaves of arrogant media moguls, whose top executives loathed making the one-hour flight to Washington, avoided personal contact with members of Congress and often treated Hill staffers with an air of condescension.

Time and technology have substantially altered the TV landscape Franks and MacCarthy knew in the early '80s, changing the size of network audiences, the number of competitors the Big Three face, and the level of confidence with which the networks predict their future. ABC, CBS, and NBC have all changed owners. In Washington, the perception of the networks has also changed—for the better. So has their political savvy. Today, both Franks and MacCarthy head network offices in Washington. "They've really done a turnaround," one political observer says of the networks.

The changes haven't gone unnoticed by network foes, including the major Hollywood studios, whose representatives concede that the creative community is currently very much on the defensive.

How the Big Three function in Washington reflects a number of factors, including the changing TV marketplace as well as a new political sensitivity at the networks, and the selection of bright, politically astute insiders to run their offices here.

CBS head Larry Tisch reached outside the company's ranks in 1989 to hire Franks to preach his network's gospel. Franks had left Capitol Hill only a year earlier to join the lobbying firm of Charles E. Walker Associates, where he represented CBS.

"They never had anyone like Franks before," says one broadcast executive. Franks, who graduated from Princeton in 1972 with a B.A. in politics, spent seven years working in the Senate, including a job as an administrative assistant to Sen. Patrick Leahy (D-Vt.) from 1977-79. During the 1980 presidential election Franks worked as national research and issues director for the Carter/Mondale campaign.

For the next six years, Franks was executive director of the Democratic Congressional Campaign Committee headed by Rep. Coelho. Their success in running the DCCC later helped elect Coelho to the position of Democratic whip, the third ranking leadership slot in the House of Representatives.

Coelho, now director and chief operating officer at Wertheim Schroder Investment Services in New York, gives Franks high marks for his loyalty and his ability to get things done. "Not only is Marty smart intellectually, but he's street smart," Coelho says. "He knows how to strategize and knows what needs to be put on the table to reach a decision. And he's not afraid to let others shine in order to get something accomplished."

Coelho notes that aside from lobbying, one important function of the networks' Washington offices is obtaining information about issues, attitudes and possible legislative concerns before their telecommunications competitors do, and he says Franks has that ability.

Franks' years on Capitol Hill and in political campaigns have earned him myriad valuable contacts. "Marty is one who believes in networking, and he has a tremendous network," Coelho adds.

At ABC, Mark MacCarthy recently replaced longtime network veteran Eugene Cowen as vice president, Washington. MacCarthy, who has a B.A. in English and philosophy from Fordham University, a master's in economics from Notre Dame and a Ph.D. in philosophy from Indiana University, taught at Notre Dame (1976-78) before coming to Washington to work as an economist at the Occupational Safety and Health Administration. In 1981 he joined the staff of the House Energy and Commerce Committee, where he handled communications policy issues for Rep. Dingell. He was appointed ABC's vice president, government affairs, in September 1988.

"He's a bright, nice guy who is relatively low-key," says a former colleague on the House Commerce Committee. MacCarthy still has close ties to Dingell and other House members. "He has a good sense of the political temperature on Capitol Hill," added his colleague. "He won't let things get out of hand."

Like Franks, MacCarthy has had to adjust to the changes that come with working on and then off Capitol Hill. "The difference is that when you are on the Hill, you are a decision-maker or an adviser to a decision-maker. Now you are someone trying to persuade those decision-makers or their advisers. That is a fundamental shift."

MacCarthy and Franks' counterpart at

NBC is Robert D. Hynes Jr., vice president, Washington, who joined the network as director of government relations in 1972. In June 1981 he became vice president, legislative liaison, and in 1983 was appointed vice president of NBC's government relations office.

Hynes also cut his political teeth on Capitol Hill. From 1964 to 1972 he was minority counsel for the House Rules Committee. Hynes graduated from the University of Cincinnati with a degree in history and political science, and also has a law degree from the university. He took a three-month leave from NBC in 1973 to serve as counsel to Gerald Ford during his vice presidential confirmation hearing.

CBS's man in Washington, Martin Franks.

All three men are personable, shunning the aloofness and arrogance that typified network attitudes in the past and still exists among some broadcasters today. But the networks are also perceived differently in Washington because of the style in which their new top managements operate—businessmen aware of issues, including regulatory concerns, important to their corporate bottom lines. "At all three networks you have management that is savvier about Washington," Franks says.

That translates into more frequent trips to the capital by network chiefs, including personal visits to members on Capitol Hill and meetings with committee staffs. "In the old days the networks were a lot more impressed with themselves. But what they forgot was that while you might win the battle, you also have an enemy for life," says one Hill staffer.

Management changes aside, the networks can also argue convincingly that their future no longer seems guaranteed. A tougher business climate means added support for the network's position that unless regulatory constraints are lifted, free over-the-air television is in peril.

"It's fairly hard to ignore what has happened in terms of declining audiences," says one network executive. "Perhaps there is a dawning of recognition that the government policy that regulates broadcasters and cable, as well as broadcasters and Hollywood, may be distorting the network business."

Also in the networks' favor today is the fact that a good deal of the animosity once directed toward them has been transferred to cable. With mounting constituent complaints about cable rates and service, and numerous proposals to change the 1984 Cable Act, Congress has intensified its scrutiny of cable—the networks might have benefited in comparison even with their old attitudes.

Nevertheless, lawmakers continue to express concerns on a variety of issues, ranging from violence on television to campaign financing. And among the lessons that the networks have learned in dealing with Washington is that a visit from the folks back home to their representative on Capitol Hill is an effective lobbying tool.

As a result, the networks have worked to convince the owners and managers of their local affiliates to help convince Congress. With a vested interest in the quality of programming from their distributors—the networks—the affiliates are increasing their visibility in the nation's capital.

"In this changing competitive marketplace that broadcasters find themselves in today, the interests of the affiliates and the networks are together on many major issues," says NBC's Hynes. "We are working more closely together than ever before because the free over-the-air broadcast system is threatened."

Now, as controversies such as finsyn have come to the forefront, the networks are better positioned to present their case to Congress and to the regulatory agencies. "The last time [finsyn was on the agenda] the networks hadn't done their homework. This time they have," says one opponent.

Nor does it hurt matters that the three network CEOs seem to get along with each other, as do the trio who run the network offices in Washington.

"We're a pretty convivial group," says CBS's Franks. When people see him and other network lobbyists together on Capitol Hill, he says, they don't always realize how fiercely the three networks compete with each other.

"We frequently joke that we are the only people among network companies who talk to each other," says Franks. •

Penny Pagano is Channels' *Washington editor.*

ABOUT TOWN

State radio and television stations in Eastern Europe need the help and expertise of American broadcasters to improve their programming and facilities, says John H. Hoagland Jr., editor-in-chief of radio and television broadcasting for The Christian Science Monitor in Boston. Hoagland served on a special U.S. State Department task force that spent ten days this spring visiting Hungary, Czechoslovakia, Romania and East Germany.

In addition to discovering an urgent need to replace 20-year-old broadcasting equipment—40-year-old equipment in the case of Romania—the task force found many state broadcasters to be "poor, ill-trained, dramatically overstaffed, badly organized, ill-equipped and uninformed."

At a recent conference sponsored by the Center for Strategic & International Studies, "Eastern Europe: Playing Catch-up Ball in Communications," Hoagland said the needs range from tape editing and a supply of programming to newsgathering and setting up field units.

"What it needs is the proper soil in which to grow," Hoagland says of Eastern European radio and TV, adding, "There is so much that can be done in a short time."

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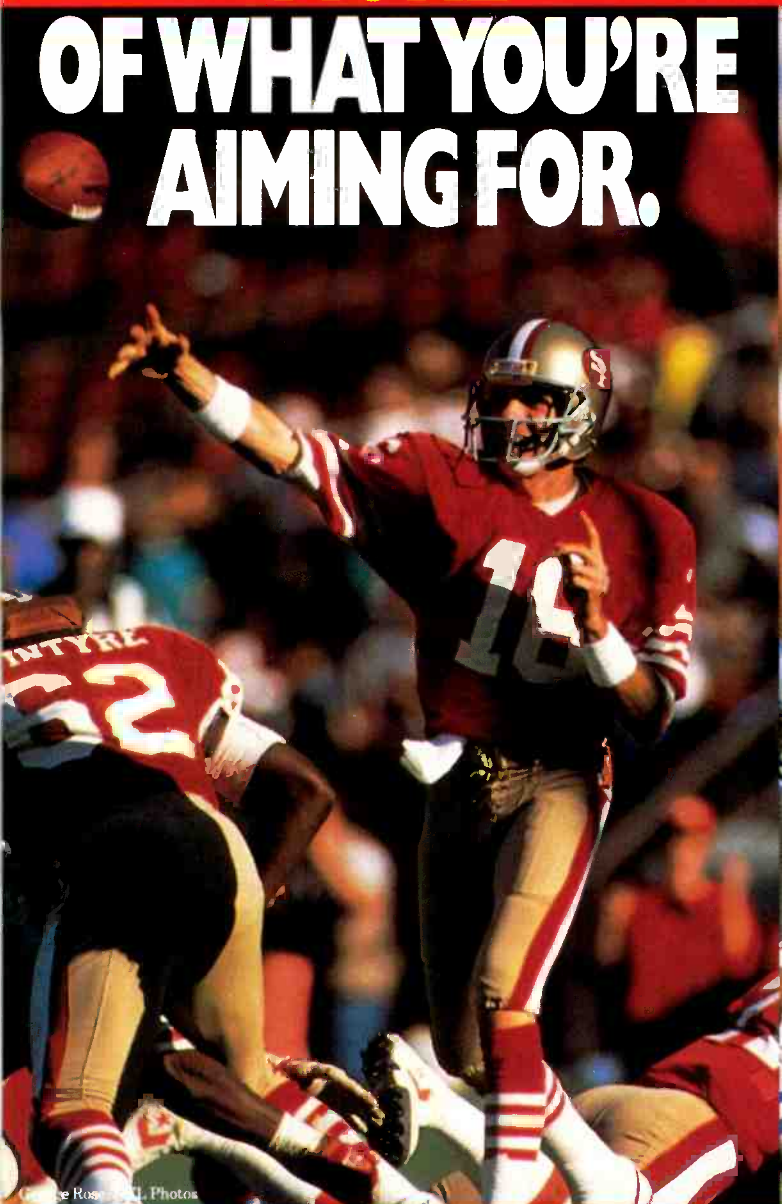
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Sunday, August 31st:	Los Angeles Rams @ Washington Redskins (8pm)

NFL REGULAR SEASON

Sunday, September 9th:	Philadelphia Eagles @ New York Giants (8pm)
Sunday, September 16th:	Houston Oilers @ Pittsburgh Steelers (8pm)
Sunday, September 23rd:	Detroit Lions @ Tampa Bay Buccaneers (8pm)
Sunday, September 30th:	Washington Redskins @ Phoenix Cardinals (8pm)
Sunday, October 7th:	Los Angeles Raiders @ Buffalo Bills (7:30 pm)
Sunday, October 14th:	Los Angeles Rams @ Chicago Bears (7:30 pm)
Thursday, October 18th:	New England Patriots @ Miami Dolphins (8pm)
Sunday, October 28th:	Cincinnati Bengals @ Atlanta Falcons (8pm)
Sunday, November 4th:	Denver Broncos @ Minnesota Vikings (8pm)

Back In The Hunt

Equal Justice has won critical praise for Orion.

