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MEDIAWEEK

APRIL 21, 2003 $3.95 VOL.13 NO. 16 THE NEWS MAGAZINE OF THE MEDIA

NBC, Fox in Tight Fight for No. 1

Buyers say Fox could win 18-49 race in May sweeps, but it won't mean much PAGE 4

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TV stations upbeat about auto ad spending PAGE 12

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G+J's *YM* Fixing Circ Problems

Teen title to lower its rate base by 200,000 PAGE 33

Heading into the upfront, the networks are all talking up scripted shows over reality fare. Buyers wonder if they'll keep their word once next season begins.

Fox's *Married by America*

Sticking to the Scripts?

By Eric Schmuckler

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CBS' *CSI: Miami*

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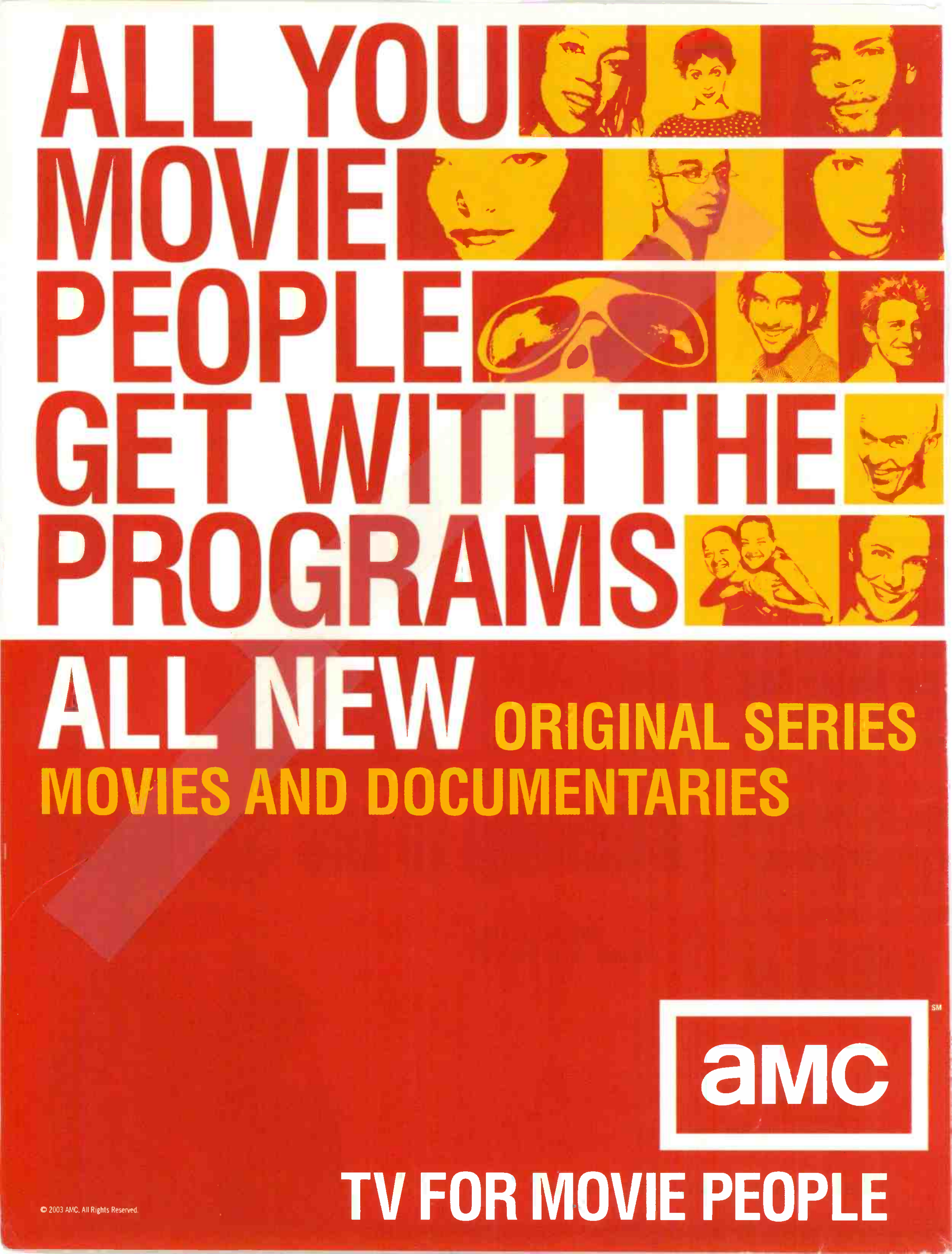
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At Deadline

CARAT BUYS INDEPENDENT MEDIA'S ASSETS

Aegis Group's media services company, Carat North America, last week acquired the $30 million media buying assets of New York City–based Independent Media Services. Carat will assume such IMS clients as MTV Networks, Oxygen, the *New York Post* and the *Boston Herald*; the new business will be serviced under a separate unit called Carat IMS. Neil Aronstam, president/CEO of Independent Media Services, is expected to assist in the transition before leaving the company. David Verklin, CEO of Carat North America, called the acquisition "an excellent strategic fit."

CNN'S ZAHN MOVES TO PRIME

CNN's *American Morning* co-host Paula Zahn will try her hand in prime time with *American Evening With Paula Zahn* from 7 to 9 p.m. beginning today. With Zahn anchoring CNN's Iraq war coverage from 7 to 9 p.m. in recent weeks, the network's audience delivery grew to 2.7 million persons 2-plus. But CNN still trailed Fox News Channel by more than 2 million viewers in the time slot. The move affects *Inside Politics*, which has been renamed *Judy Woodruff's Inside Politics* and is moving to 4-4:30 p.m., and *Crossfire*, which follows for a half hour. Bill Hemmer will continue to anchor *American Morning* with a co-host to be named. In other morning TV news, FNC's *Fox & Friends* has made ratings inroads this month against CBS' *The Early Show*, even though FNC is available in 25 million fewer homes. For the week ended April 11, *Fox & Friends* delivered 2.8 million viewers 2-plus versus *Early Show*'s 2.7 million.

NHL PLAYOFFS GO HIGH-DEF

Up to 11 National Hockey League playoff games will be available nationally in high definition on ABC and ESPN, beginning with a conference semifinal game on April 28 at 8 p.m. on ESPN's new HD simulcast network. In all, ESPN may offer six games in HD, including two Stanley Cup Finals games. ABC is scheduled to air up to five Finals games, beginning with an 8 p.m. telecast on May 31. For the past two seasons, the NHL has offered a 65-game regular-season HD package to national satellite subscribers on HD Net. The NHL also has six teams telecasting locally in high definition.

TRIBUNE, MEDIA GENERAL REPORT Q1 GAINS

Several media companies reported solid first-quarter earnings last week. Tribune Co., owner of newspapers and TV stations, reported revenue up 5 percent due in large part to an 11 percent gain among its 26 TV stations, most of which are WB affiliates that tend not to carry news. Media General, owner of TV stations and newspapers in the southeast, posted a modest 1.5 percent revenue gain in the quarter but said its TV group suffered from ad cancellations due to war coverage.

NBA: FEWER NET GAMES, HIGHER RATINGS

The NBA reported last week that the average household rating for 14 regular-season weekend telecasts on ABC this season was a 2.6, up 4 percent from last season, when NBC aired more than twice as many games (31) and averaged a 2.5. ESPN averaged a 1.2 household rating for its Wednesday- and Friday-night telecasts, 50 percent better than the programming ESPN aired in those time periods last season. TNT averaged a 1.2 for its exclusive Thursday-night telecasts, flat with the NBA's three-night average on TNT and TBS last year but 20 percent higher on Thursday nights than last season, when the national cable games had to compete against local NBA telecasts. ABC/ESPN and TNT are in the first of a six-year, $4.6 billion deal with the NBA. Locally, the NBA said that household ratings for games on over-the-air stations were up 10 percent to a 4.6. Cumulative ratings for NBA games airing on regional sports networks were flat.

ADDENDA:

Leslie Moonves signed a new five-year contract as president/CEO and chairman of CBS...**Time4 Media**'s *Stance*, a 60,000-circulation monthly geared to young men, has folded. The June issue will be its last...A&E has acquired reruns of ***CSI: Miami*** for about $1 million per episode. The network will begin airing repeats of the CBS series on a weekly basis outside of prime time this fall...*Smallville* executive producers Mike Tollins and Brian Robbins last week shifted their company **Tollin/Robbins Productions** from Warner Bros. Television to Touchstone Television and inked a multiyear deal with the Disney-owned studio...**The Tennis Channel** said it will launch May 15 with 3 million subscribers. Deals have been reached with Cox Cable and Time Warner Cable.

CORRECTION:

An Inside Media item in last week's issue misidentified the parent company of *Travel & Leisure* magazine. *T&L* is published by American Express Publishing.

INSIDE MEDIAWEEK

SARAH A. FRIED

Hecht "Spikes" TNN and aims network squarely at male viewers Page 6

Market Indicators

NATIONAL TV: BUSY
While network sales executives scramble to fit makegoods from war pre-emptions into their schedules, buyers are meeting with clients to finalize upfront spending budgets for next season.

NET CABLE: WARM
Spring has sprung: The robust scatter market continues to drive CPMs well above '02 upfront pricing. The same categories that have been driving activity all winter are still strong: autos, wireless service and equipment and movies.

SPOT TV: ACTIVE
As May approaches, Top 25 markets continue to tighten with the help of autos and movies. Other categories bouncing back include telecom and home improvement. Retail varies. Outside the Top 25, momentum is slower and advertisers are more hesitant.

RADIO: PICKING UP
April remains sluggish, with a few exceptions in larger markets. May is picking up, thanks to autos, home improvement, fast food and TV tune-ins for May sweeps. Local is stronger than national, which has slowed.

MAGAZINES: SHAKY
Publishers, for the most part, enjoyed a solid first quarter. But even with the war in Iraq all but over, second quarter is looking a little soft.

Media Wire

Primedia's Rogers Resigns; Board Mulls More Sales

Tom Rogers, chairman/CEO of Primedia since 1999, resigned last week over "real differences in the strategic direction of the company," according to a statement by Henry Kravis, chief of controlling shareholder Kohlberg Kravis Roberts. KKR is said to want to sell off more pieces of the company's portfolio, possibly including the consumer magazine group, publisher of *New York*, and its business-to-business group. A Primedia representative declined to comment.

Charles McCurdy, previously president of Primedia, has been named interim CEO, and Dean Nelson, CEO of KKR advisor Capstone Consulting, has been tapped as interim chairman.

During his tenure, Rogers made some questionable moves—gambling on acquisitions of dot-com companies (such as About.com in November 2000) and partnering with Steven Brill on the media Web site Inside.com—all in an effort to help create new synergistic platforms for Primedia's hodgepodge of 220 consumer, specialty and business magazines. Rogers also acquired the former Petersen Cos. sports specialty titles from U.K. publisher Emap in July 2001.

But as the dot-com bubble burst, Primedia's shares plummeted. With its debt mounting, the heavily leveraged company was forced to sell off properties including *Chicago* and *Modern Bride* and its American Baby group. Another Primedia title, *Seventeen*, is currently on the block.

Industry analysts say Rogers' departure was a necessary move. "Rogers is a vision guy, and Primedia doesn't need a vision guy right now," says Reed Phillips, a managing partner at M&A firm DeSilva & Phillips. "It needs someone to fix the problems." —*Lisa Granatstein*

NBC Affiliate Meeting Highlights Digital Dilemma

Television's affiliate-network relations have progressed from the contentious mood of several years ago, and last week's meeting in New York between NBC and its affil- (*continued on page* 6)

2-Way Horse Race Rides to May Wire

NBC, Fox to duel for No. 1 in 18-49 demo; buyers say victory may be hollow

NETWORK TV **By A.J. Frutkin and John Consoli,**

Last year, it was a runaway. This year, it's a horse race. What is the same, though, is media buyers' lack of enthusiasm for the home-stretch histrionics of the broadcast networks as they aggressively reschedule their May sweeps lineups to capture the advertiser-desired adults 18-49 demo title for the broadcast season.