Gary Nardino, who shepherded Paramount's television division for six successful years in the '70s and '80s, wants to turn Orion Television Entertainment from an also-ran into a network and syndication contender.

By Alex Ben Block

Caught in Los Angeles traffic, Gary Nardino, chairman and CEO of Orion Television Entertainment, is late for an interview with a reporter. So Gary Randall, Orion's president of television production, uses the time to fill the visitor in on the studio's history in television prior to Nardino's arrival on the first day of 1989.

Suddenly Nardino storms in, his round, flushed face framed by mussed gray hair and an open-collared shirt covered by a sports jacket. Apologizing for his lateness, Nardino asks what has been discussed.

"We've been doing the years up to this year," says Randall.

"That's pretty boring," booms Nardino, as he lets out a loud, whooping laugh, plops his stocky frame into a stuffed chair and props his feet up on the coffee table in the center of Randall's office.

If there is anything Gary Nardino is determined to keep Orion from being, it is boring. In less than two years he has shaken the television division from top to bottom and added Entertainment to the old name, Orion Television. He's set out to turn what had been a low-key operation into a major producer for the networks, as well as an important television syndication distributor, both domestically and internationally.

But a hectic agenda isn't necessarily a productive one, and Orion still has a long way to go, at least in the eyes of some on Wall Street. "If you're going to be a major [Hollywood production company]," says Lee Isgur, entertainment analyst at PaineWebber in New York, "you've got to be a factor in television. Orion hasn't proven to be a real factor. . . . They get a lot of publicity. A lot of people take them seriously. But I don't think they deserve the image they're given."

On top of this, Nardino must cope with the uncertainty surrounding the company's future ownership, as rumors continue about a sale by majority stockholder John W. Kluge.

Nevertheless, Nardino is out to prove the doubters wrong. He says he's finally assembled the elements for Orion to elbow out a bigger position in television. Although Nardino's resources remain much more limited than those of his major studio competitors, he has persuaded tight-fisted Orion to spend more heavily than it has in the past. An industry veteran, Nardino's also drawn on 30 years of contacts and connections throughout Hollywood's creative and business communities. And that experience tells him that every move he makes also has to respect one of Orion's most important assets—its reputation for a hands-off approach to the creative process.

Nardino sums it up this way: "I'm here to do business in a style that Orion is well-known for doing business: Protect the downside jeopardy. Accept mitigation of the upside by having a partner to cut the downside risk. Try to do business with Orion Television the way Orion features has so successfully done business." Above all, he stresses, "Even though you may not have a big hit, remember: You have to feed the pipeline."

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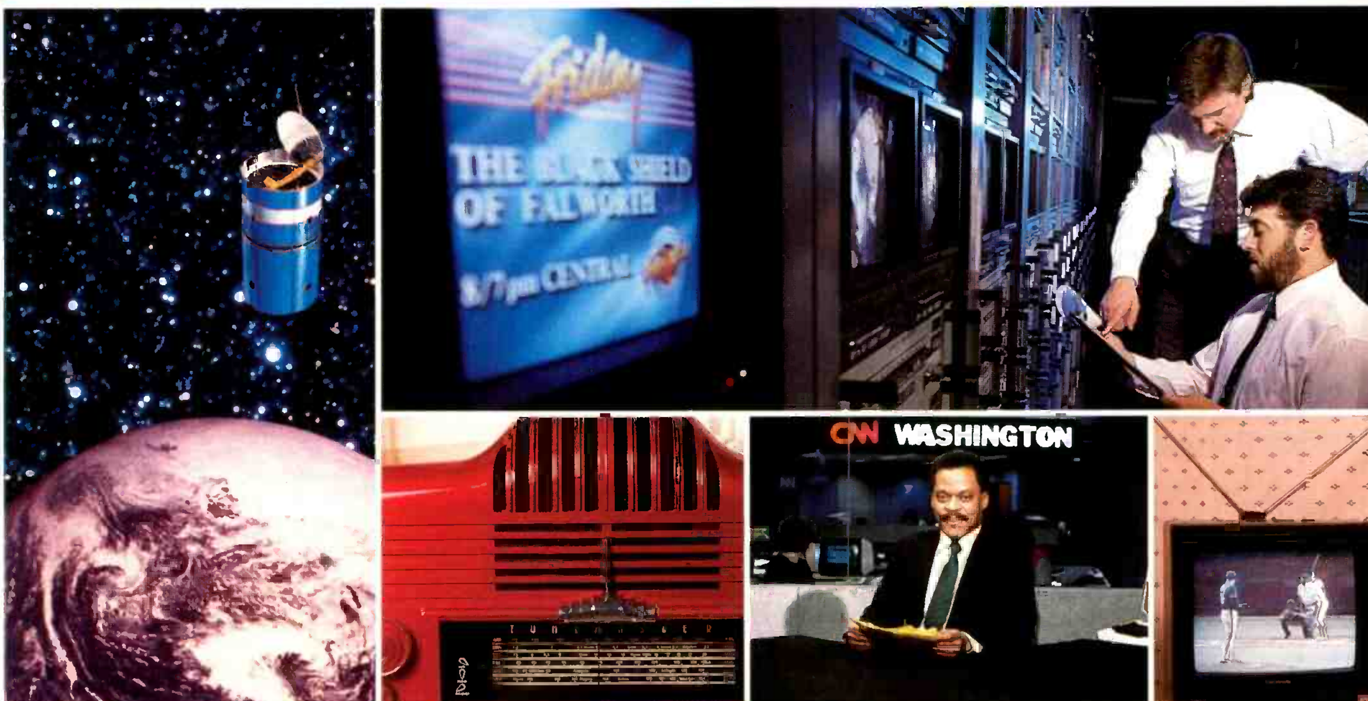

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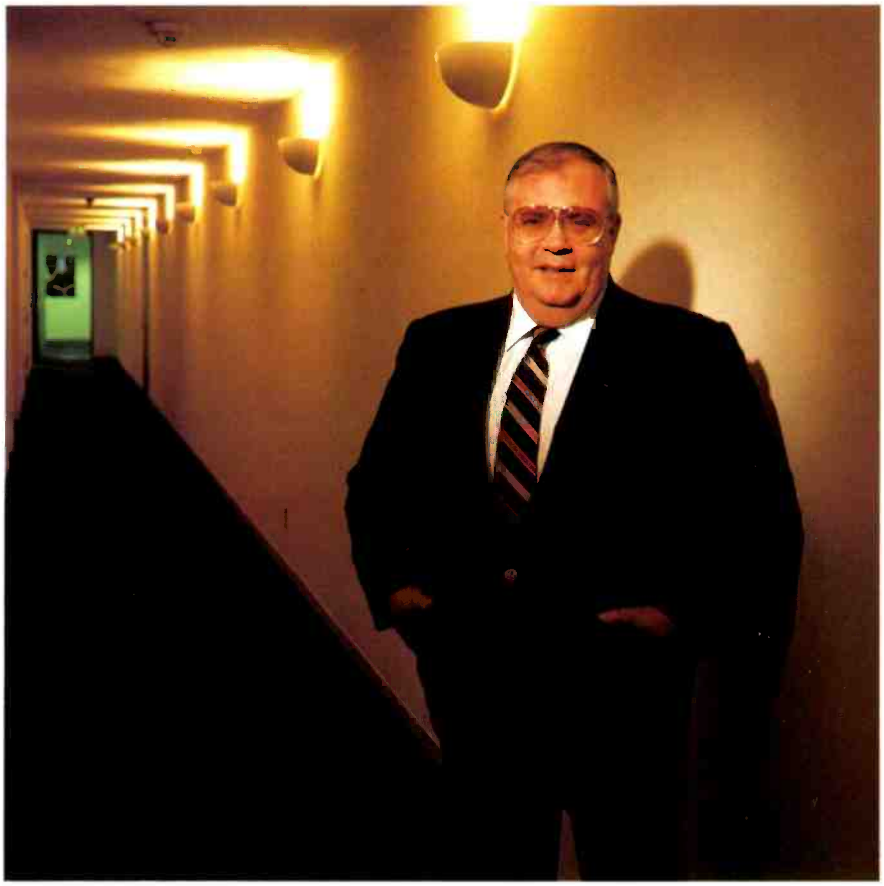

Nardino remains bothered by accusations that development was in such a sad state when he left Paramount Television in '83 that the company went into a long slump.

PHOTOGRAPH BY AMY ETRA

But there also appears to be a personal agenda fitting into the mix. Nardino has a past, as do others at the top of Orion's television team. For his part, Nardino remains haunted by critics who charge that when he quit as head of Paramount Television in 1983 with five shows on the air, he left such poor development that Paramount went into a prolonged slump.

Nardino also has selected as senior executives a few other industry veterans with something to prove. Robert King, a former King World and Columbia Pictures TV executive hired by Nardino last year to head Orion's syndication division, won't discuss why he left King World, where his brothers, Roger and Michael, have gone on to continued success without him. Joseph Indelli, hired last year by New York-based King to be his number two, based on the West Coast, has experience at MGM, Metromedia and Columbia Pictures. But shortly before Orion hired him, he had been fired from his post as head of syndication at faltering MTM Productions.

....

Founded in 1982 by five former United Artists executives who wanted to run their own show, Orion is known primarily as a movie company, producing and distributing quality films, such as Oscar-winner *Amadeus*, and a handful of popular box-office hits, including *Back to School* with Rodney Dangerfield. It's a place where Woody Allen, Jonathan Demme and other filmmakers make their home amid a feeling of creative support.

Along the way Orion slipped into television with the 1983 purchase of Filmways, a small, independent B-movie and television production and distribution company. Orion wanted Filmways, put on the block because it ran into financial difficulty, for its film distribution arm. Along for the ride came Filmways' television division, and its head, Richard M. Rosenbloom. Suddenly, Orion was in the television business.

Under the Orion banner, Rosenbloom quietly built a new reputation for his division as a modest maker of quality longform dramas and series, much of it based on what was originally a Filmways show, *Cagney & Lacey*. It remains probably Orion's best-known television property.

The television division also had some success in syndication, in particular with a half-hour version of *Saturday Night Live* reruns and several incarnations of *Hollywood Squares*. The sales department, however, seemed to exist primarily to maximize the value of Orion's annual movie package.

As the 1980s came to a close, it was becoming clear that Orion couldn't remain just another medium-sized TV supplier: In the syndication area, one or two successes were no longer enough to secure good time periods on stations' schedules. The rapid growth in the number of independent stations, a major contributor to the health of the syndication market, had come to an abrupt end. Prices for all but the hottest shows were falling. Companies needed more deficit funding to keep network shows on the air at the same time that hour programs like *Cagney & Lacey* weren't selling in syndication. And the big studios were using their muscle to package blocks of programming in syndication, filling what time periods were left. International business was about to explode, but that was an area where Orion was traditionally weak, since it didn't have its own overseas sales force.

Thus, in 1988, with *Cagney & Lacey* off CBS and Orion confined mainly to CBS late night with *Adderly*, Orion opted to replace Rosenbloom with a more dynamic, higher-profile executive. They wanted someone who had run a major studio operation and could make Orion a bigger player.

The first step was to seek counsel. One of the company's founding partners, Morris "Mike" Medavoy, the only member of Orion's top management based on the West Coast, had dinner with Bud Grant, the former president of CBS Entertainment, now a producer. Medavoy asked Grant what his advice would be if Orion were to make a big effort in TV. Grant told him that the first thing he should do is hire Gary Nardino, the former head of Paramount Television and then a producer on that studio's lot.

Robert King (left) heads Orion's syndication division; Gary Randall (right) is president of television production.

As it turned out, Nardino and Medavoy had once worked together at the same talent agency.

The next day Medavoy called Nardino. They met that afternoon. "Every company is made up of its manpower," says Medavoy, who recently left Orion to head movie production at Columbia Pictures Entertainment's Tri-Star Pictures unit. "Gary Nardino is one great piece of manpower."

Nardino built the biggest part of his reputation running Paramount's television division with considerable success from 1978 to 1983. Marty Nadler, a producer working on *Laverne and Shirley* during the Nardino era at Paramount, recalls Nardino as someone willing to champion his creative people, both within the studio and at the networks. "He can be a yeller and a screamer, but if you yell back with logic he responds and lis-

tens," Nadler says of the ex-New Yorker. "He can be emotional and intimidating, but at the same time once he realizes that you have a good point, he'll back off and embrace you."

Burned out after six years at the top—an unusually long run in Hollywood—Nardino left the executive suite and settled into producing. His most successful show was *Brothers*, which originally aired on Showtime and is now in syndication.

When he agreed to join Orion, Nardino received a quick and brutal education in the new realities of a marketplace more pressure-filled than the one he faced during his days running Paramount's operation. In his first full programming year, Orion failed to sell any new shows to the networks (for the 1989-90 season—*Equal Justice* for ABC, already in development, was sold for midseason). Then two game shows Nardino developed for first-run, *Name That Tune* and *Divorce Wars*, fell short of sufficient clearances in time periods acceptable to Orion and were aborted.

A first-run show in development when Nardino arrived at Orion, *Crimewatch Tonight*, did stumble into the market but was yanked in less than a year due to low ratings and unhappiness at stations that felt Orion wasn't doing enough to make the show a success.

Gary Randall insists *Crimewatch* never had time or space to grow in a market crowded with established programs like *Current Affair* and *Entertainment Tonight*. "To compare a brand new show that's just starting to get its legs to a show that's been on the air for three years, backed by a studio that's pumping enormous amounts of money into it because of its success," says Randall, "more often than not it will pale by comparison."

The real killer, however, was the unexpected demise of *The New Hollywood Squares*. Its fate drove home all the reasons why Nardino has only a short time to pump Orion up to major status. After two relatively successful years in syndication, *Hollywood Squares* was squeezed out of so many good time periods this past winter that Orion had no choice but to cancel the show. Nardino says, with more apparent respect than anger, that from his point of view, "It was destroyed by [Paramount head of syndication sales] Lucie Salhany's superior ability to get those stations [to buy Paramount shows]. They just went in and killed us in New York and elsewhere."

After all, he knows how the game is played: A syndicator with powerhouse programs, such as Paramount with the new *Star Trek*, *Entertainment Tonight*, *Arsenio Hall* and off-network hits like *Cheers*, can package them with new programs and demand the best available time slots and stations even for its weaker offerings. For now, all Nardino can say is, "We'll come back with *Hollywood Squares* again in a couple of years."

Hanging on to what he's got, Nardino's head of syndication sales, King, says he's already at work on a revival of the game show. "We definitely plan to bring it back," insists King. Among game shows, *Hollywood Squares*, King adds, "is one of the very few formats proven to work."

For January 1991's National Association of Television Program Executives convention, Orion plans to offer two new first-run five-day-a-week programs to start the following September. Nardino says one will be a talk and variety show hosted by a high-profile star primarily associated with television, whom he declined to name. "Even now," says Nardino, "we are bribing this major personality with bags of gold, delivered to all different places in the world." He declined to discuss the second show at all, saying details were still being hammered out.

While they're stoking Orion's first-run production, Nardino and Randall have employed a two-pronged approach to crank up Orion's network output. To get off to a fast start, Nardino cut deals with experienced producers with network commitments. Such deals include *Pirates* for ABC, from producer David Burke; a six-episode commitment by CBS for a half-hour comedy from Robert Townsend; a one-hour pilot for NBC from producer Don Ohlmeyer; and a two-hour pilot for NBC about a detective named *Parker Cane*, the first television project from film producer Joel Silver (*Die Hard, Predator, 48 Hours*).

Silver was being chased by several distributors, but chose Orion, says a Silver associate, because of past dealings with Nardino at Paramount. "Joel really likes Gary, and it was that relationship and their pure enthusiasm for the project and their appreciation of the kind of movies Joel makes that made this deal," says Barry Josephberg, senior vice president of production at Silver Pictures.

Another potentially important outside deal with producer Patrick Hasburgh was also the result of a Nardino connection. Mark Ovitz (brother of Creative Artists Agency head Michael

Orion's New Star

An important element in the evolution of Orion as it tries to grow into a major television studio has been the development of an international sales unit. Until earlier this year, Orion made most of its foreign television sales through its overseas movie sales division, licensing sub-distributors in most countries around the globe.

This past March, Orion created a new, separate division, Orion Television International. "It recognizes the increase in television activity overseas with the privatization of many channels and more channels coming on," says Eric Pleskow, president of Orion Pictures Corp. "It is a business now coming into its own."


John Laing

It also recognized the success of John Laing, 34, who joined Orion in February 1989 from the international TV sales division of Warner Bros. "Television [overseas sales] was kind of a side issue at Orion," says Laing. "It had grown naturally, not because anyone aggressively marketed the products."

Laing quickly changed that, and was named president of the new division in March. As contracts expired, he eliminated outside agents by attrition. "Client-distributor logistics just aren't the same through an agent," says Laing. "He wants the inside scoop from the company. He can't get it from an agent."

Laing, who speaks five languages, began circling the globe, selling to individual clients and at every TV trade show. He crossed the Atlantic 18 times in his first year.

As a result, according to a company source, revenues from international TV sales have tripled in one year. While that recognizes the growth of the market, it also reflects a great increase in Orion's activity.

As revenues increased, Laing began adding staff. Along with selling library product, they began to focus on *Equal Justice*, which has now been sold in just over 40 other countries for initial airing early in 1991.

Laing is also peddling the animated version of *Bill and Ted's Excellent Adventure*, which begins its U.S. run this fall on CBS. He expects to see the amount of product he has to sell increase dramatically now that Gary Nardino is gearing up for greater ouput.

More shows will mean more international revenue, and if all goes well, vice versa. "As we get bigger," says Laing, "the income to the company will increase and we expect that will lead to a substantially larger TV slate."

Originally a Filmways product, *Cagney & Lacey* is still probably Orion's best-known television property.

Ovitz), chief executive officer of Hasburgh's new company, was an assistant to Nardino at Paramount Television. Hasburgh, who developed *The A-Team, 21 Jump Street* and other shows while working for Stephen J. Cannell, had gone out on his own two years ago and quickly gotten commitments from ABC, CBS and Fox. He had a first-look deal with Disney, but Disney passed on his first two shows, *Sunset Beat* for ABC and *Glory Years* for Fox. When it came time to start bargaining seriously with other production companies, Ovitz began with a call to his old mentor, Nardino.

Negotiating is where Nardino is at his best, alternating between charm and intimidation. When Ovitz called, Nardino didn't just say that Orion would be interested, he said he wanted to start negotiating immediately, asking only one pre-condition—assurance from Ovitz and Hasburgh that they would not talk to anyone else until Orion had had its chance. That effectively blocked out all other competitors while Orion made its initial deal, which Hasburgh accepted.

As it turned out, despite considerable hype, *Sunset Beat* was canceled by ABC after only one airing. A few remaining episodes will be burned off during the summer, but it is dead as far as the syndication market goes. Gary Randall notes that Orion still has *Glory Years*, for which Fox has already ordered the pilot and five episodes likely to begin airing this month.

Even with the disappointment of *Sunset Beat*, Orion has a number of possibilities for September or mid-season. Shows in development include: *Tin Man*, from writer/producer Larry Hertzog; *WIOU*, a situation comedy to be coproduced with Grant Tinker's company; and a pair of shows from producer Winifred Hervey-Stallworth, *Coppers* and *Five Up, Two Down*. There are also pilots ordered under development deals with Lee Majors, Chuck Norris and Cleavon Little. Set to begin airing on Saturday mornings starting September 15 is an animated version of the Orion surprise hit movie, *Bill and Ted's Excellent Adventure*. It will be produced by Hanna-Barbera and Nelson Entertainment for eventual syndication by Orion.

More than any other program since *Cagney & Lacey*, *Equal Justice*, which began airing on ABC this spring, is the kind of show that could be the key to a successful Nardino reign at Orion. Critics praised it, dubbing the show a blue-collar *L.A. Law*. Sporting an interesting ensemble cast and set in a big-city prosecutor's office, it is a socially significant drama loaded with action and character conflict.

"We clearly pushed it," says Robert Iger, president of ABC Entertainment. "I think the faith we have in the show and in its creator, Thomas Carter, was in my opinion illustrated by the kind of promotion we gave it." Carter has an impressive record as a TV director. Prior to *Equal Justice*, he had directed nine pilots, all of which made it as series, including *Hill Street Blues* and *Miami Vice*. ABC and Orion were also able to spark many newspaper features about the show by spotlighting Carter, one of the few black executives in network television.

The show got off to a good, if not spectacular, start in the weekly ratings, winning its time slot for three out of its first five weeks on the air. For the spring season, the show posted an 11 rating and 20 share, bettering the performance of *China Beach* in that show's old Wednesday 10 P.M. time slot during the month of April.

With the heavy dose of drama and action in *Equal Justice*, Orion has been able to sell it in more than 40 countries, including most of Europe, Latin America and the Middle East. "We could not be functioning without what we are doing in foreign television distribution," says Nardino.

When Nardino arrived at Orion, international sales were still an afterthought, run through the overseas movie sales unit. Nardino pushed for a restructuring to create a new division, Orion TV International, headed by Warner Bros. Television International veteran John Laing (see box).

For all Nardino's efforts, though, some things remain beyond his control. It has been widely rumored in recent months that the majority shareholder in Orion, billionaire John Kluge, chairman of Metromedia, wants to sell his 70 percent stake in the company. Orion had an off-year during 1989 both in movies and television, and remains heavily indebted to banks and bond holders. The assumption inside Orion is that Kluge will make a deal that keeps the present leadership, including Nardino, in place. But that is far from assured.

Orion Pictures Corp. president Eric Pleskow insists the pending sale is having no impact on the company's ability to do business. "We run our business," says Pleskow. "We maximize revenues for all shareholders, including Mr. Kluge. That is our business."

Orion's hit feature *Bill and Ted's Excellent Adventure* becomes an animated show this fall.

To keep Orion growing, and mindful of last year's poor results, the company recently made a $175 million pre-sale to Columbia Pictures Entertainment for distribution of its movies to overseas theaters. As a sweetener, Columbia was also given foreign television rights to certain Orion library titles. "It doesn't affect one iota our distribution of television, features or series," insists Nardino. "It's stuff [mostly from the old Filmways library] that we had out of distribution."

Absent coping with a sale of the company, Nardino's main task appears to be to make Orion's network production and first-run operations contenders—if he's to be once again considered a contender himself. Nardino concedes as much. "Build library," he says. "That's what these jobs are all about." ●

Alex Ben Block is the author of Outfoxed *and the editor-in-chief of* Show Biz News.

What's *an* Indie To Do?

Losing programs and viewers to Fox affiliates and basic cable, old-fashioned independent stations have some new ideas about how to save prime time.