At the start of the May sweeps this Thursday, NBC is expected to hold a slim 4.5 to 4.2 lead over Fox in the 18-49 demo, far narrower than its lead at the same point last season—5.3 to 4.1. However, media buyers believe that both networks have so many holes in their schedules that neither should gloat about finishing on top.

"Without reality programming [including the hits *American Idol* and *Joe Millionaire*] Fox's 18-49 ratings would be down for the season," said Lyle Schwartz, managing partner/research and marketplace analysis at Mediaedge:cia. Fox's reality-program 18-49 ratings are up 68 percent, but its non-reality series programming 18-49 ratings are down 8 percent, Schwartz noted.

Mr. Personality, with host Monica Lewinsky (right), could put Fox on top in May.

S. JONES/FOX

"Not all advertisers want to be in reality shows, so all this reality-show success may not help Fox that much," Schwartz said.

Buyers believe NBC also has problems that an 18-49 ratings victory cannot hide. "*West Wing* has been hurt by *American Idol*, *Frasier* has run out of steam, their entire Tuesday night is wide open, Thursday night is no longer as dominant as it used to be, and while *Fear Factor* draws decent 18-49 numbers, it is certainly not a show the Peacock wants to hang its hat on," said one buyer who requested anonymity.

Several buyers said the strength of multi-night and expanded versions of *American Idol* may be enough for Fox to eke out a May sweeps win in the 18-49 demo, but that NBC will be able to hold off Fox for the season-long title and bragging rights going into the upfront.

"There's just not much of a cultural phenomenon right now surrounding NBC's Must-See TV," said John Rash, senior vp/director of broadcast negotiations at Campbell Mithun.

But Brad Adgate, senior vp of corporate research at Horizon Media, believes NBC could still beat Fox for the sweeps. "In May, NBC will have season finales of its big dramas and comedies [that] will draw viewers back," Adgate said.

At this point, NBC appears to have a firm hold on winning the season in 18-49. Brian Hughes, senior research analyst at Initiative Media, said that Fox "would have to win the sweeps by an obscene amount to take the season." Hughes noted that during the February sweeps, Fox scored a 5.7 rating among adults 18-49, while NBC logged a 4.8. In order to win the season, Fox would need to win May by at least two full ratings points, meaning that "*American Idol* would have to exceed even its current inflated expectations," Hughes said.

Shari Ann Brill, vp/director of programming for Carat USA, said that while NBC has been losing viewers steadily this season at the younger end of the 18-49 demo, the network should "barely hold on for dear life" to win the season. "Many of NBC's shows are becoming borderline," Brill said.

While Fox may have a wild card up its sleeve in *Mr. Personality*, a new reality/relationship show hosted by Monica Lewinsky that launches tonight and continues through the sweeps, even Fox execs are downplaying the odds. "No one around here is expecting [*Mr. Personality*] to replicate *Joe Millionaire*'s numbers," said Preston Beckman, Fox senior vp of programming and scheduling. "If we get somewhere between *Joe* and *Married by America*, we'll be happy."

In its effort to stay ahead of Fox for the season, NBC will air some two-hour specials of the 18-49–friendly *Fear Factor*. It will also bring in big guest stars like Madonna on this week's *Will & Grace* and pull some of its weaker shows. *Boomtown*, *Scrubs* and *Good Morning, Miami* will be absent throughout the sweeps period.

Ted Franks, head of current series at NBC, said a decision was made to air fresh episodes of the lesser-performing shows in March and April to keep an audience flow going coming out of the February sweeps. But agency execs scoffed at that reasoning. Not airing the shows in May "shows a certain lack of confidence... but they've been underperforming all season, so it's not surprising," said Initiative's Hughes. In place of *Scrubs* and *Good Morning, Miami*, NBC will repeat *Friends* and *Will & Grace* and will air a *Will & Grace* highlights show.

How well NBC does in 18-49 in May will be impacted by competition from CBS on Thursdays. On May 15, NBC will air one-hour season finales of *Friends*, *Will & Grace* and *ER*. But the shows will have to compete with the season finales of CBS hit dramas *CSI: Crime Scene Investigation* and *Without a Trace*.

Throughout much of sweeps, however, the networks seem to have shied away from direct competition, opting instead to stake out nights on which the TV audience is not likely to be split. For example, CBS' two-hour *Survivor: the Amazon* finale will air on Sunday, May 11, followed by a one-hour reunion. The competition is far from overwhelming: ABC will air the 1982 movie *E.T.*, followed by the *Dragnet* season finale, while NBC will air first-run episodes of *American Dreams* and *Law & Order: Criminal Intent*, with its 10 p.m. show undecided.

With ABC relying almost solely on *The Bachelor* to save it from greater cumulative ratings losses for the season, the network has moved the series' finale from its regular Wednesday time slot to Sunday, May 18. The move lets *The Bachelor* avoid a head-to-head matchup with Fox's two-hour finale of *American Idol* on the last day of the sweeps. ■

NBC Looks Ahead to Fall

Net likely to add 4 new comedies, 2 new dramas next season, Zucker says

TV PROGRAMMING **By Marc Berman**

NBC is planning to introduce as many as four new sitcoms next season as the network makes comedy its top priority, according to NBC Entertainment president Jeff Zucker. Comedy pilots featuring Heather Locklear, Whoopi Goldberg, Tom Selleck and John Larroquette are all vying for spots on the net's fall schedule, Zucker said in an interview last week.

Although the *Law & Order* threesome, *ER*, *The West Wing*, *Third Watch*, *Crossing Jordan* and the probable returns of *Ed* and *American Dreams* limit NBC's need for new dramas, two new scripted hours are also likely to make the schedule, giving the network a likely total of six new shows this fall.

"Our goal is to continue to dominate among adults 18-49 using quality scripted programming," Zucker said. "It's really the comedy side that is our focus next season."

Heading into the current season, NBC had strong momentum. Boosted by the Winter Olympics, the network finished 2001-02 first in households, total viewers and adults 18-49. With fewer programming changes last fall than any other network (four nights were unchanged), only five new series (versus seven each for ABC, CBS and Fox) and a stable of upscale returning shows, NBC was the network to beat this season.

"With Thursday at the core and the *Law & Order* franchise, there was every reason to believe NBC would remain competitive," said Shari Anne Brill, vp/director of programming at Carat USA. "But because they sacrificed planning for the future in favor of stability, they put themselves in a vulnerable spot this season."

With five weeks left in the season, NBC's ratings among adults 18-49 are down on six nights of the week; total viewership is off by 14 percent; veteran series *Frasier* and *The West Wing* have sprung ratings leaks; CBS' *Without a Trace* has narrowed the gap opposite *ER*; and the network's leadership in the coveted 18-49 demo (six of the past seven seasons) is at stake. NBC's 18-49 advantage over Fox at this point last season—1.2 rating points—has shrunk to just 0.3 this season, thanks largely to the success of Fox reality hits *American Idol* and *Joe Millionaire*.

"In this very strange year dominated by reality, Michael Jackson and the war, I think we performed very well," Zucker said. "Last year we won significantly because of the Olympics, but two seasons ago, we beat Fox [in 18-49 ratings] by four-tenths of a rating point. If you take *Joe Millionaire* out of Fox's ratings, we would beat them by that same margin this season."

Still, Zucker conceded that NBC needs to shake things up a bit. "Although stability is important, I think it's fair to say we will be more aggressive next season," he said.

While he would not confirm any scheduling moves, Zucker offered these scenarios for next season:

NBC

Zucker: "We will be more aggressive."

On Monday, NBC's sole night of year-to-year 18-49 ratings growth, *Fear Factor*, *Third Watch* and *Crossing Jordan* may remain intact. "*Crossing Jordan* really held its own opposite some tough competition this year," Zucker said.

Tuesday is a key night for NBC next year. With *Frasier* down; *Just Shoot Me*, *In-Laws* and *Hidden Hills* out; and 9:30 p.m. tryouts *A.U.S.A.* and *Watching Ellie* on the fence, another season of new sitcoms surrounding *Frasier* is likely. On Wednesday, despite surprising erosion for *The West Wing* (18-49 ratings are off 28 percent), expect the political drama to remain at 9 followed by *Law & Order*, with *Dateline* back at 8.

On Thursday, NBC might slot one of the four new sitcoms at 9:30, following *Will & Grace*, Zucker said. As for current occupant *Good Morning, Miami*, "it wasn't ready creatively when it began," resulting in some negative reviews that put the show at a disadvantage.

With encouraging ratings for *Ed* in its recent Friday 9 p.m. tryout, Friday at 8 may get one of the new dramas. Saturday will feature another three-hour movie showcase, and Sunday at 10 is being eyeballed for a new drama.

"We have not made a decision on *Boomtown* or *Kingpin*," Zucker said of the 10 p.m. Sunday incumbents. "The success of *Criminal Intent* [at 9] gives us a good opportunity there." ■

iates was a case in point. Issues of the recent past—such as network programming that runs over into a station's late newscast and the elimination of network compensation—are minor annoyances now compared to a new, shared problem: cable operators' reluctance to carry broadcasters' digital signals.

"The attitude has changed on both sides. We have a mutual bad guy in cable. We [network and affiliates] have plenty to fight together," said Bill Bauman, president/general manager of WESH-TV, Hearst-Argyle's NBC affiliate in Orlando, Fla.

"We need to get digital must-carry, or high-definition will be a moot point," said Randy Falco, group president of NBC TV.

While NBC urged affiliates to work with the network to find ways to monetize HDTV, the network was vague about its plans to expand its high-def offerings later this year to 60 percent of prime time, as well as other dayparts. NBC has lagged the other Big Three networks in the amount of HDTV programming it broadcasts, a concern for affiliates, many of which have made the transition to digital.

"They need to provide more programming, but on the other hand, who has high-definition TV sets?" said Diane Kniowski, president/gm of WOOD, LIN TV's NBC affiliate in Grand Rapids, Mich. *—Katy Bachman*

MindShare, Mediaedge:cia Form GroupM to Add Clout

WPP Group's creation last week of GroupM, which will oversee the collaboration of services provided by media agencies MindShare and Mediaedge:cia, formalizes the direction the company has been moving in over the past year.

The sharing of market information and coordination of media buying is designed to give GroupM marketplace clout that will enable it to compete more effectively against shops such as OMD and Magna Global.

Irwin Gotlieb, formerly MindShare Worldwide CEO and now CEO of GroupM, noted that during last year's upfront, MindShare and Mediaedge:cia used their combined buying weight to close deals with (*continued on page 8*)

Testosterone Spike

Remake of TNN to position network as 24-hour home of male viewers

CABLE TV **By Megan Larson**

After almost three years of trying to make TNN hipper, younger and much less country, MTV Networks last week renamed the 86 million–subscriber network Spike TV and aimed it directly at men.

While reaction to the new moniker was mixed, buyers agreed that a change was due, and they are eagerly waiting to see how network president Albie Hecht will brand Spike.

As the network's sales team began making the rounds with agencies last week, Spike senior vp of ad sales David Lawenda said they stressed the positioning of the network. While men watch sports, comedy and news, they spend only 13 percent of their time, or less, with each programming genre. "They want to see all of this in the same place," said Lawenda, which is what Spike hopes to deliver.

TNN

Spike's *Stripperella* features the voice of Pam Anderson.

After MTV Networks acquired the onetime Nashville Network in 2000, it was relaunched as a pop culture service with the name The National Network. Later, it was called simply The New TNN. Finally, last December, Hecht was brought in and announced that he was going to create a TV destination for the total man or, as he described it, "Lifetime for men," complete with stuff guys like: sports, movies, women, fitness, finance and cars.

The name Spike was chosen after months of deliberation over whether to use a guy's name or an acronym of some sort. "It is a guy's name, it's unapologetically male, it's active, contemporary, aggressive and irreverent," said Hecht. "These are the qualities we hope will define the first network for men."