By Elizabeth Jensen

Independents have thrived for years counterprogramming the networks. Now, with more than the Big Three to compete with, the traditional independent —that bastion of rerun theatrical movies, old sitcoms, kids programs, local news and sports—seems poised to die away. Or does it?

The 140-odd independent stations in the country who haven't joined the Fox hunt, picked up a foreign language, bought shopping or found religion, must confront a dilemma. Like network affiliates, these stations are seeing their audience defect, mostly to cable, and mostly it's their own fault. Independents have not paid attention to counterprogramming cable the way they should. They still think over-the-air when they think competition.

Michael Alexander, executive vice president and general manager of MCA-owned WWOR-TV in New York, says the issue is who owns what programming. Indies are repeating the Big Three's mistakes.

"In the mid-1970s," recounts Alexander, "the Big Three networks started balking at paying high license fees for theatrical movies and began making more made-for-TV movies, but neglected to anticipate that HBO might provide another outlet for these movies. The studios started selling, and that is what made cable more than a way to get better reception.

"In the early 1980s, along came basic cable, which struggled for a few years. But then TV stations balked at paying such license fees for off-network shows, particularly hours. And that allowed basic cable to start picking up hours, which really helped to put the basic channels on the map, to start eating into network shares, and get over the hump with advertisers."

Now, he says, local broadcasters, independents in particular, are repeating the error. Basic cable is snatching up theatricals, the mainstay of independent prime time, because local stations hesitate to pay the prices studios want. "That's only going to make cable stronger, and provides a very difficult problem for local stations," he says.

The loss of movies comes after independents have seen their sports franchises eaten away by cable. Local cable outlets have begun to explore the news business, and sitcoms on basic could be next, completing cable's sweep of erstwhile broadcast niches.

"If the trend extends to sitcoms, local advertisers have got to ask the question, 'What are they going to program at all?' " says Alexander. With most industry analysts predicting just that—sitcoms on basic cable—many independents are asking themselves the same question: What's a non-Fox independent to do?

Their widely varied answers suggest an emerging hybrid independent with a high quotient of original shows. While some stations plan to risk obsolescence and stick with the accustomed independent formula, others plan to mix the usual movies and sports with a lot more first-run. An unforgiving syndication marketplace means many of those original programs will have to come from sources other than the traditional syndicator. They'll be developed by station groups, by individual stations for the local market, in ad-hoc consortia, as foreign coproductions; in short, any way that spreads the costs around.

ILLUSTRATION BY MICHAEL WITTE

Alexander, in fact, argues that stations should be looking at first-run for the entire prime-time schedule. "What else are they going to do? Do what [Disney-owned] KCAL-TV is doing? [A three-hour prime-time local newscast.] It's a little hard in medium markets, even a little hard in Los Angeles. In smaller markets it's downright cost-prohibitive."

To the extent that they've banked on first-run for prime-time blocks in the past, independents have relied mostly on syndication product, from Paramount's *Star Trek: The Next Generation* to Warner's *Freddy's Nightmares.*

The option is less a possibility these days given the shake-out in the syndication business. Time periods just aren't available. Fox now has three nights of programming and has received an FCC waiver to clear still more. An increasingly competitive environment, meanwhile, encourages stations to sit on anything resembling a hit. The result is a high mortality rate for new syndicated launches, and fewer shows to choose from at exactly the time when independents need more and better programs.

Local stations, therefore, will have to take responsibility for increasing their schedule options. WWOR has developed programs on its own, with as many as 11 in development at one time, according to Alexander, "paid for on our own, on spec. And then we hope others will come on board. If enough participate, it can be affordable."

The station, both in concert with such other station groups as United/Chris-Craft and on its own, is working with studios—not just WWOR-parent MCA, but anyone who is willing to finance the deficit.

"If somebody gets enthusiastic about a show, or a show concept," it's not difficult to find the money, Alexander says. "The major studios are people who are used to putting money up at risk. If you're deficiting a couple-hundred-thousand dollars an episode and you want to make 25 episodes out of the box, that's a $5 million risk. They risk $40 million on a movie now. So you're spending $5 million in hopes of finding a hit, and let's say the first four don't work. But the fifth one does and you can get your money back."

For the concept to work, he says, stations must commit to more episodes up front, rather than the increasingly common network deals for a pilot plus six episodes. "If you make 25 out of the box, you save a lot of money, because you can make talent and other commitments at a lesser per-episode cost."

Foreign coproductions, long problematic given language barriers and the disparate tastes of different markets, also begin to look more attractive. "You've started to see from necessity people opening their minds more," says James Dowdle, president of Tribune Broadcasting. This spring Tribune partnered with West Germany's Beta Taurus Group on a four-hour miniseries called *Voyage of Terror* and has several more in the works, with a goal of one per quarter.

"European markets are opening up more, with more outlets," Dowdle says. "Therefore, they cannot be, as we cannot be, as provincial as we've been in the past. We have to try new things, and give in on some things that we thought were essential in the past."

Another opportunity for independents

may lie with syndicators looking to compensate for the decline of their traditional business. King World Productions, one of the least vulnerable syndicators, has been talking to station groups about collaborating on first-run. "We've convinced them that first-run is the answer, not off-network," said COO Stephen Palley in a March speech in New York. "They want the exclusive franchise."

But the problem, as always, is money. A first-run movie for prime time costs $2.5 million, if it includes the talent necessary to make it a foreign sell, a necessity in these days of back-end driven deals. In order to satisfy the syndication barter market, according to Palley, the company has to find a way to get the per-movie cost under $1 million.

Then there's the option of teaming up with the competition.

In April, Tribune signed a ten-year "cooperative production venture" with basic cable's Turner Broadcasting System. In addition to a CNN affiliation for the six Tribune stations, the deal included joint ventures on documentaries, quarterly news specials and two miniseries per year, for airing on Tribune's stations and TBS SuperStation.

Consorting with the enemy? "You might look at it that way," says Dowdle. "But I can see more of that down the line, because of the cost factor. The more you can spread that cost out, the better it is for everybody concerned," and that includes cable, he says. Despite deeper pockets than before, cable is also finding first-run cost-prohibitive. "The more first-run they do, they have to look for partnerships, too, to spread the windows out."

What few in the industry are heard arguing for is a full-fledged fifth network. A fifth network stands a difficult chance at best of getting off the ground, as MCA and Paramount found late last year when they floated the idea for the Premiere Network, only to be shot down by the disinterest of crucial Fox affiliates.

Many stations just don't want another network of any kind. "I'm not talking about a fifth network," says WWOR's Alexander, although his station was one of the those figuring in the MCA-Paramount plan. "I think station operators are doing just that, running local stations, and it matters whether they're doing local news, what kind of movie library they build and maintain. There's not enough to sustain five and seven nights."

"It's hard enough for three established networks to come up with hit shows seven nights a week," says Michael Eigner, executive vice president and general manager of WPIX-TV in New York. "For four networks to do it, let alone five, and with cable services investing in first-run production, you'd have to have a great deal of skill and good luck to come up with the successful shows."

Tribune partnered with West Germany's Beta Taurus Group on the *Voyage of Terror* miniseries.

"I think the one thing independents have to do is remain versatile in planning," echoes Dowdle. "Current movies, and also more first-run programming, but whether it assumes a fifth network framework remains to be seen."

In fact, some independents are not convinced that they need to change much if anything at all to compete effectively with Fox and basic cable, arguing that the traditional time-tested independent strategy will win out in the long run.

"I'm not sure that original programming is necessarily and consistently the answer," says Marty Brantley, president and general manager of Chris-Craft's KPTV in Portland, Ore., a former Fox affiliate. "Fox in our market sometimes gets a 3 rating. We've had some success with [Tribune's] 'Operation Prime Time' and some have not been successful. If that was obviously the answer then everybody would be pursuing that area."

"The more Fox becomes a network, the more we'll become successful doing what we've traditionally done," says Phil Jones, president of Meredith Corp.'s broadcast group, which includes Phoenix's strong VHF indie KPHO. "Movies will continue to be important, and off-network sitcoms, and we'll probably do more live programming locally originated, either talk or news. Nothing is etched in stone until we see how [Fox] rolls out, but as they become more of a network, what we're doing should continue to work."

The growth of Fox may even protect the non-Fox independents' niche. With fewer players in the bidding for syndicated movie packages, the traditionalists argue, the remaining independent in a market benefits from dropping prices.

Going prices for first-run features are 50 percent what they were at their height in the early to mid-'80s, according to John Walden, senior vice president, sales and marketing for Turner Program Services. Proponents of prime-time movies differ nonetheless on the impact of cable's continuing purchases of syndication packages.

"In my opinion, that's a problem," says Brantley. "It dilutes those movies even more. Unless you get them undiluted, their value keeps going down."

Eigner is less pessimistic. "[Cable] can't buy them all," he says. And even if cable does keep buying up movies, as far as Phil Jones is concerned, "The exposure [isn't] that great on cable. It leaves an awful big audience out there that hasn't seen them." While he doesn't like the idea of settling for a post-cable window, "if that's what's out there to buy and we think we can win with it, that's what we'll do."

"Idiotic," counters WWOR's Alexander. Stations who take the movies that are left or wait for the post-basic-cable window will get one and two ratings, he says. "Maybe there are station operators out there who think that's acceptable, but it's a mystery to me, stations with the attitude that we'll do what indies have always done, take whatever's left over. If that's the correct attitude, then I'm in the wrong business."

The proliferation of viewing options, however, redefines which movies are desirable. Stations already weigh the price of a movie against its expected rating, and many opt to pay a low price for a lower rating rather than a much higher price for a somewhat higher anticipated rating. Because the dial has fragmented, the definition of successful programming is changing. Says Jones: "In prime time, it won't be as critical to be number one as it is to be the most profitable. Independents historically have made money from 5 P.M. to 8 P.M. [Eastern], maybe 3 P.M. to 8 P.M. It's just icing on the cake to have prime-time programming without cost."

While Tribune is not relying totally on movies for the future, Eigner sees a benefit on the revenue side to sticking with the traditional focus. "Independent commercial inventory is less available, because the Fox network takes a good chunk of it," he says—about 25 percent of the total barter inventory once the network expands to seven nights. That should "make the marketplace tighter and healthier rate-wise," he says.

In the end, the most honest answer may be that most stations simply don't know what the best route for the future is. "Everybody is scratching their collective heads and trying to figure out what to do," says KPTV's Brantley. "I've got more questions than answers." •

Elizabeth Jensen writes about television for the New York Daily News.

IN FOCUS

CHANGING TV'S IMAGE

Inside IN FOCUS

Big Three networks climbing into the trenches to talk with advertisers. Cable systems rethinking their approach to disgruntled customers. Independent stations setting aside their local identity to hook up with a new national service. Business as usual is over: Enter the marketer to help orchestrate the change.

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Neal Koch opens this Focus section by detailing how NBC's new marketing chief intends to keep the network on top. Rich Katz profiles cable systems that have bolstered subscriptions by polishing their community image. Finally, Frank Sommerfield examines independent stations, now Fox affiliates, that have let their communities know they are not the same old animal.

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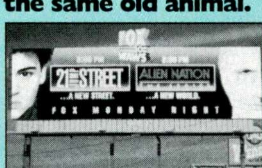

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MILLER GOES TO MARKET

NBC's John Miller reaches out to advertisers.

By Neal Koch

John Miller is running just as fast as he can. As NBC's new marketing czar, he's assembling the staff for the network's marketing and promotional campaigns with McDonald's, Toys R' Us and the Olympics. He's busy chatting up advertisers and overseeing the entertainment division's marketing plans for new prime-time shows and continuing series. And even though he executive-produced NBC's just-concluded affiliates convention in Washington, D.C., he was not about to abdicate reviewing on-air spots, print ads and any other significant element of the network's marketing output.