The network will unveil its new logo on May 6. The name will officially change from TNN to Spike TV on June 16.

In addition to Bond films, *Star Trek*, wrestling, *Slamball* and an animation block featuring *Stripperella* and *Gary the Rat*, Spike TV has pacts with CBS Marketwatch, *Stuff* and *Men's Health* for interstitials.

"The network has a lot going for it, but it's not going to be easy," said Brad Adgate, senior vp/director of research for Horizon Media, noting that TBS was unsuccessful at repositioning itself as a guys' network three years ago. "What does Spike TV mean anyway?" asked Adgate.

Cable operators who signed long-term contracts for a general entertainment network named TNN may not be too pleased about the change of direction. "When networks unilaterally change their focus whenever they feel like it, that plays havoc with our approach to deliver balanced and diverse programming choices," said one major operator on the condition of anonymity. ■

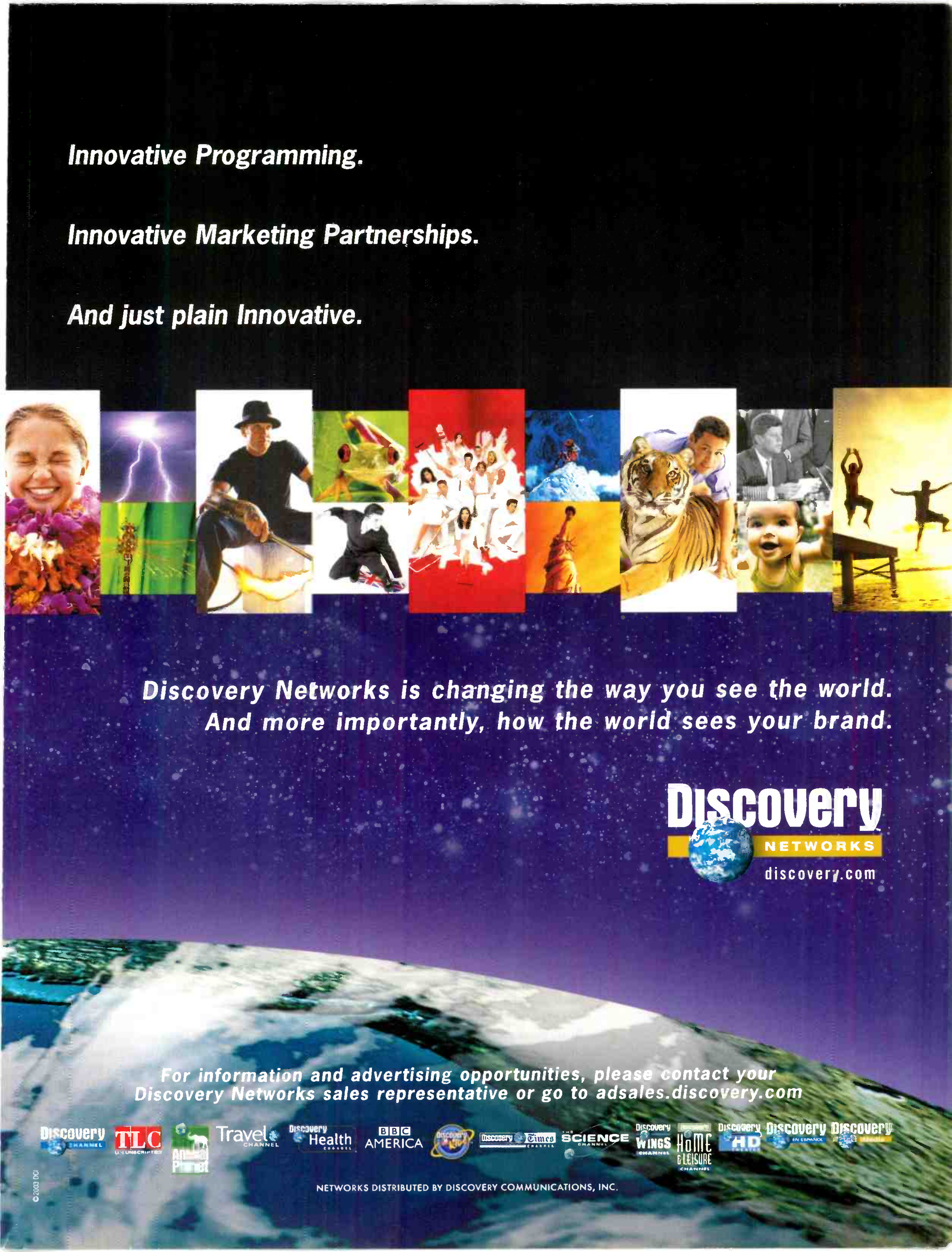
Snowe Falling on Powell

GOP senator calls for more comment, but FCC chief holds to June 2 vote

WASHINGTON **By Todd Shields**

Word spread quickly on Capitol Hill last month that Sen. Olympia Snowe (R-Maine) was moving to challenge the Federal Communications Commission. As she began working the phones, other congressional offices called, volunteering to sign her letter urging more openness in the FCC's review of media ownership rules. The result: By the time Snowe and co-correspondent Sen. Byron Dorgan (D-N.D.) dispatched a letter taking the FCC to task, they had gained signatures from 15 senators—including a majority of the Commerce Committee, which oversees the FCC.

The rush to sign the March 19 letter reflects some disquiet among both parties at the prospect of bigger media companies. The resulting challenge to FCC chairman Michael Powell could peak in coming weeks. The Commerce Committee is expected to summon the five FCC commissioners before their scheduled



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Media Wire

the TV networks. Gotlieb added there has been some backshop consolidation during the past year and that further coordination of the two units' research and finance departments will take place. Noting that GroupM is "global," Gotlieb said he also plans to focus on more business outside the U.S., and spend more time on Mediaedge:cia.

"Rino [Scanzoni, president of broadcast at Mediaedge:cia], Marc [Goldstein, CEO of Mindshare North America] and I all worked together at the old Benton & Bowles, and I worked with Rino at Televest, so we all get along well together," Gotlieb said.

Dominic Proctor, previously MindShare COO, succeeds Gotlieb as MindShare Worldwide CEO. *—John Consoli*

ABC Family, Trio Unveil New Shows for Next Season

ABC Family's 2003-04 season will be packed with celebrity-produced original programming. The network said last week that Courteney Cox, Britney Spears and Mary-Kate and Ashley Olsen plan to executive produce made-for-TV movies, including *A Mother's Gift*, based on the book Spears wrote with her mother.

Also in development at ABC Family is the scripted half-hour *TwentyNothings*, about friends living in Michigan, and the reality series *1001 Dates*. *My Life Is a Sitcom* has been renewed, and Wenner Media's *Us Weekly* will team with the network on quarterly specials.

This summer, ABC Family will lift a page from E!'s *Michael Essany Project* and will introduce *The Brendan Leonard Show*, featuring a 19-year-old host. *Tying the Knot: The Wedding of Melissa Joan Hart & Mark Wilkerson* is also on tap.

Trio, which is rebranding itself with the tagline "Pop, Culture, TV," also announced new programming initiatives, including *Brilliant But Cancelled*, which picks up on last year's theme of airing critically acclaimed shows that were canceled after one season. Trio will continue its themed programming in June with *Uncensored Comedy*.

In July, the network will celebrate "Country Is Cool" week with specials including *Lost Highway: The History of American Country*. *—Megan Larson*

June 2 vote on changes to rules that limit TV networks' size and restrict local media concentration. Media companies eager for fewer restraints, and their opponents, will watch closely to see if Snowe and her allies can forestall a decision.

SUSAN WALSH/AP PHOTO

Snowe's letter to the FCC was co-signed by 15 U.S. senators.

For his part, Powell delivered his reply last week. There is no reason to delay, Powell said in a letter sent to 31 members of Congress who have written letters to the FCC on the ownership issue, about half of whom urged that he stick to the June 2 deadline. The commission's collected input on the issues, including more than 18,000 comments, means "the time to make judgments is before us," Powell said.

Rep. Billy Tauzin (R-La.), the deregulatory-minded Commerce Committee chair, promptly lauded Powell's stance. But for Snowe, a moderate Republican with a strong independent streak, the campaign continues. She said she hopes Powell will allow more congressional and public comment before making new rules.

"Time is running short to provide full public disclosure of the rule changes," Snowe said.

Snowe's activism on media ownership follows conversations with Frank Blethen, who heads family-run corporations that publish *The Seattle Times* and three dailies in Maine, including the *Portland Press Herald*. Blethen is campaigning against media concentration and has raised the issue with the four senators from Washington and Maine. "As she's gotten into it, she's really 'gotten it,' and she's stepping up to take leadership, which is really wonderful," Blethen said of Snowe's emerging role.

Another GOP lawmaker opposed to relaxing the ownership rules is Sen. Wayne Allard (R-Colo.). Allard is uneasy with the rising prices of ads and subscriptions since *The Denver Post* and *Rocky Mountain News* formed a joint operating agreement two years ago.

"I don't think he's going to relent," said Allard spokesman Dick Wadhams. Judging from their recent letter-writing and lobbying, nor will Snowe and her allies. ■

Arbitron's New PPM Plan

Ratings company says it plans to proceed with or without Nielsen backing

RESEARCH **By Katy Bachman**

After more than two years of telling the media industry it needs to partner with Nielsen Media Research to commercially deploy its portable people meter for local radio and TV ratings, Arbitron has changed its position. During a conference call with analysts last week, the radio ratings company outlined the bare bones of an alternate strategy for generating revenue from its PPM if the TV ratings firm elects not to form a joint venture.

"We are not entirely relying on Nielsen to move PPM ahead in the U.S.," said Steve Morris, president of Arbitron, which hopes to eventually replace diaries with the PPM in its radio ratings service.

However, without Nielsen's participation, PPMs would not be used in local market TV ratings because of the high costs, Morris said.

In addition to potentially developing PPM technology without a TV component, the radio ratings firm is looking at other applications beyond ratings for the portable meter, which records consumers' exposure to various media. Arbitron is in talks with ACNielsen (a sister company of NMR, both of which are owned by *Mediaweek* parent VNU), Chicago-based Information Resources Inc. and advertisers about integrating 50,000 PPMs into consumer panels to combine multimedia usage data with product-purchase behavior.

"Advertisers have expressed interest in having the PPM be a component of product-purchase panels," Morris said. The venture is headed by Linda Dupree, who was named senior vp/portable meter development in February.

Nielsen Media Research officials declined to comment.

NMR, which is expected to make a final decision on backing the PPM in 12 to 18 months, has been supporting Arbitron's test of the service in Philadelphia since June 2000. Last month, the two parties renegotiated their original agreement, increasing Nielsen's financial and resource commitment to the project.

Arbitron reported that its revenue was up 8.3 percent in the first quarter, to $71.4 million, and that the company is on track to end 2003 with 7 percent to 9 percent revenue growth. The company is currently in contract renewal negotiations with Viacom's Infinity Broadcasting and Walt Disney Co.'s ABC Radio. Morris said he does not expect a resolution until July. ■

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Source 1 Court TV analysis of Nielsen NPower A18-49. Programming mins vs. mins containing commercials/promos Wk of 10/14/02 M-Su 8-11p Sunday 10/20/02 is excluded for BET due to no commercial activity Among cable nets with 50+MM subs, plus a 4 Broadcast network average 2 Nielsen NPower Jan 03 A18-49 M-Su 8p-12m Top 15 ranked cable networks with 50+MM subs 3 2002 MRI Doublebase A18-49 Among cable nets with 50+MM subs

COURT TV
Join the Investigation ®

PRIMETIME

NIELSEN LENGTH OF TUNE*

WITHOUT SWITCHING CHANNELS

A18-49	# Min/Tune-in
LIF	24.9
COURT TV	**22.7**
HALL	22.7
TVL	22.0
SCIFI	21.2
TOON	20.4
TNT	20.2
GAME	19.5
USA	19.3
NICK	18.9
TBS	18.5
TLC	18.3
FX	17.4
TNN	15.7
APL	15.6
CABLE AVG.	**14.3**

* TOP 15 RANKED NETWORKS

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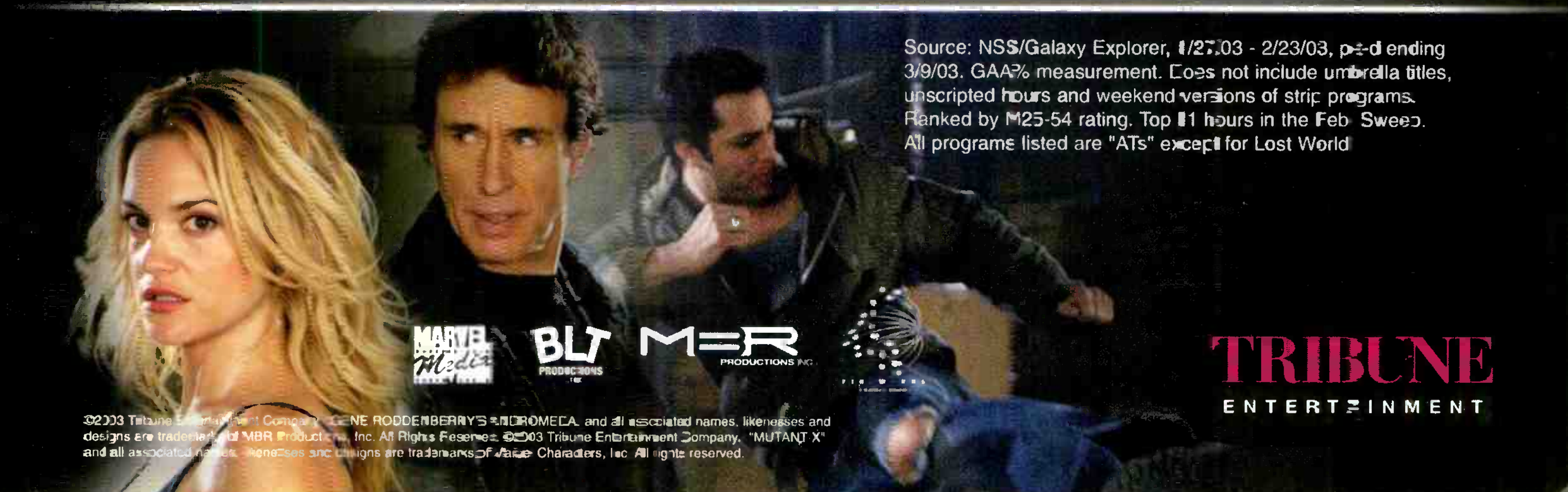
Source: Nielsen NPower Jan 03. A18-49. M-Su 8p-12m. Top 15 ranked cable networks with 50+MM subs.

Tribune's Top Weekly Hours

Top Weekly Hour Ranking - M25-54

RANK FEB.03 SWEEP RTG.	RANK SEASON-TO-DATE RTG.	PROGRAM	DISTRIBUTOR
#1	**#1**	**ANDROMEDA**	**Tribune**
2	1	X-FILES	Twentieth
3	1	STARGATE SG-1	MGM
#3	**#4**	**MUTANT X**	**Tribune**
5	6	PRACTICE	Twentieth
5	4	BUFFY-SLAYER	Twentieth
#7	**#7**	**ADVENTURE, INC.**	**Tribune**
8	7	ER	Warner Bros.
8	9	SHE SPIES	MGM
10	10	THE LOST WORLD	New Line
#11	**#10**	**BEASTMASTER**	**Tribune**



Source: NSS/Galaxy Explorer, 1/27/03 - 2/23/03, p-d ending 3/9/03. GAA% measurement. Does not include umbrella titles, unscripted hours and weekend versions of strip programs. Ranked by M25-54 rating. Top 11 hours in the Feb. Sweep. All programs listed are "ATs" except for Lost World

MARVEL Media

BLT PRODUCTIONS

MBR PRODUCTIONS INC.

TRIBUNE ENTERTAINMENT

Nat Geo Channel Goes Wild

With 450 hours of new shows for '03-04, net looks to strengthen its brand

CABLE TV **By Megan Larson**

National Geographic Channel has encountered little difficulty in growing its subscriber base to 42.7 million, and, with its lineage, it's likely the pace will continue. The challenge now is bringing the 2-year-old channel to the next level of viewer awareness. And the way to accomplish that, network executives contend, is with a raft of new series.

Many viewers "who have us in their homes don't even know it, so this really is a critical time to get the word out," said network president Laureen Ong. "The biggest area of concentration for us now is marketing and programming."

With an emphasis on authenticity, exploration and expedition, National Geographic is powering its 2003-04 season with 450 hours of original series and specials, said executive vp of sales Bruce Lefkowitz, that will include such Nat Geo–type fare as a look at the feeding habits of penguins, daily life-risking by the U.S. Coast Guard and secrets of the samurai and volcano-jumpers.

NATIONAL GEOGRAPHIC CHANNEL

In the upcoming *Worlds Apart*, American families will learn how to survive in other countries.

Filmmakers Chris and Martin Kratt (creators of the PBS kids' show *Zoboomafoo*) will prowl with giant otters and swing from branch to branch with chimps in the new series *Be the Creature*. Using new technology, the lifestyles of grizzlies and humpback whales will be studied via a camera attached to their backs in *Crittercam*.

Humanitarian issues will be addressed by another new series, *Doctors Without Borders: Crisis Zone*. And *National Geographic Explorer* will be on the network next year after several seasons running on MSNBC.

"There is no doubt that the strengths of this brand got us to where we are today. But now we have to back it up," said Ong.

Other upcoming programming initiatives include a special called *Women of K2* in the fourth quarter of this year and *The Children of Camelot: John and Caroline*, a special stocked with rarely seen early family pictures of the Kennedy clan that will air early next year.

And, since it seems a network can't program a schedule without at least one fish-out-of-water reality series these days, the channel will offer *Worlds Apart*. The show will follow a different American family in each episode and their sink-or-swim experiences living in faraway countries such as Kenya.

In appealing to advertisers, National Geographic is going after the upscale, affluent audience that Nat Geo executives say some niche-gone-broader networks like Bravo, A&E and Discovery have left behind.

While some media planners and buyers are not sure that Nat Geo has been able to capture that elusive upscale audience just yet, the network's own research, based on Nielsen Media Research data, shows an audience with a median income of $54,000 that is 59 percent college-educated. That demographic profile has, in part, helped the nascent service secure more than 150 blue-chip advertisers since its launch in January 2001.

In a time of intense competition in the basic cable arena, "the best thing to do is to take an established media brand and create a network," said Brad Adgate, Horizon Media senior vp, director of research. "National Geographic stands for something—exotic lifestyles, travel and discovery—so it is not surprising that it doubled its audience penetration in a year. But generally, if you are going to go after a very affluent viewer, you are not going to get a great household number."

National Geographic executives are shooting to have service available in 50 million TV homes by the end of this year.

While fear of low household ratings is one of the many reasons that networks tend to go broader as they reach more homes, National Geographic Channel executives have pledged to stay the course on their niche programming mission. In fact, they may not have a choice.

"National Geographic is bound to the National Geographic Society, which owns a part of us and is not-for-profit," noted Lefkowitz. "That partnership will keep us true to our knitting." ■

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TV is just part of the picture.

TV STATIONS

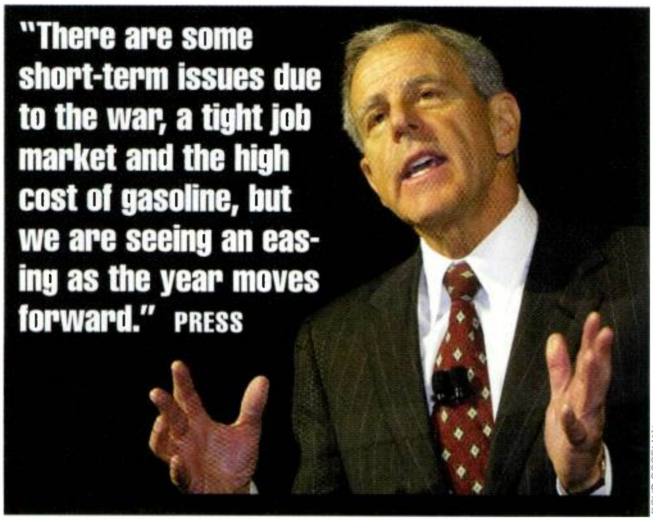
TVB Attendees Get Upbeat Ad Signals From Auto Industry

BY KATY BACHMAN

Although the war in Iraq has dampened consumer spending, competition among auto manufacturers remains heated, and that's very good news for TV broadcasters, who are dependent on the category for about 30 percent of their stations' ad revenue.

Unlike other categories that cut back on their advertising because of the war, the economy or both, car manufacturers and dealers, which are suffering from flat sales, learned their lesson during the first Gulf War, when they cut marketing budgets and sales dipped sharply.

Locked in a price war, Ford and General Motors are turning to advertising and price incentives to boost sales. Although Ford has plans to cut 20 percent of its overall costs this year, advertising is unlikely to suffer a serious hit, if at all. GM recently announced a zero-percent financing plan and cash rebates of $2,000 to $3,000, causing Ford and DaimlerChrysler to respond in kind.



"There are some short-term issues due to the war, a tight job market and the high cost of gasoline, but we are seeing an easing as the year moves forward." PRESS

DOUG GOODMAN

"When our ads are running on TV, we have traffic in the showroom and the opportunity to sell cars," Michael Lazarus, executive vp of group operations for Long Island Automotive Group, owner of a dozen dealerships in the New York area, said at last week's Television Bureau of Advertising conference. For the second time, the TVB held its annual gathering in conjunction with the New York Auto Show, where some 35 new vehicles were introduced.

The relative health of automotive advertising gave TV station owners some comfort last week in the midst of an uncertain economy and a host of unresolved issues including the pending Federal Communications Commission review of media ownership rules, the upcoming broadcast upfront and the influence of personal video recorders (PVRs) on viewing and advertiser spending habits. Also lingering is the question of how to monetize the transition to digital broadcasting.

"We can expect a return to normalcy—but don't count on it," said Chris Rohrs, president of TVB. Without political ads (which contributed nearly $1 billion in 2002) and with less certainty among most other advertisers, the TVB is forecasting a modest 1 percent to 3 percent growth in spending for the year.

"It's difficult to replace a billion dollars [of political advertising], so if other categories are soft, it's not easy for one, even automotive, to fill the gap," said Bonita LeFlore, executive vp and director of local broadcast for Zenith Media.

In 2002, auto manufacturers spent more than $4.3 billion on spot TV advertising, a 10 percent increase over the $3.9 billion spent in 2001, according to Nielsen Monitor-Plus.

"Last year was abnormally high. Spending now is almost at normal levels, and second-half looks stronger," said Matt Meli, partner and director of client services for New York–based The Gallagher Group, which represents Tri-State Ford.

Although broadcasters can expect some auto advertisers to increase spending as the year progresses, it is unlikely budgets will surpass the 300 percent increase General Motors brought to the market last year.

"We plan to boost marketing spending this year to continue our strong growth," Jim Press, COO of Toyota Motor Sales USA, said at the TVB conference. "There are some short-term issues due to the war, a tight job market and the high cost of gasoline, but we see those easing as the year moves forward. So after a rocky first two quarters, we forecast that business will improve during the second half."

Contributing to the growth in auto ad dollars is a push by manufacturers to target young car buyers, as Toyota is doing with its recently launched Scion line. "By the end of this decade, young [car] buyers will outnumber boomers by nearly two-to-one," Press said. "That means 63 million young people will reach driving age over the next 10 years."

Ford "has plans to reach the younger consumer." echoed Meli. "It's definitely on everyone's radar screen."