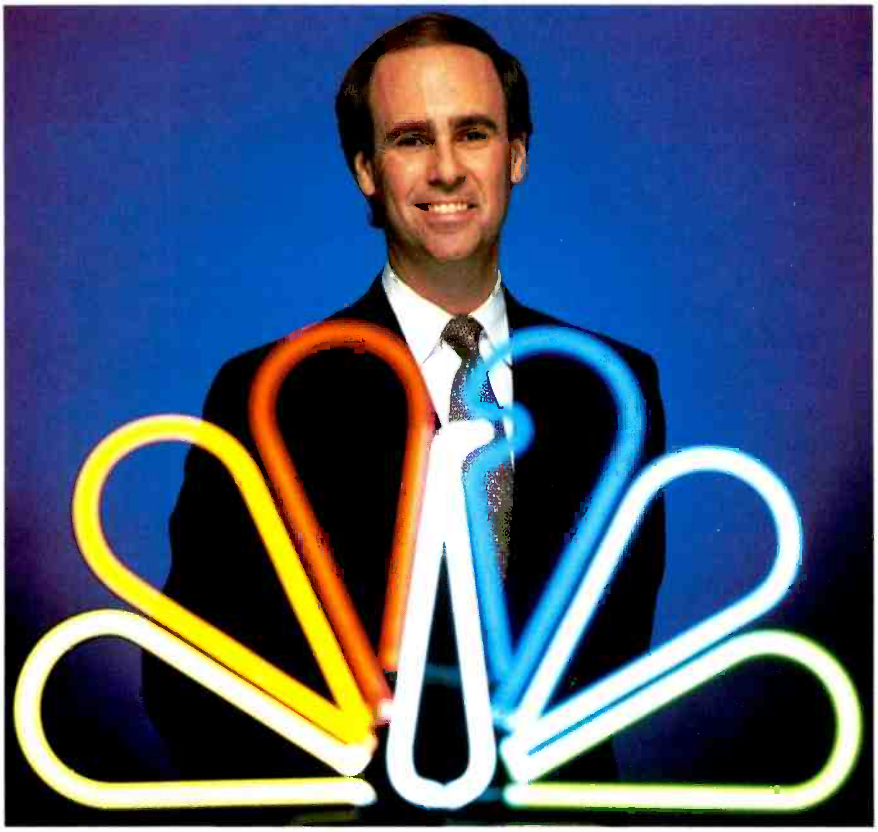
Miller may hold one of the busiest jobs in television these days, a job he handles with consistent outward calm. Yet he has good reason for nervousness: He recognizes that he may be the critical difference in sustaining NBC's perch on top. Suffering a marked loss of viewers and lower ad-sales projections, NBC is betting on a corporate restructuring and Miller's new marketing post—with management oversight unmatched at ABC, CBS or Fox—to bolster the network's fortunes. In the process, John Miller could well become NBC's next network president.

Miller now heads virtually all of NBC's marketing, promotion and advertising for news, entertainment and sports, plus marketing to advertisers and affiliated stations. Prior to his promotion in March to executive vice president, marketing, NBC-TV Network, Miller was senior vice president for the entertainment division's advertising and promotion.

His elevation and broadened role signal the admission by the most successful of the broadcast networks that the Big Three's years of unrivaled dominance and complacency are over. "It's a different focus," says Pierson Mapes, NBC's current network president. "For the last 30 years we have not been focused on [the advertising client's] needs. But this world, as we move forward, is much more fractionalized." To lure and hold advertisers, Mapes adds, "We're going to use all the means of the company to meet their marketing needs."

In some sense, Miller is starting from scratch. He can draw on his prior experience, including last year's promotional campaign with Sears Roebuck & Co., but he's aiming for nothing less than a redefinition of network marketing and the relationship between advertisers and NBC.

Achieving that goal, says Miller, demands taking the time to meet with advertisers, learn their needs and marketing plans, and "explore new territory." He cites NBC's announcement last month of a multi-year agreement with General Motors Corp., valued at more than $500 million and orchestrated by NBC network sales, as an example of what close ties to advertisers can breed. "If Bob Blackmore and Bill Hoffner [in network sales] didn't have a close relationship with Phil Guarascio [G.M. executive director of advertising and strate-



John Miller may stand by the aged NBC peacock, but he prefers the updated version—in this case neon.

gic marketing]," Miller noted, "that G.M. deal would not have been made."

Miller points to last fall's tie-in with Sears as the first important attempt to broaden the network's marketing strategy. "I began thinking in my old job, 'Well, there should be some way to work with an advertiser to get our message out to the American public in a different sort of way," he says.

After the campaign broke, Miller fielded requests from other advertisers looking for programming tie-ins. He also learned of the desire of General Electric management, including G.E. president Jack Welch, to widen marketing's reach at the network. "I think G.E. felt there was more to do," Miller says. "[NBC president Bob] Wright and Mapes were for it. I was drafted to sort of come in and figure it out."

Value-added marketing, cross-marketing and cross-selling are among the new ploys NBC is pursuing. The network has heightened the focus on selling packages of time across divisions, including entertainment, news and sports, as well as its 50 percent-owned basic-cable enterprises, CNBC and SportsChannel America. This fall NBC takes its second major plunge into co-promotions with McDonald's. "They found out that you can't get away without aggressive marketing anymore," says Werner Michel, senior vice president of corporate programming for ad agency Bozell Inc. "There's too much at risk."

Clearly, NBC executives and John Miller grasped this. But after more than five years of relatively well-defined promotions and hands-on management of the network's on-air push, Miller is facing the more ambiguous task of determining what network marketing in the '90s entails. One example under consideration: NBC might develop mall tours using the format of such NBC shows as *Saturday Night Live* and *Late Night with David Letterman*, and then seek sponsors to finance them. This is a time for brainstorming, says Miller. "You do spend a fair amount of your efforts figuring out what you're going to do rather than just doing it. Hopefully, we'll develop a library of knowledge."

Executives at all four networks have acknowledged the centrality of marketing to broadcasting's future. Of the four, however, NBC has taken the lead in consolidating its efforts. None of the others have given a single individual overall responsibility for marketing network-wide.

At ABC, Mark Zakarin heads the entertainment division's advertising and promotion efforts, but has little to do with marketing for sales or affiliate relations; Alan Wurtzel manages sales marketing and research, while affiliate relations runs its own marketing department. At CBS, George Schweitzer oversees promotion, publicity, public relations and advertising; Thomas Leahy heads sales marketing and Tony Malara handles affiliate marketing. At Fox, Brad Turell oversees radio promotion, creative services and publicity, while Sandy Grushow manages advertising and on-air promotion.

Despite the contrast, NBC's plan has garnered competitors' praise. Says Fox's Turell, "It's not a bad idea to have one person know where everything is going." Adds CBS's Schweitzer, "I think it's a smart move. It should yield a much more concentrated effort."

No time like the present for concentration, as combined audience shares continue to fall in the face of increasingly vital and well-financed competition. Not only did the Big Three's overall viewership fall two share points during the '89-90 season as compared to a year earlier, NBC's prime-time ratings were down sharply for demographic groups advertisers covet most, including men aged 18-34 (down 15 percent), and women aged 18-34 (down 12 percent), according to ABC. In comparison, ABC's losses were 1 and 2 percent, respectively, and CBS lost 9 percent in both categories.

Miller estimates that the network annually spends more than $500 million of its commercial time to air program promotions, by far the most significant piece of the marketing campaign to build viewership for new and existing shows. Yet new competitors are also spending heavily on marketing, promotion and advertising. Miller, in fact, contends that Fox outspends the other networks on a per-hour basis. It spent $12 million last year on spot radio alone, Miller says, more than the Big Three combined. Fox contends that Miller's assessment is misleading, because it does not add in the cost of NBC's on-air promotions time; Fox must depend more heavily on advertising in other media outlets to push its product and build the audience. "We're not even in the same league in terms of their promotional dollars," says Fox's Turell, senior v.p. for publicity and corporate creative services.

Yet Turell would probably concede that Fox has become a significant thorn in the network's side. It's far from the only one: executives at NBC, as at a growing number of entertainment industry companies, have come to view their competition for consumers' attention as extend-

PHOTOGRAPH BY DAVID STRICK/ONYX

ing beyond the parameters of television. "The competition" now means all entertainment media, including movie theaters, music concerts, recordings and books. "The choice for the consumer in the media is enormous," says Mapes. "The competition for their leisure time is extraordinary and we have to do everything we can to keep our medium as attractive as possible."

To this end, NBC wants to persuade affiliates to better promote network shows and is providing them with free music and graphics packages to do so. And Miller expects that a goosed-up effort to work with advertisers will yield other ideas. One example could be *Dayline*, a previously tested 60-second soap-opera update segment that could air once or twice a day. NBC is considering selling ad time within the segment.

Promotional tie-ins are the most visible of NBC's tactics to boost relations with advertisers and build viewer sampling of new shows. Last year's cross-promotion with Sears, including newspaper supplements, TV ads and a flurry of sweepstakes and prizes, achieved only minimal gains. Miller acknowledges that NBC viewing and Sears sales gained only slightly. NBC did get more advertising dollars from Sears—which moved some spending from newspapers to TV—but so did all the networks.

NBC is nonetheless investing its hopes this year in McDonald's, counting on a heartier public appetite for hamburgers than home appliances. "People eat three times a day," says Miller. "They don't buy a refrigerator three times a day." The network is also developing a Saturday morning programming tie-in with Toys R' Us for the fall season.

Miller will also be busy later this year marketing the Winter Olympics. Plans include mall tours and the creation of newspaper inserts, posters, contests, advertorials and videos. He's working on a radio cross-promotional campaign to be co-sponsored with a still-to-be-signed advertiser.

Inevitably, Miller's new role will distance him from the creative process. "That's a little hard for me," he says. "It's a little removed from the creating of television, which I love. I still like to write and produce spots. On the other hand, there's a lot of creativity that has to go into these marketing programs."

That said, industry sources whisper that the creation of Miller's new slot may represent the network's desire to keep him from bolting the company. They believe he is first in line to succeed Pier Mapes as NBC network president. Mapes, now 52, has made no secret of his intention to retire when he turns 55 and devote more time to his family's real estate interests. "I'd like to finish a decade as a network president," says Mapes. "And I'm in my eighth year."

While Mapes says there are plenty of competitors for his job within the executive ranks, Miller is one of three executive vice presidents reporting to him. Bob Blackmore, who, sources say, is nearing retirement and looking for a lighter schedule, was recently shifted into a long-range planning spot. Meanwhile, Larry Hoffner, who replaced Blackmore in network sales, takes over a department with a marketing division that reports to Miller.

Says one industry observer of Miller's new job, "I think it's a lady-in-waiting job, which positions him as the next Pier Mapes. I don't think he and his wife had any great desire to move back to New York," where Miller's new position requires him to be. Says another: "I'm sure he was getting itchy and wanted more. And the way to do it is to put him on the path to be president of the network. I understand Miller had to have that assurance because he was settled in California and had his eye on entertainment."

For his part, the 39-year-old Miller is candid, but cautious. "I think [this job] was put together to position me for some future responsibility . . . [but] I didn't come with a guarantee that I would get [Pier's] job." Miller acknowledges that he explored the opportunities in programming, but says he came away feeling that the prospect of inheriting Brandon Tartikoff's job was slim: Tartikoff was unlikely to leave anytime soon. Besides, there were others in line ahead of him—John Agoglia, executive vice president of both NBC-TV and NBC Productions; Warren Littlefield, execu-

Vince Will Make 'Em Laugh

With John Miller moving up and to New York, who better to replace him, NBC brass thought, than Vince Manzi, a former stand-up comic and one of the more imaginative creators of on-air promotions in TV? Manzi was the guy who made stars out of KNBC's weatherman, Fritz Coleman, and sportscaster, Fred Roggin, with snappy slogans and dazzling shots of lightning, sharks and beautiful babes.

Accordingly, NBC hired Manzi in March as vice president for entertainment advertising and promotion, West Coast. In fact, the network had already been a client of Manzi, who was executive vice president and a partner in Steve Sohmer Inc., a television advertising and promotion company that has moved into production.

Manzi says his NBC mandate is to land younger viewers: "I don't think there is any other goal for me. We want to sell demographics." To do that, he says he'll cut down on the clutter by reverting to longer on-air spots promoting individual shows.

Despite jumping right into the post, word has it that a network promotion job wasn't enough to draw to NBC the 39-year-old Manzi, who entered the business in 1973 at Philadelphia's KYW. "Vince was probably making more on the outside," says one highly-placed NBC executive. Although NBC denies it and Manzi won't comment, sources say that he wouldn't have taken the job but for a development deal offered him. Quicker than anyone expected, Manzi is executive producing a Saturday morning variety show for fall, *Guys Next Door*.

Manzi, who says the toughest part of going to NBC was donning a tie, doesn't hide his affection for center stage. The broadcast meant to rally stations before March's Oscar-cast on ABC—run just two weeks after Manzi's debut at NBC—was titled "Seven Ways to Win Oscar Week and Save Vince's Job." Says Manzi, "Now I've got 30 people working for me and they all have to laugh." Miller helped make NBC number one, but, "I'm going to get more credit because I'm louder."

Fritz and Fred take the funny road to success.

tive vice president, prime-time programs; and Perry Simon, senior vice president of series programs.

Miller denies that he ever gave NBC an ultimatum and says he never "seriously" considered leaving the network, where he's worked since 1982. At the same time, he acknowledges, "I had been doing this job for five years and felt, 'What's for me next?' "

Already habituated to a whirligig of a workweek, Miller has become even more pressed for time since taking on new responsibilities. "The past three or four months have been disruptive," Miller says. Yet despite the frequent trips back and forth between two coasts, juggling a full load of managerial and creative tasks, Miller has maintained his cool. That's earned him respect from his peers.

"To me, he's the unflappable Mr. Miller," says John Agoglia, "and I love that part of it because his workday is, to say the least, hectic." Says one industry observer: "John's a rare, if not unique, combination of creative talent and managerial ability—two things not usually found in one person."

Well-regarded as an executive, ambitious and highly competitive by his own admission, Miller is typically described as moderate in style. While his marketing predecessor Steve Sohmer is remembered by some for his sexy promos and extravagant public persona, mention of Miller is more likely to elicit comments on his decades-old involvement in barbershop quartets. "Sohmer is P.T. Barnum," says one NBC insider, "and John Miller's more of a George Bush."

Miller's corporate conservatism is likely to serve him well at NBC's New York headquarters and within the corporate culture of NBC parent General Electric. "He's a perfect G.E. guy," says one NBC insider. "He would fit in perfectly at a cocktail party in Darien, Connecticut."

Such stylistic instincts may be especially important in the next few years, as Miller faces pressure from above. Already, NBC financial executives have begun scrutinizing operations for new areas to cut costs and jobs. Marketing will likely absorb some of the heat if sales projections continue a downward trend. "It could be a very rocky two years because the pressure on sales from GE could be intense," says the NBC insider. "They're not in the business of winning Emmies. They're in the business of making money." John Miller knows it. And he's running just as fast as he can. •

Home To Boost

Cable systems serve their cities and themselves.

By Richard Katz

When Paragon Cable took over Group W's four Tampa, Fla., cable systems in June 1986, it inherited customers who had witnessed four name changes in as many years. "It was like, 'Who is it this time and how long will they be around?' " says Tony Moreno, vice president of marketing for the four Paragon systems. "We really had to establish that we were here for the long term, that we were part of the community."

Moreno spent the first year and a half establishing the Paragon name and trying to refurbish the system's tattered image. Like cable marketers nationwide, he recognized the necessity of developing effective promotion to publicize his system's efforts. Paragon first shot a series of spots for broadcast and cable showing warm sunny scenes of Tampa and touting its added channels and enhanced service. "We wanted to make sure people knew it was Paragon making the changes, not Group W," says Moreno.

For his second campaign, drawing on a promotion created by parent ATC and marketing consultant Klein &, Moreno organized a series of spots around the slogan "All the things we are." The intent was to emphasize Paragon's link to Tampa. The images: an elderly couple dancing on the beach, a hip-looking Cuban girl strolling down the street peering over her shoulder and a Little League baseball team clad in Paragon shirts. "We want to make people feel good about the area," says Moreno, "and then, 'Oh by the way, this message is brought to you by Paragon.' "

Cable systems, not known for their finesse in local promotion and community relations, and now under fire from Washington and local governments for high prices and inadequate service, are under pressure to find fresh ways to vitalize their relationship with local residents. The systems that have succeeded in pumping up their images share one crucial characteristic: They have grasped the unique attributes of their communities and the necessity of responding to them.

Like Paragon's Moreno, Craig Watson, v.p. of marketing for 16 Cencom systems in the Los Angeles area, was faced with establishing a new name. Cencom, a privately held MSO based in St. Louis, bought the systems from Choice TV last year. But unlike his counterparts in less heterogeneous areas, Watson had the challenge of marketing his system to diverse ethnic communities. He understood that traditional broad-based marketing strategies wouldn't work. So he hired employees who speak several different languages and he targeted his marketing and programming strategy to capture the attention of the Chinese, Armenian and Hispanic populations.

In order to better serve Hispanic and Chinese residents, Watson hired bilingual customer service representatives and set up a separate Chinese hotline. He also has one quadralingual service rep, fluent in Cantonese, Mandarin, Spanish and English—"My ideal staff member," Watson says.

To promote cable to the Chinese community, Cencom hired an Asian marketing specialist who designs campaigns around Chinese holidays. Cencom frequently advertises in the several local Chinese newspapers, and it was the first system to carry The Jade Channel, a pay service imported from Hong Kong. Several other systems have since picked up on the service, which has landed 3,000 Cencom subs.

Cencom teamed with the Armenian Film Foundation to reach out to another ethnic enclave in its franchise area, two of the nation's largest communities of Armenians, in Montabella and Pasadena. In April, the month Armenians commemorate their 1915 holocaust in Turkey, Cencom aired a series of specials about Armenian culture on its local origination channels. Watson advertised the programming in the major Armenian papers.

The MSO owns systems in 11 states and conducts a customer satisfaction survey for each of them. A major complaint raised about Watson's system was poor customer service stemming from inadequate phone service. In response, Cencom launched a 24-hour, seven-day-a-week phone center, which receives an average of 100 calls a night. Previously, all calls went to an answering service between 11 P.M. and 8 A.M.. "Our customers felt the answering service was virtually useless," says Watson, who promoted the new center with a complete mailing. "Someone would answer the phone and say, 'Look buddy, I don't work for the company, I can't do anything, call back in the morning.' "

In Meridian, Miss., Ronny Colvin, general manager of the city's 16,000-sub Comcast system, created a forum for Meridian's 47,000 residents to keep up with local events and local government. Since 1985, the system has produced and aired three or four governmental meetings and community-oriented happenings per month—most of them live. The wave of calls before every telecast to find out what's on the day's agenda proves that people make an appointment to watch the local origination programming.

To heighten interest, every televised event, be it a debate or a legislative forum, is plugged prominently with an 8-by-10 ad in the daily *Meridian Star*. Major events, such as May's tele-auction to raise money for a local high-school student paralyzed by a football injury, are promoted on all ad-insertion channels with a self-produced promo.

As the g.m. of a small system with limited resources, Colvin has created a community production operation that gives new meaning to the word streamlined.

Cable systems in L.A. and Quad Cities, Iowa, have tailored promotions to the personalities of their towns.

"The beauty of this thing," he says, "is I only need one LO [specific] person, and he's just part-time." Colvin uses his existing staff; technicians operate the cameras, the chief engineer handles all the engineering work and the ad-production person directs. Says Colvin, "It costs a little overtime, but it's definitely worth it."

Colvin has also pushed the Comcast name among subscribers and non-subscribers with an all-out media blitz. March's "instant install" campaign netted an astounding 838 new subs and upgrades, and virtually screamed the message that Comcast is eager to serve the whole community. Colvin blitzed the market using broadcast TV, radio, live radio remotes, newspaper and cross channel. If you call and place an order before 3 P.M., the offer said, Comcast guarantees you'll be installed within four hours or you get a free month of HBO. Nine installers and one dispatcher averaged 120 completed orders per day, and let slip only two freebies.

Forget a noisy, all-out attack in Quad Cities, Iowa. Dan Mills, v.p. of marketing for Cox Cable's Quad Cities system, believed that the best marketing policy is a quiet one, heavy on the Americana. He aimed for traditional tie-ins with local merchants and institutions to improve its image and add subscribers.

Nestled along the Mississippi River, the blue-collar Quad Cities were devastated by economic depression in the 1980s, hurt particularly by the downslide in the farming industry. With the loss of some 35,000 jobs, Mills' main goal has been to maintain and possibly grow his subscriber base—not easy in an area where cable is often an unaffordable luxury item.

Increasingly, Mills has found that image marketing plays as vital a role in adding subs as offer-driven acquisition advertising. Acquisition-type tactics used to take up 90 percent of the marketing budget, but since Mills shifted to an even split between acquisition and image three years ago the system has added 5,000 subs. That's a 10-percent gain—and a sign that people are looking for more than a special offer. "It's really a more well rounded and wholesome marketing approach," says Mills, "as opposed to what cable has been in the past with its emphasis on acquisition [ads]."

Mills has sought to boost the system's image with staples of Americana—baseball and fireworks; just the antidotes, he thought, for an area struggling with depression. Last year's Cox Night with the Quad City Angels, a class A minor-league baseball team, coincided with the system's launch of TNT. In addition to the usual prize giveaways, a Cox staff pre-game softball game and Cox executives throwing out the first balls, Mills used some of the launch support for an elaborate fireworks show after the game. The event drew over 7,000 people, fifth highest gate for the Angels all year. With proper attention to consumer needs, local cable marketing produced not a whimper, but a bang. ●

Marketing Like A Fox

Independent stations decide how Foxy they want to be.
By Frank Sommerfield

KTXL, channel 40 in Sacramento, was late in remaking itself in the image of Fox Broadcasting. Although it was one of the first stations to sign on as a Fox affiliate in 1986, it waited until last fall, when Fox introduced a third night of programming, to display the network's on-air graphics and call itself Fox 40. The station, which has aired nightly local news for the past 15 years and produces a local public affairs show, was wary of obscuring its stature as a strong independent attuned to local affairs.

So far, the switch has paid off. Not only does Fox 40 have a winning Sunday night lineup, but it also has a slick national identity and an old show-biz name on which to hang its promotion campaigns. "We were reluctant to jump in," says Michael A. Fisher, the station's general manager. "For 22 years we were in the market and had been extremely successful. Now I'm kicking myself in the pants for not doing it sooner."