Looking ahead, automotive manufacturers will not be satisfied with just spots. Like many other advertisers, car makers want to break through the clutter with station promotions or special programming down to the dealer level.

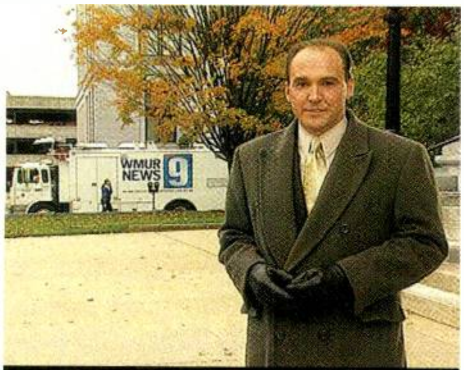
For example, Toyota recently put together a promotional package to support the launch of its new 4Runner. Called "Global Extremes, Mount Everest 4Runners of Adventure," the integrated media campaign with ABC and the Outdoor Life cable network includes a live telecast on OLN of an ascent of Mount Everest—accomplished, in part, with the new Toyota SUV.

MANCHESTER, N.H. TV STATIONS

WMUR Hops on Hustings

Up in New Hampshire there is a well-worn political joke that the locals like to tell: Two farmers are taking a break, and one says to the other, "So, who are you going to vote for this year?" The other farmer looks at his friend and says, "Not sure, I haven't met them all yet."

And so it goes in this largely inconspicuous New England state that, because it traditionally plays host to the nation's first presidential primary, becomes a nexus of political activity well before the rest of the U.S. when the White House is up for grabs. The upcoming 2004 presidential election will be no different.



Scott Spradling is WMUR's political point man.

Documenting all the electoral hustings hoopla is Hearst-Argyle's WMUR-TV, New Hampshire's largest commercial TV station. The ABC affiliate, based in Manchester, will kick off its 2004 political calendar on Saturday, May 3, at 11:30 p.m. by carrying the network's coverage of the South Carolina Democratic Party debate. The broadcast will launch an 18-month-long wave of political programming on WMUR—under the Hearst-Argyle–wide rubric Commitment 2004—that will include forums, town hall meetings and debates.

"This state takes politics very seriously," says Jeff Bartlett, president and general manager at WMUR. "It's the people's chance to step up and have some say about how things are run. And the way we cover the elections is very important. The focus of the state will be on us."

Bartlett believes his team is up for the challenge. The gm joined WMUR in February 2001, just before Hearst-Argyle bought the station from Imes Communications. He previously ran H-A's ABC affiliates KHBS and KHOB in Fort Smith–Fayetteville, Ark.

News anchor Scott Spradling heads up WMUR's political coverage, but Bartlett is quick to point out that the entire staff becomes political junkies around this time in the presidential election process. As part of its coverage, WMUR will air forums, titled *Conversation with the Candidate*, that will feature the Democratic hopefuls in both one-on-one interviews and Q&A formats. The first forum will feature Sen. John Kerry (D-Mass.) and is scheduled for May 9; Sen. John Edwards (D-N.C.) is on deck May 16, and former Vermont Gov. Howard Dean is slotted in for May 23.

WMUR also is planning to schedule several informal town hall meetings with the Democratic candidates, as well as more formal debates closer to the New Hampshire primary, tentatively slated for next Jan. 27.

Because of the state's first-in-the-nation primary status, WMUR is in the vanguard of political coverage for Hearst-Argyle, which carries news on 25 of its 27 stations. As part of its Commitment initiative, Hearst-Argyle, beginning in 2000, pledged a minimum of five minutes of political coverage per night on all of its outlets in the 30 days leading up to a major election.

Most of the company's stations do far more. At WMUR, coverage in 2002 included eight one-hour political debates, 20 half-hour interviews with candidates, and profiles of 22 state Senate races. This was in addition to the station's regular daily news coverage.

"2004 will be a very big year for us," said Fred Young, senior vp/news for Hearst-Argyle Television. "And WMUR will be the jewel in our political crown." *—Rich Brunelli*

MAGAZINES

For Regional Publishers, Home Is Where the Focus Is

***Boston's Home & Garden* is tapping into a nesting trend.**

With the bloom in home buying and remodeling continuing across the country, regional magazine publishers are meeting the demand with new shelter titles. The housing spurt has been particularly robust in California, Arizona and Texas, and on April 29, *Western Interiors and Design* will launch with a focus on the distinctive architecture and design of 14 western states. Funded by private investors, the bimonthy's initial distribution of 200,000 includes 80 percent in-region distribution, with the rest nationally at major airports and bookstores for $5.95. *WI&D* has a guaranteed circulation rate base of 150,000.

On the East Coast, Metrocorp Publishing's *Philadelphia* and *Boston* each launched local shelter spinoffs this month. "People are investing in their homes rather than the stock market right now," said Paul Reulbach, publisher of the 132,000-circ *Boston*. *Boston*'s *Home & Garden* premiered April 9; *Philadelphia*'s *Home & Garden* hit newsstands April 1. The books serve affluent residents and local designers and architects, with all editorial referring to area retailers and contractors.

For the parent magazines, home editorial and advertising are key elements. "The biggest obstacle was creating a distribution plan that would not rob readership from the [original] publications," said Marian Conicella, publisher of *Philadelphia*'s three ancillary titles. The new Metrocorp home books will start as biannuals, with the second issue out in September; the initial print is 30,000. Both titles will have separate sales teams.

"We have a very niche clientele, and the new magazine targets our high-end audience," said Nickie Boston, director of marketing for Hi-Fi House Group, a Philadelphia-based high-end home entertainment retailer. "We also sell a lot of products off the shelves, so the bigger magazine serves that need." Hi-Fi House has advertised in *Philadelphia* for eight years, Boston said. *—Aimee Deeken*

NEW YORK NEWSPAPERS

The Sun Sees Year Two

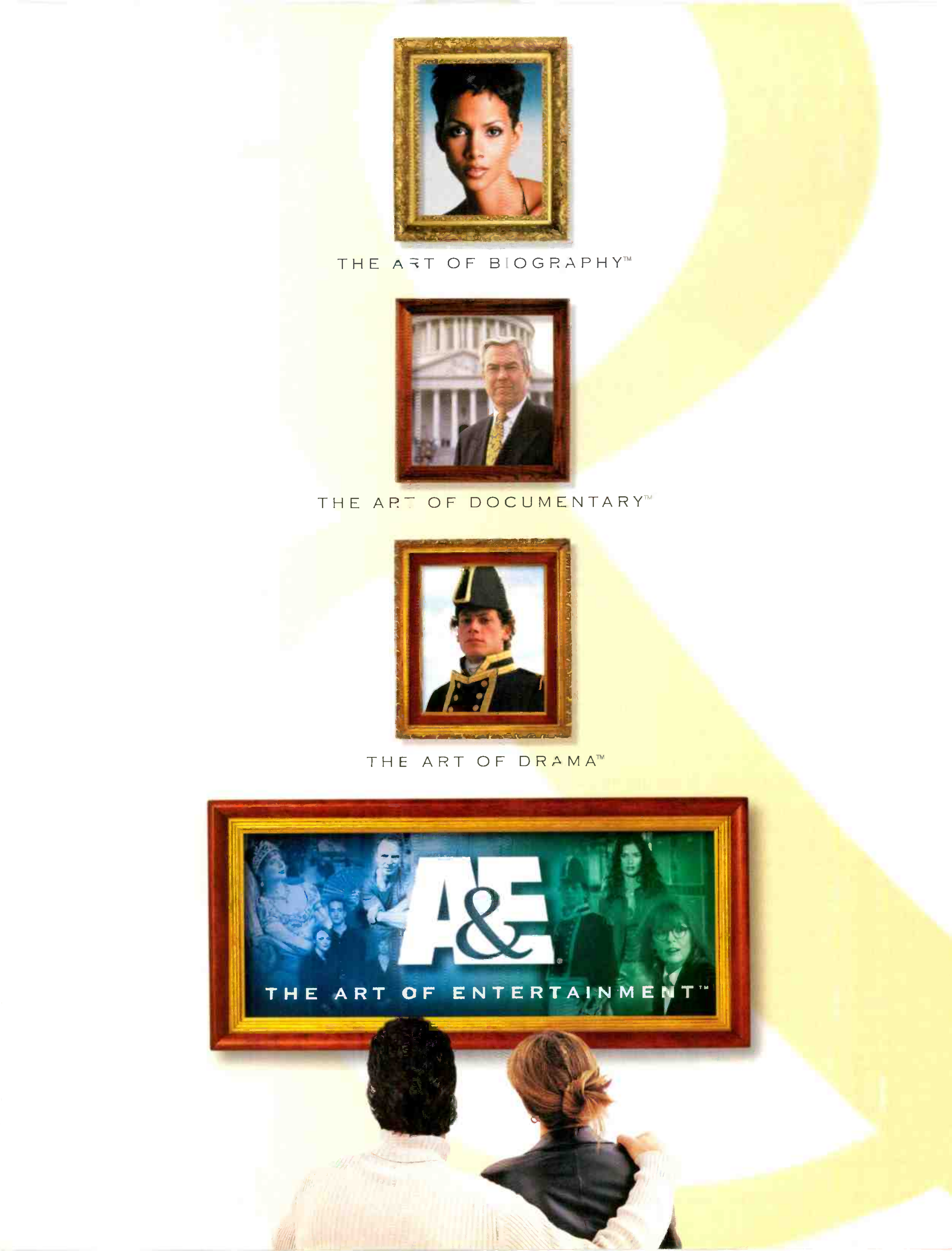
After a year of struggling for a toehold in the country's most competitive newspaper market, *The New York Sun* is in the process of instituting new delivery, circulation and advertising plans in a growth strategy for its second year.

As part of its effort, the daily has begun offering home delivery in northern New Jersey, Westchester County and Staten Island, where previously only single-copy sales were available. It has also created a Web-based version of the paper, priced at $1.25 per week. According its COO William Kummel, *The Sun* intends to grow its circulation by 20,000 copies this year.

In the six months ended last September, the *Sun* had an average daily circ of 18,000, according to the Audit Bureau of Circulations. As of March 31, the paper's circ was up to 25,000, according to Kummel. About 85 percent of the paper's readership is in New York City, he said.

In November, the paper cut its newsstand price in half, to 25 cents, and added three pages of business and sports to its average 18-page issue.

On the advertising side, *The Sun*'s Arts & Leisure section is wining some business. "We've started to get classical music, entertainment venues and museums," says Allyson Nemeroff, display ad director. New advertisers this year include Gristedes and Janovic/Plaza. The rate for a full-page ad is $4,000. *—AD* ■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market profile

BY EILEEN DAVIS HUDSON

Trouble in paradise: The SARS scare and the war in Iraq have slowed visits to Oahu's Waikiki Beach.

STONE/GETTY IMAGES

Honolulu

ALTHOUGH STILL A MAJOR VACATION DESTINATION FOR TRAVELERS FROM BOTH THE U.S. and the Pacific Rim, Honolulu and the state of Hawaii continue to face serious economic hurdles due to the sharp falloff in tourism since the Sept. 11 terrorist attacks. While the market had started to enjoy a modest recovery in leisure travel early this year, the war with Iraq and fears about SARS, the highly contagious respiratory illness that has killed hundreds worldwide, have again put the brakes on many Hawaii vacation plans.

SARS, which originated in Asia, has been particularly worrisome to local businesses in Hawaii. Asians, particularly Japanese, make up a substantial percentage of tourists to the state each year. Asian-Americans make up nearly half of the Hawaiian Islands' population.

"Economic issues have been a constant problem since the Gulf War in 1991," says John Fink, vp and general manager of KHNL-TV and KFVE-TV, the NBC and WB affiliates that make up Raycom media's duopoly in the market.

"It's an economy that has always been very sensitive to travel-related issues," echoes Michael Fisch, president and publisher of Gannett Co.'s *The Honolulu Advertiser*, the market's largest daily newspaper.