Yet Harry Delaney, general manager of Fox 40's independent competitor, KSCH, is not so sure that Fisher won't one day regret the decision to embrace Fox—"Foxify" as they like to say at the network. Delaney says that as Fox grows, its larger lineup could preempt the popular and often highly profitable locally programmed movies and reruns that are the staples of non-Fox and Fox independents alike. Clinging to the Fox identity, he adds, could mean a loss of local flavor, something that the nation's biggest independents value. "I think the Fox affiliates could suffer by not having the flexibility and the freedom of programming they're used to," says Delaney. He admits, however, that Fox 40 is currently enjoying the best of both the independent and affiliate worlds. Viewership at KSCH increased one share point between February 1988 and February 1989, while at Fox 40, which has enjoyed a six-fold leap in overall audience since joining Fox in 1986, the increase was two share points.

Indies have made the Fox name their own.

Such is the conundrum faced by Fox affiliates: how to maximize the powerful marketing potential of the Fox connection without relinquishing local identity. Some big-city stations that were the leading independents before Fox have succeeded by changing their identities from local but polished independents to sharp fourth network affiliates maintaining regional flair. In the eyes of advertising buyers, the new image means more focused demographics and more valuable airtime. Some affiliates in smaller markets with limited resources and one significant independent competitor are eschewing local flair; they're attempting to distinguish themselves by embracing Fox till it hurts, "Foxifying" to the point that all shows—even locally programmed movies—appear to emanate from Fox Central.

For their part, Fox executives can't imagine how the network is anything short of a marketing blessing. "There are a lot of other companies in entertainment with big trade names that would not have allowed all these UHF stations to appropriate the trade names," says Preston Padden, a Fox senior vice president in charge of affiliates. "We are generous."

With last months's FCC ruling that permits Fox to broadcast 18.5 hours of programming this fall, up from nine hours in the current season, the Fox connection should rise in value. It already has done wonders for many stations. With just three nights of prime-time programming plus a late Saturday night lineup, the network, since its kick-off with *The Late Show, Starring Joan Rivers*, has dramatically boosted its market share with hip, youthful shows like *Married . . . With Children*, *21 Jump Street* and this year's hit, *The Simpsons*. On Sunday nights this year, both *Married* and *The Simpsons* have begun winning their time slots in some markets against their Big Three network competitors. And on Saturday nights between February 1989 and February 1990, the 129 Fox stations experienced a 50 percent increase in household ratings, including a 73 percent rise among people between 18 and 49. On Monday nights, the stations gained a 64 percent increase in household viewing and a 117 percent increase for persons between 18 and 49. Fox owns and operates six stations, with all but three of its affiliates on the hard-to-tune UHF dial.

Network executives maintain that the affiliates' success on both Fox and non-Fox nights is the result of the image that the Fox programming provides and the support that the network gives. While Fox does not require stations to Foxify, it makes the process seem easy and logical. The network uses viewership research to show that Foxification pays off, and is willing to spend millions on jingles, show introduction promotions, logo identification packages and video materials that are given or sold to affiliates at cut rates. Since only 16 of the affiliates currently produce local news shows, Fox is working with affiliate owners to investigate ways to economically broadcast news shows featuring national Fox feeds. "There is a general perception that Fox is perceived as hot, contemporary, bold, dynamic and a real winner," says Steve Leblang, vice president for programming at Fox TV Stations Inc. "We give the affiliates help in always having on air that same creative, bold, breakthrough look."

To the extent that Foxifying means attaching the Fox name to on-air graphics and answering the phone with a "Fox 30" or "Fox 32," nearly all the affiliates have done it. Grander Foxification efforts have been made at once struggling independents in cities such as Phoenix, Baltimore, Cincinnati and Lubbock, Texas. "These stations, which all existed before, were never the powerhouses they are now," says David Ferrara, Fox's v.p. of affiliate relations, West Coast. Nashville's heavily Foxified WZTV saw its viewership soar 340% between February 1989 and February 1990. The old VHF independents in San Diego and Oakland have bolstered their stature and ratings by coupling their strong local identities, created through news and public service shows, with the Fox identity.

Yet Foxification is not a fail-safe tonic. The UHF Fox-owned station in Dallas, Channel 33, still trails the city's VHF independent and barely beats another UHF independent. Fox 33's following was so shaky that it dropped its local news show.

Still, WAWS-Fox 30, one of two independents in Jacksonville, Fla., is banking on Fox—so much so that it's all but sacrificing its identity as a Jacksonville local. Since WAWS currently lacks the resources to produce a local news show, management believes the station can't really present itself to the public as an affiliate of a full-fledged, Big-Three-style network. Still, WAWS embodies Fox in every way possible, casting aside any separate identity. "We want to make sure that the viewing public thinks that everything we offer is from Fox, even to the point that people think *Arsenio Hall* is a Fox show," says general manager David Godbout.

Godbout only programs movies that appear as if they'd been selected by Fox. "We buy the *Crocodile Dundees* and the *Wall Streets*," he notes, "and whereas the station used to play romantic comedies on weekends to lure the women who didn't want to watch sports on other stations, on weekends we now show crisper, fresher things like Elvis Presley movies and *Brighton Beach Memoirs*." WAWS also has combined its logo and the Fox logo into one. On billboards, print ads and ad sales brochures, the Fox searchlights rise from the station's call letters.

The station believes in reinforcing Fox's national promotions by spending its own resources to make Jacksonville residents more familiar with Fox programming. In conjunction with the announcement of a Fox Kids Club and new Fox children's programming to appear in the fall, WAWS staged the Fox 30 Kidathon. The five-hour show, which started during the station's 3 P.M. cartoon block, benefited a drug-abuse program and was coordinated through the Jacksonville school board. The telethon, hosted by children, raised $11,000 and garnered 6,000 kids club members. It also provided an opportunity to introduce Safari Sam, the local talent who will represent Fox to the youth of Jacksonville. During the telethon, the word Fox was repeated over and over while the station's own call letters were kept to a minimum. Says Godbout, "All these kids will be thinking of Fox as a real network, and by the time they're 18, or sooner, it will be a full-fledged network."

The Fox image and programming have inspired some strong independents with the belief that they can compete directly with their Big Three network rivals. As a UHF station with three competitors, WTXF, Fox 29 in Philadelphia, never felt that its status as the lead independent was as secure as it might be if it were on the VHF dial. So the station is attempting to use Fox to pull itself a level higher than its competitors—onto the same plane as Philadelphia's ABC, NBC and CBS affiliates. "I want to connect with the audience in the 'This is NBC in Philly' kind of way," says James Boaz, the station's v.p. and general manager. The notion of a big station with big national affiliations is driven home in the opening, closing and promotional blips for the station's public service program, *Sharing Together*. Friendly action photos of stars from *21 Jump Street* and *Married . . . With Children* are intertwined with shots of the local staff. "It looks like the characters from Fox are all part of the effort to contribute to the Delaware Valley," he says. Actors from

Jacksonville, Fla.'s WAWS has fused its identity with the Fox network.

CHANGING TV'S IMAGE

Philadelphia's WTXF has encouraged visits from Fox stars, such as Alison La Placa of *Open House*.

the new Fox series *The Outsiders* recently went to Philadelphia to take part in a local dance-party program. The station also developed a costumed character to represent the station's and Fox's kids programming. The character is making the rounds to museums, the zoos and special events.

To play up Fox's reality-based programs, such as *The Reporters*, and the station's local news capabilities, Boaz is expanding his half-hour 10 P.M. newscast to an hour. "We will cross-promote that with the Fox reality-based shows we have at 7:30 P.M.," says Boaz. "This is in line with Fox's becoming the information network, as well as the entertainment network of the 1990s."

Boaz also "pleads, begs and beats" his advertising sales staff to think of the station as a full-fledged network affiliate rather than just a strong independent. "Now, with all our changes, I believe they perceive themselves as full, worthy gladiators fighting with the other affiliates," he says. Higher rates for advertising time have helped. According to Boaz, the station just sold a spot during *The Simpsons* worth more than all the commercial time sold between 7 P.M. and 11 P.M. on any given Sunday during the past four years.

Yet some frugal affiliates in small locales have had trouble harnessing Fox's marketing value. They've learned that simply placing the word Fox before the channel number doesn't immediately boost their image and ratings—not without a fine-tuned promotion scheme. The Fox affiliate in Columbia, S.C., has managed to walk a marketing tightrope, promoting itself as the new, strong local voice that happens to be affiliated with an equally strong and attractive new programming service. Management at WACH worries that total immersion in Fox would limit its opportunities in a market without a second independent; a network identity doesn't necessarily mean heftier profits.

WACH general manager Walter Flynn has greater freedom to direct his station's destiny than Jacksonville's Godbout has to shape his. As the operator of the only independent in Columbia, Flynn does not feel compelled to undertake a wholesale Foxification campaign simply for the sake of differentiation. He can carve an image for his station as Columbia's aggressive, community-minded, viewer-interested independent that has chosen to absorb the offerings of a new, progressive program service.

Flynn knows that independents have the ability to create more ad spots than network affiliates, and thus have the potential to make bigger profits. "We'll have to really give long, hard thought to clearing any more nights for Fox," he says. "In a two-independent market, it might be better to go with Fox because of the perception that Fox is new and hot. But if you're the only one, you should think of the profit margins you have as an independent."

In that vein, Flynn has masterminded a marketing campaign touting both WACH and Fox. And although the campaign definitely integrates network and affiliate, it leaves no doubt that the two are separate. WACH, which converted from a little-viewed Christian station to a Fox affiliate in mid-1988, claims to be the highest-rated UHF independent in the Southeast.

At first the station barely alluded to its Fox affiliation, but it made sure everyone was aware of its new, catchy call letters and completely secular orientation. "Our marketing thing was to push WACH-TV to the point that you got nauseated if you worked at the station," says Flynn. "At that time Fox wasn't the force it is today."

During the WACH push, the station would flash a "t"—the missing "t" in the word WATCH"—on the screen, and viewers would call the station, say they found the missing "t" and win a prize. The station ran newspaper ads emphasizing that WACH-TV was Columbia's station, including mail-in forms on which viewers could vote for shows they wanted on the air. "We wanted people to realize we were programmed here in Columbia, not in Chicago, Los Angeles and New York," says Flynn.

Eventually, the station started a subtle Foxification process that complemented, not overpowered, the WACH promotional leitmotiv. The station incorporated the 20th Century Fox spotlights into its on-air graphics. During the "WACH-and-win" campaign, the WACH symbol would appear on-screen and a few notes of the Fox theme music would be played. The seventh caller to the station would then win a dinner or a vacation.

The Fox logo has not been incorporated into the WACH logo, but the two are side-by-side on billboards and other ads. Banners, t-shirts for sale at local stores and stationery all say, "WACH out," and many say "WACH out for the Fox." To promote the new Fox show *In Living Color*, the station sent local newspapers a box with "WACH out" printed on the outside. Inside was a press release that said "WACH for *In Living Color*"; there was also a promotional video and a can of springing snakes to play off the show's slogan, "Comedy so wild it can't be contained."

Flynn is sure that he's done the right thing by preserving the independent identity. "From sign-on to sign-off, we're tied for third with the ABC affiliate, and we're number one among women who watch movies," he says. "We're dominant during the kids times, between 3 P.M. to 5 P.M. and 7 P.M. to 9 P.M. And I think we'd be right where we are even if it weren't for Fox." •

Frank Sommerfield is a freelance writer based in New York.