The retail market also has proved a tough sector of the local economy for TV stations. "It seems like Hawaii can't catch a long-term break," says Fink, who adds that growth in the marketplace has come at the expense of locally based retailers, who have been squeezed by "big box" chains like Wal-Mart and Costco. What's worse, many of the big box retailers are not TV-friendly when it comes to local advertising, Fink says.

The Honolulu broadcast television market ranks No. 71 in the country with 401,330 TV households, according to Nielsen Media Research. Although it is not a large market, Honolulu boasts 10 commercial television stations, more than many much-larger markets in the continental U.S.

One topic that has been hotly debated among local television broadcasters is the issue of scheduling off-clock time—a decades-old practice in Honolulu in which all the TV stations in the market added substantial amounts of ad inventory during prime time. The additional time allotted for commercials meant that regular prime-time programming always started late, as did the stations' late local newscasts.

However, in 1999, that began to change when KITV-TV, Hearst-Argyle Television's ABC affiliate, and KHON-TV, Emmis Communications' Fox outlet, switched their scheduling to clock time. Since then, other stations in the market have slowly followed suit.

Raycom's KHNL, the last holdout, switched to clock time in January. Before the change, KHNL typically added as much as seven minutes of ad inventory per night in prime time, pushing its 10 p.m. late newscast back to a 10:07 start.

KHNL's Fink says the decision to finally make the change was based on several factors, including the stagnant economy and the maturation of his station's local news, which was started from scratch following an affiliation swap with then-NBC affiliate KHON in 1996.

"We were at a disadvantage of being the last newscast in the marketplace," says Fink, noting that not being on clock time meant that KHNL competed only indirectly with other local newscasts. "We felt like the time had come for us to stand on our own two feet."

Fink says the switch to clock time has not negatively impacted KHNL's late-news performance. The station averaged an 8.1 rating and 17 share in households at 10-10:30 p.m. in both the November and February sweeps, finishing third among the market's four news stations in the time slot. "We held our own in the first test going head-to-head with the competition," Fink says.

Emmis Communications also owns a duopoly in the market, holding the two highest-rated outlets, Fox affiliate KHON-TV and CBS

NIELSEN MONITOR-PLUS
AD SPENDING BY MEDIA / HONOLULU

	Jan.-Dec. 2001	Jan.-Dec. 2002
Spot TV	$57,161,707	$46,706,341
Spot Radio	$22,980,440	$25,019,940
Total	$80,142,147	$71,726,281

Source: Nielsen Monitor-Plus

affiliate KGMB-TV. The Emmis duopoly has been a source of some controversy in the market. Emmis received a temporary waiver of the Federal Communications Commission's "top four" rule, which prohibits a company from owning two of the top four stations in a market. As the FCC is conducting a broad review of its media-ownership regulations, there has been some speculation in Honolulu on whether the agency will allow Emmis to keep both stations.

Some media observers in the market have expressed concern that if Emmis is permitted to keep both stations, it will result in massive staff layoffs (Indianapolis-based Emmis acquired KHON in 1998 and KGMB in 2000). Rick Blangiardi, who took over last July as senior vp/gm of the Emmis Honolulu duopoly (he previously ran the Telemundo station group), flatly denies that wholesale staff reductions would occur. "Neither one of these stations is overstaffed—it's sort of all hands on deck," Blangiardi says.

KHON produces 27 hours of local news programming per week and KGMB produces nine. Both stations have distinct news products, on-air reporting talent and sales operations. "We're going to keep them that way, no matter what happens [with the FCC ruling]," says Blangiardi, who in the early 1990s served as gm of competitor KHNL.

Early this year, Blangiardi hired Dan Dennison as KHON's new news director. Dennison came from KOAA-TV, the NBC affiliate in Colorado Springs, Colo. Blangiardi says he hopes to name a new news director at KGMB by the end of April.

In syndicated programming, KHON has such leading shows as *Dr. Phil* at 3 p.m., followed by *The Oprah Winfrey Show* at 4. In prime time, the station jumped from fourth place in the November 2002 sweeps to first place in February, thanks in large measure to the strength of Fox's reality/contesting hit *American Idol*, which featured a contestant from Hawaii, Jordan Segundo.

The Honolulu broadcast TV landscape shifted last September when KHNL sister outlet KFVE, formerly the market's UPN outlet, dropped that affiliation in favor of the WB. KFVE remains the home of the University of Hawaii, broadcasting 120 school sporting events per year, most of them live.

In February, KHNL, which produces news updates on KFVE, also started to provide news updates on Independent station KIKU.

SCARBOROUGH PROFILE

Comparison of Honolulu

TO THE TOP 50 MARKET AVERAGE

	Top 50 Market Average %	Honolulu Composition %	Honolulu Index
DEMOGRAPHICS			
Age18-34	31	32	102
Age 35-54	41	41	101
Age 55+	28	27	97
HHI $75,000+	29	26	89
College Graduate	13	14	108
Any Postgraduate Work	11	10	93
Professional/Managerial	23	27	116
African American	13	4	32
Hispanic	13	10	76
MEDIA USAGE-AVERAGE AUDIENCES*			
Read Any Daily Newspaper	55	64	115
Read Any Sunday Newspaper	64	72	113
Total Radio Morning Drive M-F	22	23	105
Total Radio Afternoon Drive M-F	18	17	95
Total TV Early News M-F	29	31	108
Total TV Prime Time M-Sun	39	35	89
Total Cable Prime Time M-Sun	13	12	92
MEDIA USAGE-CUME AUDIENCES**			
Read Any Daily Newspaper	75	83	111
Read Any Sunday Newspaper	77	83	108
Total Radio Morning Drive M-F	76	74	97
Total Radio Afternoon Drive M-F	73	72	98
Total TV Early News M-F	70	76	108
Total TV Prime Time M-Sun	91	90	99
Total Cable Prime Time M-Sun	59	64	109
MEDIA USAGE-OTHER			
Accessed Internet Past 30 Days	60	64	107
HOME TECHNOLOGY			
Own a Personal Computer	69	75	109
Purchase Using Internet Past 12 Months	38	42	110
HH Connected to Cable	69	85	124
HH Connected to Satellite/Microwave Dish	16	5	31

*Media Audiences-Average: average issue readers for newspapers; average quarter-hour listeners within a specific daypart for radio; average half-hour viewers within a specific daypart for TV and cable. **Media Audiences-Cume: 5-issue cume readers for daily newspapers; 4-issue cume readers for Sunday newspapers; cume of all listeners within a specific daypart for radio; cume of all viewers within a specific daypart for TV and cable.
Source: 2002 Scarborough Research Top 50 Market Report (February 2001-March 2002)

KIKU, owned by Los Angeles-based International Media Group, provides multicultural programming, primarily Japanese-language fare (fully subtitled in English), says gm Gregg Mueller. KIKU also provides programming in Filipino, Mandarin, Vietnamese, Samoan and other regional languages.

KHNL's minute-long, English-only news updates appear on KIKU on the hour at 8 and 9 p.m. With the updates, KHNL hopes to extend its brand and attract some KIKU viewers, who tend to skew older and more female, says Fink.

Although Honolulu stations that converted to clock time had said they would raise ad rates to make up for the lost commercial inventory, in most cases that ended up not happening, says Michael Rosenberg, president and gm of KITV, Hearst-Argyle's ABC affiliate. "I think there was still too much inventory in the market," Rosenberg says. "It didn't sell out, so we were not able to raise costs-per-point." Now that all four stations in Honolulu with news programming have converted to clock time, there may be further adjustments in the marketplace, Rosenberg says.

Last July, KITV promoted weekend anchor Shawn Ching to co-anchor of its 6 and 10 p.m. newscasts. Mahealani Richardson took over the weekend-anchor post last fall. Richardson came from KGW, the NBC affiliate in Portland, Ore.

In 2001, KITV began a news and marketing partnership with the privately owned *Honolulu Star-Bulletin*. Around the same time, the station hired Tod Pritchard as news director; Pritchard had held the same position at WOKW, the ABC affiliate in Madison, Wis.

KITV is also planning a few changes to its syndicated programming lineup for the fall. The station has purchased the rights to *Judge Judy*, which it will air from 4 to 5 p.m. *Judge Judy*, which had been out of the market for about a year after it was dropped by KGMB, will replace *The Montel Williams Show*. KITV has also acquired the new *Ellen DeGeneres Show* for its 3-4 p.m. slot. *Ellen* will replace *Crossing Over With John Edward*. In the mornings, *Staring Over* will replace *The Other Half* at 10 a.m.

When KFVE exited its UPN affiliation to sign on with the WB, both Fox outlet KHON and CBS affiliate KGMB became secondary UPN outlets, airing some of the network's shows. Last fall, KWHE, another Independent station in the market, also became a secondary UPN affiliate, airing UPN children's programming in the afternoons.

KWHE recently welcomed a new gm, Stephen Agee, previously head of Agee & Associates, a broadcast media consulting company in Los Angeles. Nonprofit KWHE airs religious programming in the mornings and on Sundays.

In cable, Time Warner is virtually the only game in town in all of Hawaii. The Oceanic Time Warner Cable division runs nearly the entire cable market, or about 382,000 cable households (all the Hawaiian islands combined). The company also serves about 100,000 unduplicated digital cable homes, says MaryAnn Sacharski, director of advertising sales. Time Warner inserts local advertising on 30 networks in the DMA.

According to Scarborough Research, cable penetration in Honolulu is 85 percent, but some estimates put the number as high as 90 percent. Either way, cable's reach here is well above the national average of 69 percent in the top 50 U.S. markets. On the flip side, just 5 percent of the market is hooked up to either direct broadcast satellite or microwave dish service, compared to the top 50 market average of 16 percent.

Honolulu is one of the few remaining U.S. media markets with two separately owned and operated competitive daily newspapers, *Th Honolulu Advertiser*, owned by Gannett Co. and the *Honolulu Star-Bulletin*, owned b Canadian publisher David Black. The *Advertiser*'s average daily circulation for the si months ended last Sept. 30 was 143,696, a decline of 5.5 percent from the same period a year earlier, according to the Audit Bureau o Circulations. The paper's Sunday circ slid 3. percent to an average of 166,673. The *Star Bulletin*'s circulation is not audited by ABC.

Following a protracted legal battle ove the dissolution of a joint operating agreemen between the two papers and the subsequen sale of the afternoon *Star-Bulletin* to Black b Liberty Newspapers, the market has becom even more competitive. The JOA, of whic the morning *Advertiser* was the controllin entity, handled business functions for bot papers, including advertising and circulatio The two papers competed for news.

The JOA ended in March 2001. The fo lowing month, the *Advertiser* launched a afternoon edition to compete directly wit the *Star-Bulletin*, In turn, the *Star-Bullet* began publishing a morning edition to after the *Advertiser*. In addition, the *Star-Bu letin* launched its own Sunday edition.

Pricing wars ensued, and they have conti ued. Although there has been some speculati about whether the market is large enough support four daily newspaper editions and t Sunday papers, so far neither side has blink

"I've said all along that I don't think market is big enough to support all of papers, or all of the TV stations, for that m ter," says *Advertiser* president/publisher Fis

The *Advertiser* has developed a number custom-publishing products to help genera additional ad revenue. Early this year, the paper launched *Homescape*, a glossy magazine about home furnishings, remodeling and lifestyle matters, and *Body & Mind*, a weekly newspaper supplement. The *Advertiser* has also ratcheted up its nonsubscriber, total-market product, called *Island Weekly*. The product is mailed t 170,000 homes on the island of Oahu, where the vast majority of Hawaii's population lives.

The *Advertiser* is also near completing the installation of an $82 million offset printing facility, scheduled to come on line in June. The new presses will replace the paper's existing 42-year-old facility.