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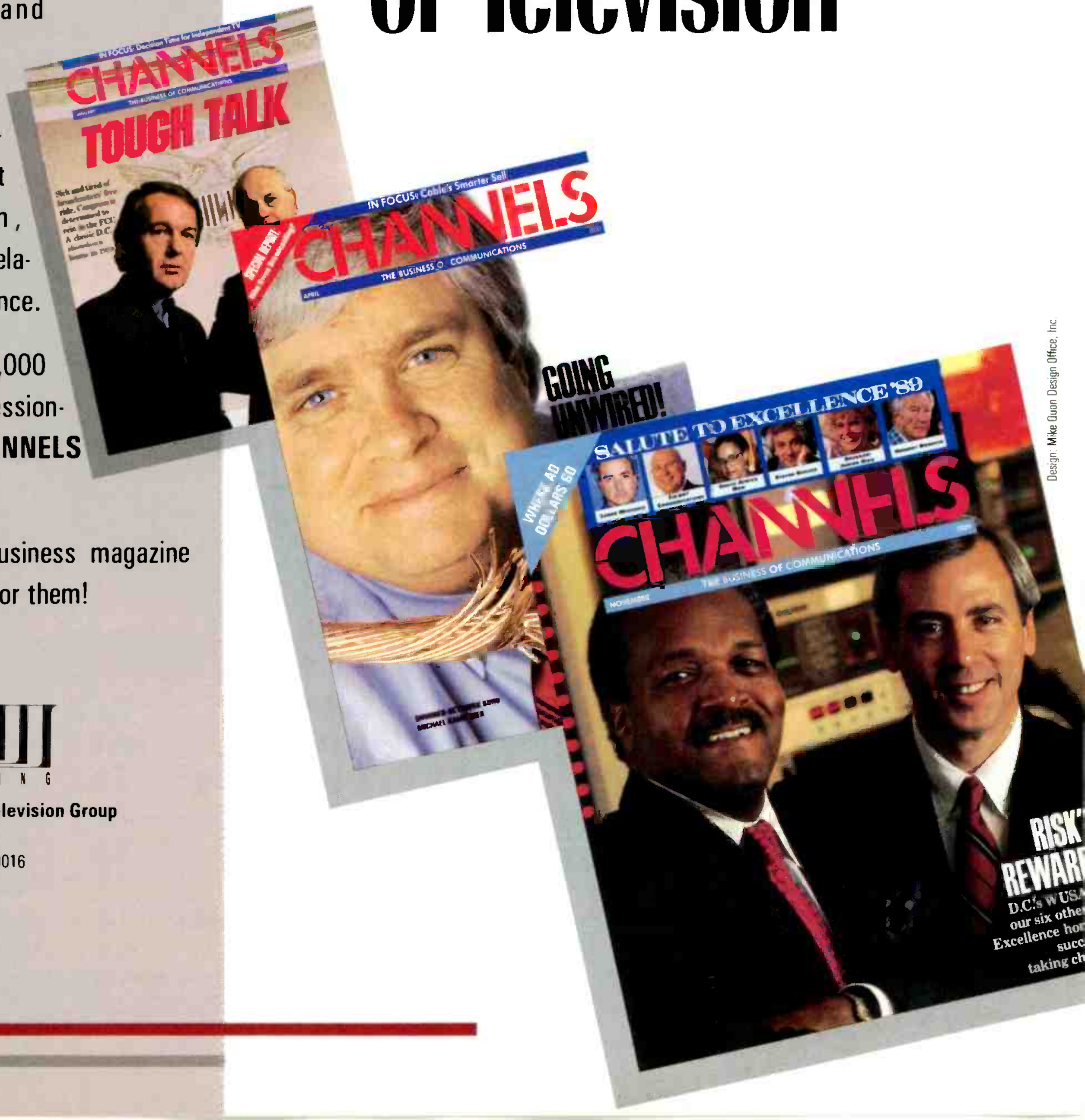

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Design: Mike Quon Design Office, Inc.

RUNNING THE NUMBERS

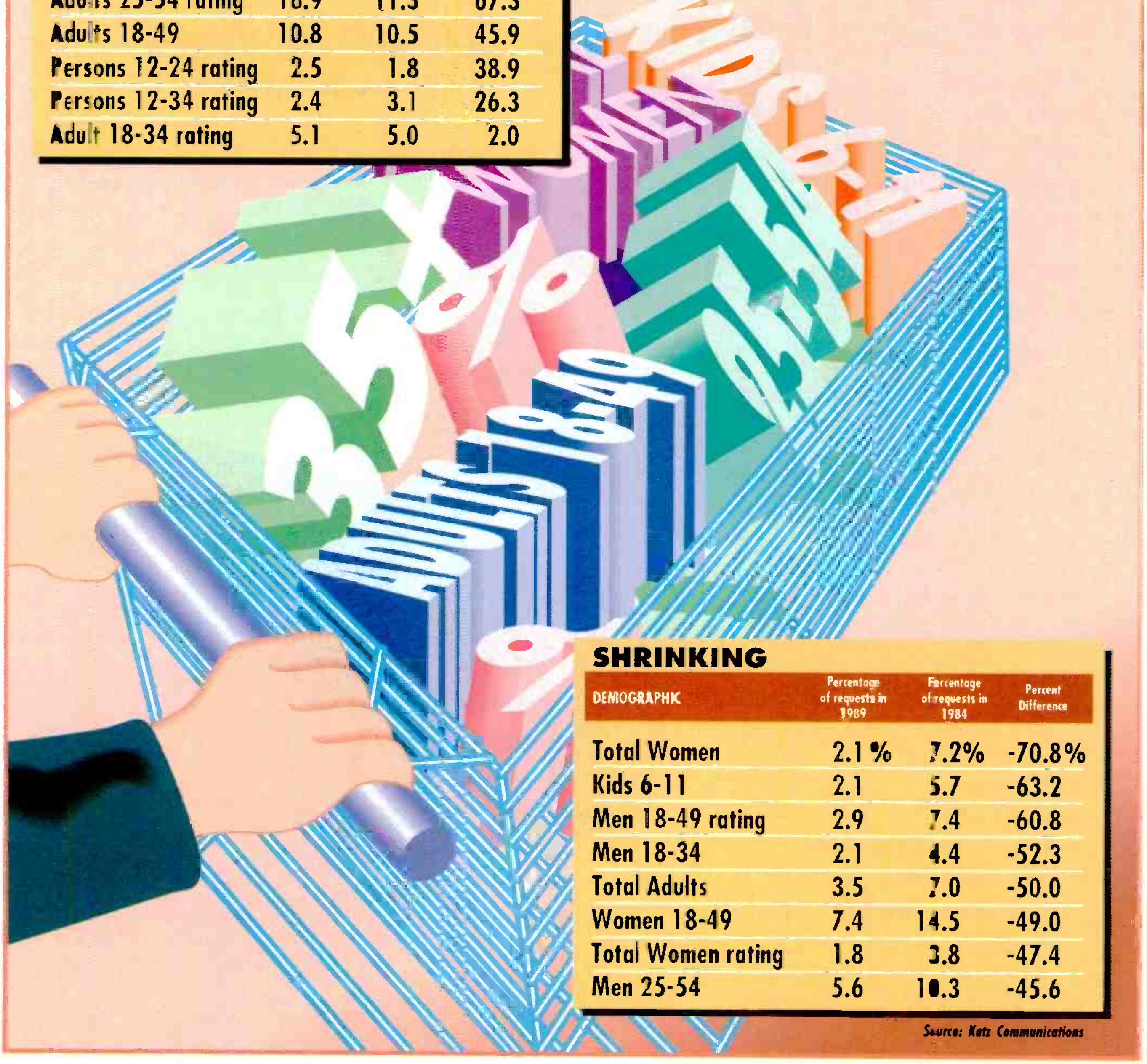
What's Hot and What's Not

It's not always easy to tell when a show will be a hit with advertisers. The same can be said for demographics, which fall in and out of favor with media buyers. Comparing 1989 to 1984, the chart below lists those demographics increasingly requested by spot buyers and those demos that are losing ground. "Adult" demos gained in popularity among buyers; correspondingly, separate male and female categories were bought less.

Spot buying on the whole has grown slowly in the past year, edging up a mere 2.3 percent over 1988, according to the Television Bureau of Advertising. Robert J. Coen, senior vice president at McCann-Erickson, estimates the growth of national spot since 1984 at about 6.9 percent per year.

GROWING

DEMOGRAPHIC	Percentage of requests in 1989	Percentage of requests in 1984	Percent Difference
Adults 35+ rating	3.2 %	1.3%	146.2%
Adults 18-49 rating	15.4	9.0	71.0
Adults 25-49 rating	6.2	3.7	67.6
Adults 25-54 rating	18.9	11.3	67.3
Adults 18-49	10.8	10.5	45.9
Persons 12-24 rating	2.5	1.8	38.9
Persons 12-34 rating	2.4	3.1	26.3
Adult 18-34 rating	5.1	5.0	2.0



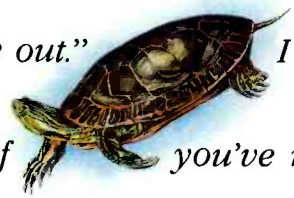
SHRINKING

DEMOGRAPHIC	Percentage of requests in 1989	Percentage of requests in 1984	Percent Difference
Total Women	2.1 %	7.2%	-70.8%
Kids 6-11	2.1	5.7	-63.2
Men 18-49 rating	2.9	7.4	-60.8
Men 18-34	2.1	4.4	-52.3
Total Adults	3.5	7.0	-50.0
Women 18-49	7.4	14.5	-49.0
Total Women rating	1.8	3.8	-47.4
Men 25-54	5.6	10.3	-45.6

Source: Katz Communications

ILLUSTRATION BY JIM LUDTKE

IT HAS *made millionaires out of paupers. It has earned the Nobel Prize. And by using it wisely, entrepreneurs have ended up running corporations. I'm referring to believing in yourself and your ideas. Taking a chance on your own merit and giving the world your best shot. Somebody once said, "Observe the turtle, he progresses only with his neck out." I think the same holds true for us two-legged creatures. If you've never taken a chance on yourself, at least think about it. Unless you do, you may never know what you're missing out on. And neither will the rest of the world.*



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Anyone who's ever been a parent knows how hard it is to accept the fact that kids grow up. Their interests change. After a certain point they no longer want to play the games or hear the stories that enchanted them in childhood.

At Nickelodeon we feel possessive about all "our kids"– all the children who have made us the new #1 channel for kids' programming. We wish we could keep entertaining and inspiring them forever.

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Here are some of the ways we help prepare kids to become successful young adults:

1. Nickelodeon promotes independent thinking. From *Eureeka's Castle* to *You Can't Do That On Television*, Nickelodeon teaches kids how to evaluate a problem, make decisions, and resist peer pressure.

2. Nickelodeon teaches kids that learning is fun, with shows like *Think Fast, Make The Grade*, and the award-winning *Mr. Wizard's World*.

3. Nickelodeon builds kids' self-confidence, with shows like *Don't Just Sit There*, where the kids are in charge–hosting, starring, even making the music.

4. Nickelodeon helps kids develop values. Everything that appears on our channel is aimed at helping kids make positive choices in life–from pre-school on into adulthood.

We know that at a certain point every one of our viewers is going to decide that Nickelodeon is "kids' stuff" and move on to other interests. That's okay. We feel confident that as "our kids" grow up and become parents themselves, they'll introduce their children to their old friend NICK.

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