The *Star-Bulletin* has made a few upper-level changes in the past year. Last month, Frank Teskey was named publisher and president. Teskey comes from David Black's Cariboo Press, publisher of 27 community newspapers in British Col- (*continued on page 22*)

RADIO OWNERSHIP

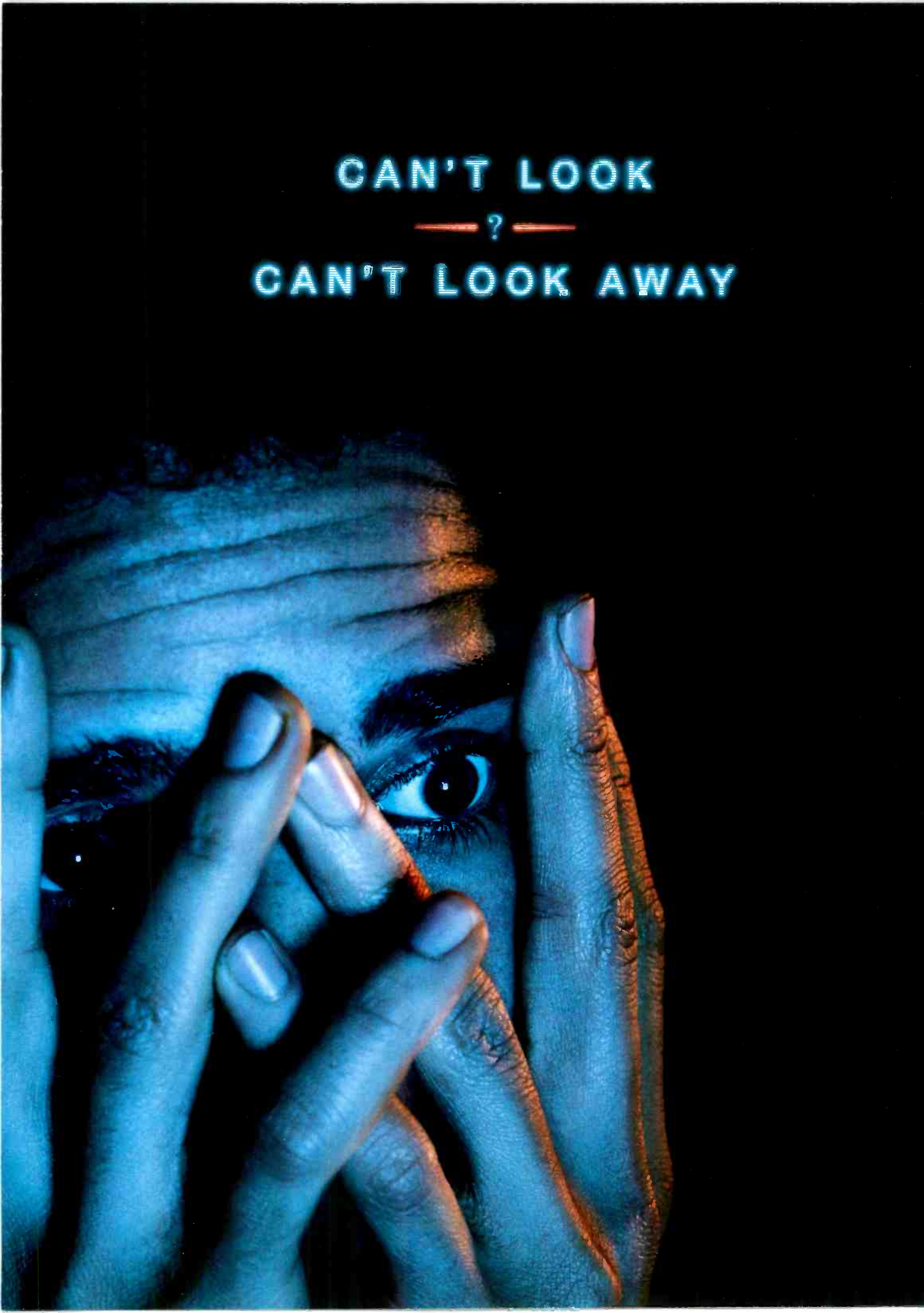
Owner	Stations	Avg. Qtr.-Hour Share	Revenue (in millions)	Share of Total
Clear Channel Communications	2 AM, 4 FM	32.9	$13.5	41.3%
Cox Radio	4 FM	23.4	$7.8	23.9%
New Wave Broadcasting	4 FM	14.2	$5.0	15.3%
Maverick Media	1 AM, 2 FM	8.6	$2.5	7.6%
Honolulu Broadcasting	1 FM	4.4	$1.2	3.7%
Salem Communications	2 AM, 1 FM	3.1	$1.1	3.4%
Blow Up LLC	1 AM	1.9	$0.6	1.8%

Includes only stations with significant registration in Arbitron diary returns and licensed in Honolulu or immediate area. Share data from Arbitron Fall 2002 book; revenue and owner information provided by BIA Financial Network.

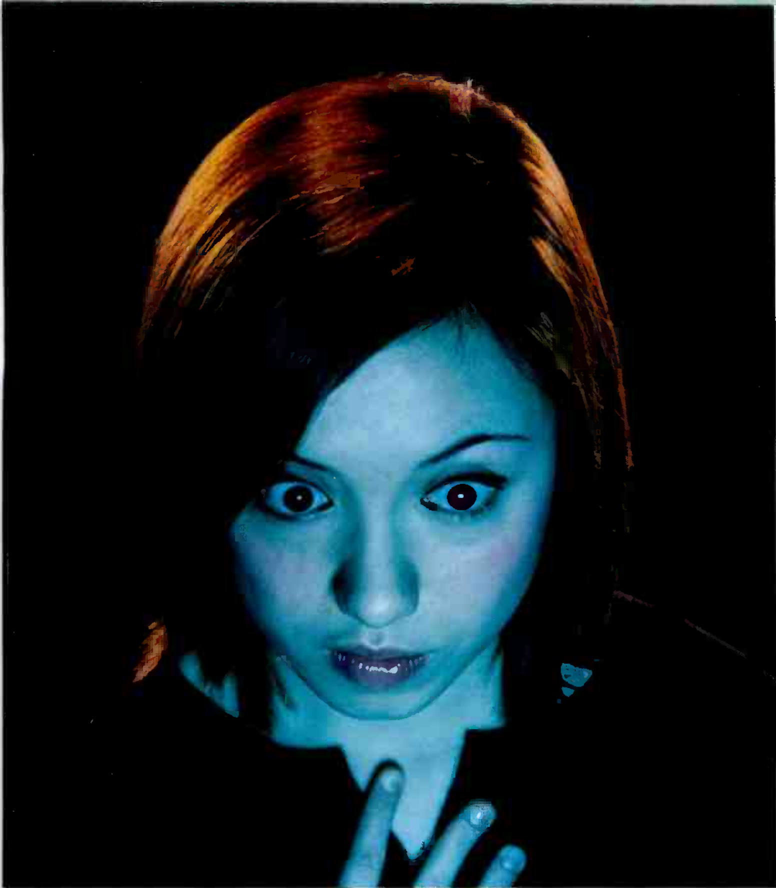
RADIO LISTENERSHIP / HONOLULU

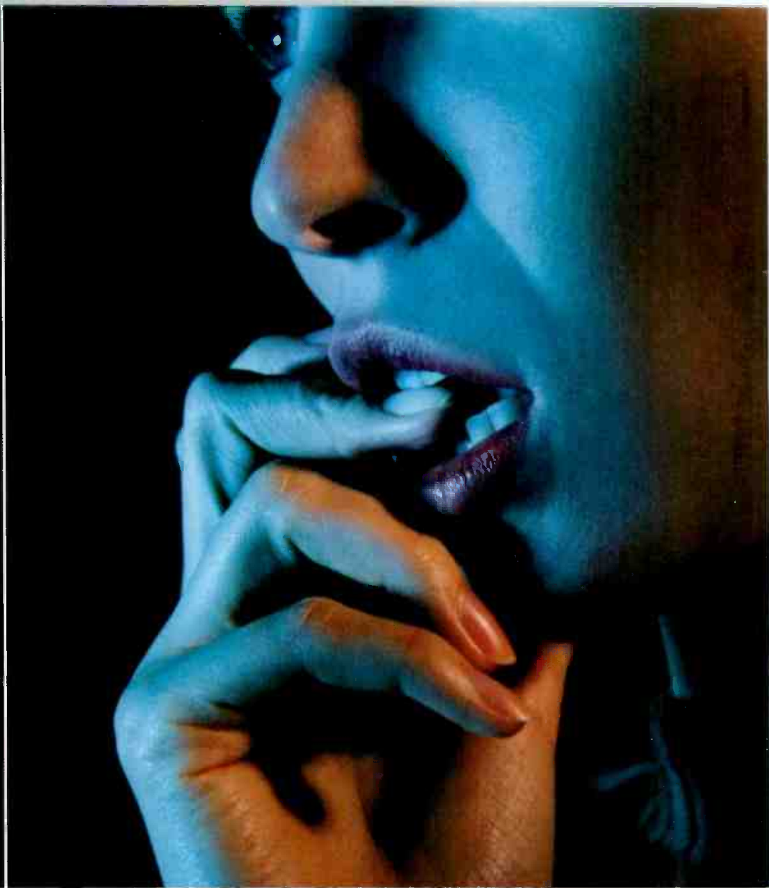
STATION	FORMAT	Avg. Qtr.-Hour Share: Morning Drive, 12+	Avg. Qtr.-Hour Share: Evening Drive, 12+
KSSK-FM	Adult Contemporary	15.8	8.7
KSSK-AM	Adult Contemporary	6.8	3.5
KRTR-FM	Contemporary Hit Radio	6.4	7.7
KIKI-FM	Contemporary Hit Radio	5.8	3.7
KCCN-FM	Hawaiian/Contemporary Hit Radio	5.5	6.4
KINE-FM	Hawaiian/Contemporary Hit Radio	5.3	5.2
KDNN-FM	Hawaiian	4.9	3.9
KGMZ-FM	Oldies	4.2	4.6
KUCD-FM	Alternative	4.2	4.6
KUMU-FM*	Lite Rock	4.1	4.6

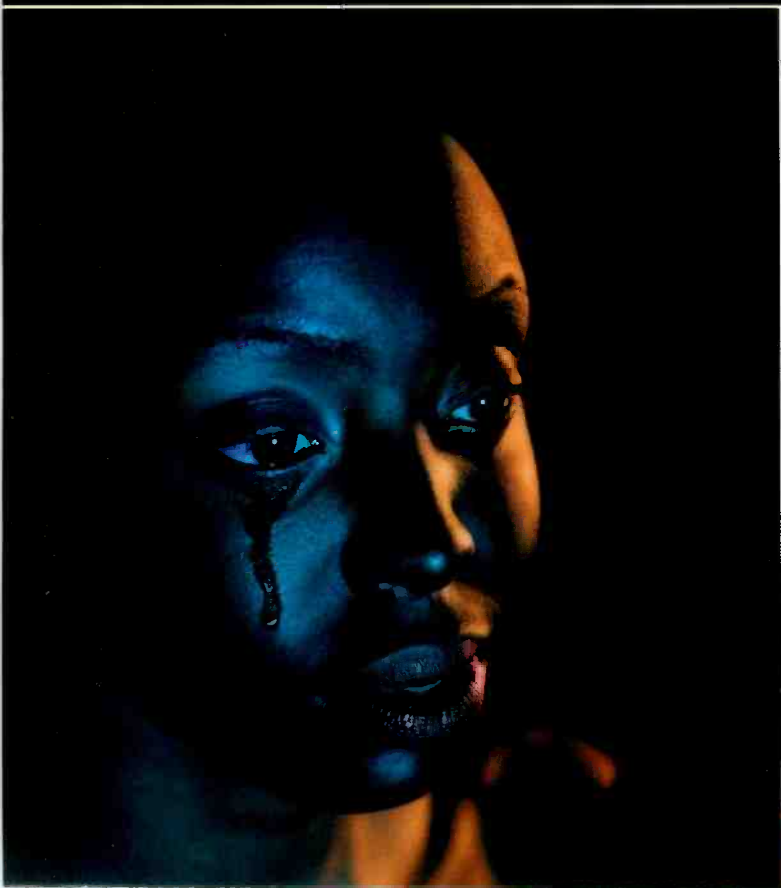
*Combined share for simulcasting partners KUMU-FM and KUMU-AM Source: Arbitron Fall 2002 Radio Market Report



CAN'T LOOK
?
CAN'T LOOK AWAY







ADWEEK MAGAZINES

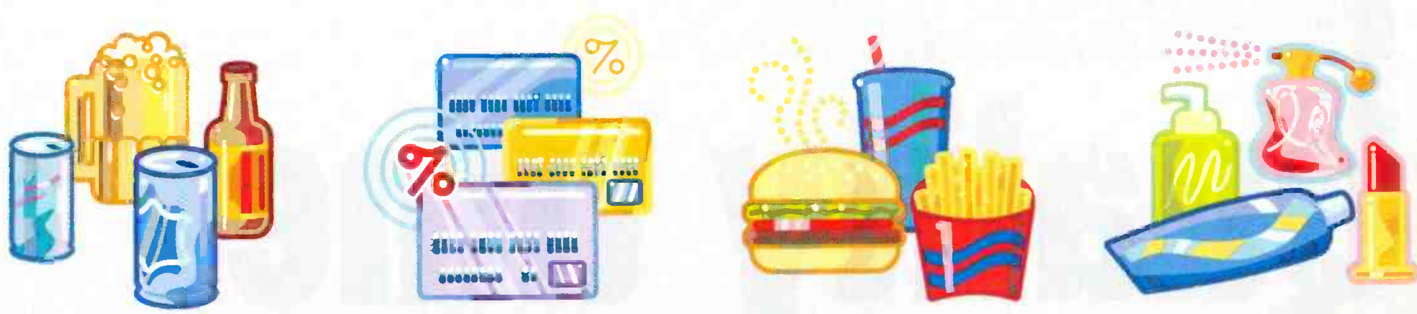
Special Report

April 21, 2003

UPFRONT 2003 • THE ADVERTISERS

Where the money is

What will **marketers** be spending on broadcast?



Price points

Buying **eyeballs**, not quality, at the upfronts

How are they doing?

A season-to-date look at the **networks**

If a group of media professionals from another planet (planners are from Venus and buyers are from Mars?) descended to earth to scarf up some free shrimp at next month's network upfront presentations, they might be forgiven for scratching whatever it is they scratch. To an outside observer, the upfront—not to mention the primacy of network prime time in the television business—is a curious thing that gets curiouser every year.

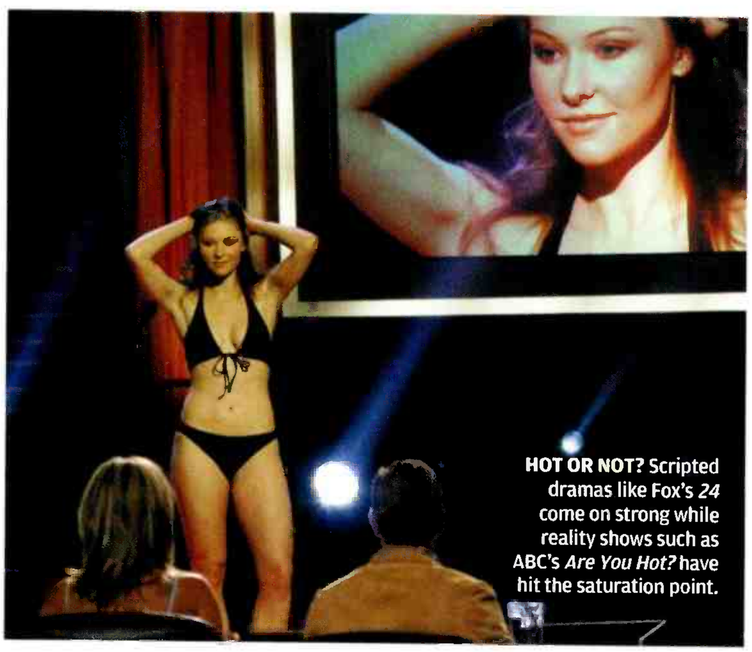
In what other business do customers line up to pay more and get less? This is a simpleminded observation, beloved of simpleminded cable sales execs. Network CPMs have marched upward for years (excepting one off season or two), even as cable as a whole has surpassed network prime time in audience share. Yet advertisers continue to shovel dollars into the maw of network prime time, which rakes in perhaps $9 billion of the $26 billion TV ad pie. Despite a blah economy and the uncertainty of war, there is plenty of talk that this will be yet another very healthy upfront for the nets.

But there is another discomfiting wrinkle. Prime time has been overrun by reality programming, much to the chagrin of the many advertisers skittish about associating their fine products with humiliation and titillation. With several new reality shows going down in flames, the nets are now talking ever so sincerely about the importance of scripted programming. No doubt they will present schedules next month chock-full of the hilarious comedies and searing dramas that advertisers crave.

Quality time

Each year the networks rake in more dollars during the upfront, while the pickings get slimmer. What exactly are media buyers buying?

BY ERIC SCHMUCKLER



HOT OR NOT? Scripted dramas like Fox's *24* come on strong while reality shows such as ABC's *Are You Hot?* have hit the saturation point.

And there is no doubt what to expect come the November sweeps and next January: more reality Band-Aids.

"It is so transparent now," says one veteran buyer. "The nets are afraid to show that hand in May while the clients are sitting there. But it's a helluva lot easier to take a makegood in reality than to buy it up front. It is more and more a game of bait and switch."

The advent of reality has highlighted what is arguably a lull in the scripted form. Certainly, comedy is in crisis. *Friends* and *Frasier* are heading into their valedictory seasons, while *Drew Carey* is an albatross around ABC's neck and Jim Belushi qualifies as a comedy star. ABC's *8 Simple Rules for Dating my Teenage Daughter* and CBS' *My Big Fat Greek Life* draw decent numbers, but can anyone get excited about showing them to a client?

Drama certainly is healthier, though CBS' *CSI: Miami* and *Without a Trace* are solid performers more than breakout hits. The only scripted "watercooler" show to emerge this season is Fox's *24*.

Do not adjust your sets—something is definitely wrong with this picture.

The reality of television programming

Reality series represent an amazing six of the top 10 shows in adult demos this season, but observers label this as the genre's high-water mark. "It's already oversaturated and they're starting to pull back," says Steve Sternberg, senior vp at Magna Global USA, citing the failure of *Married by America, The Family* and *Are You Hot?* "Unless it's a *Survivor* or *American Idol*, the nets can't get their money back because there are no repeats and no back-end [syndication]. Reality is a short-term fix; you've got nothing left when it's over. The nets need scripted shows to build their brands. You'll have *Survivor* and *American Idol* and a few other successes, but the rest aren't fooling people. How many *Are You Hot?*s can you put on?"

"The nets amply realize that the miracle cure of reality programming has barely masked the crippling disease of failed scripted programs," says John Rash, senior vp at Campbell Mithun. "All of the nets seem aware of the impending boredom with and backlash against reality, and they are reinvesting back into scripted programs, which are the backbone of their business."

Jordan Levin, president of entertainment for the WB, has been quite judicious with reality, and he believes the genre has wreaked untold havoc at the nets. "Reality has driven up the cost of scripted programming by reducing the profitability of repeats—you have lower ratings and fewer time periods to run them in," he says. "There's an original program push every night and there's much greater schedule churn, which means more marketing costs. Reality creates a very reactionary scheduling environment—you make short-term moves because of the short production cycle, and everyone reacts to blunt it. I think all this churn creates a fundamental mistrust with media buyers and ultimately destabilizes the viewership base."

Mike Shaw, ABC's president of sales, adds: "If a time period isn't working, we make a change and incur the expense of trying to fix it. We've tried a lot of reality this year, looking for something that clicked. But we don't plan on having more than an hour or two of reality on the schedule this fall—our programming guys were very upfront about that. We have eight comedies on now and we'll announce 10 in May. And I don't believe we'll back up those sitcoms with reality; that's not the direction we're going in."

"The success ratio in scripted programming is two out of 10," says David Poltrack, CBS' executive vp of research. "When reality came in, it was instant gratification—*Who Wants to Be a Millionaire, Survivor, American Idol*—and people thought, Wow, this genre's breaking the rules. Guess what? We got the two hits first. Now the pattern's becoming scripted programs in the fall and try out reality in the summer."

Reality has made media buying more complicated because so many advertisers are wary of its raunchier iterations. "Second-tier reality probably does have less demand than a repeat sitcom," Shaw acknowledges, "but we have content issues with a number of vehicles."

"Yeah, some advertisers have concerns, but on the other hand, reality has helped stem the flow of audience to cable," says Steve Grubbs, chief executive of PHD USA. "For some people, [reality] is a great deal—it'll help drive down their costs. For those who are very picky about their environment, it's a problem, and the weight is on the side of those looking for an environment they are proud to put their creative in."

"Reality was a dirty word six months ago," says Tim Spengler, executive vp at Initiative Media. "But you can't paint every show with the reality brush; people have become more discerning. Some of these shows are light entertainment that deliver a young audience, and advertisers have become more comfortable with them."

Has the rise of reality changed ad spending? "It affects the market to the extent that certain advertisers choose to stay away from some reality programming," says one top agency media executive. "The longer the list of shows we don't want to buy, the more pressure there is on pricing [for scripted shows.]"

"I think you'll see a variety of pricing structures," says a cable sales executive. "If you won't take any reality, you pay a huge increase, and if you're willing to take some, you may get a wonderful deal. You'll see a lot of caveats on deals. All I know is, I'm going to be undersold for the second half, so when clients don't accept those [midseason] reality shows, I'll take all that money."

"If we don't like the makegoods, we don't take 'em," says Grubbs. As for the shell-game element of replacement shows, he notes, "It's always been that way. Maintenance is a big element of what we do, and now more than ever."

One top buyer contends the nets were able to play their shell game this year "because the market was so strong. They said, 'You can take your money back,' knowing full well there was nowhere else to go. In a softer market, ABC can't just preempt half its schedule because we can just go over to CBS. They got away with it this year, but next year, we'll see."

THE REALITY OF REALITY: WB's Levin says reality TV "creates a very reactionary scheduling environment."

Michael Grecco/The WB

Comedy crisis

Watercooler hits outside of reality may be thin on the ground, and some perceive a decline in network quality, particularly in comedy. "It is alarming that there are so few hit comedies," says Spengler. Observers ritualistically cite *The Cosby Show* as the hit that reignited the D.O.A. genre two decades ago, but the world has changed. "If a *Cosby* came along today, I'm not sure it could do that anymore," says a cable executive. "It's much harder to have anything break through simply because of the sheer weight of choice."

"Do I think it's dismal? Sure," says one packaged-goods client. "Because of the lack of watercooler shows, it's easier and easier to walk away from prime time as a centerpiece. You do pull back [in the face of rising prices], but you also have to look at where your competition is and to the extent you can participate, you do it." A show like *8 Simple Rules* might not be a comedic watershed, but media execs offer no apologies for buying it. "TV remains a viable viewing democracy," says Rash. "If 50 percent of women 18 to 34 choose to watch *Joe Millionaire*, all the bad reviews in the world will not transcend its ability to speak to vast numbers of people."

Do "quality" shows receive a premium? "A show with both mass and class like *The West Wing* in its prime is handsomely rewarded," Rash replies, "but advertisers have never overly rewarded superbly crafted TV for its own sake." Modestly rated critics' darlings such as *American Dreams, Alias* and the now-departed *Once & Again* have been buyer favorites, but any quality premium "has as much to do with the quality of the audience," says Rash.

"Hogwash," says Sternberg at the notion of a dip in prime-time quality. "OK, there's been a lull in comedy, but that happens. *8 Simple Rules* isn't *Daddio* either. You're thinking of *Seinfeld, Friends* and *Cheers* without remembering all the junk. And look at all the dramas on the schedule; I'd put 'em up with any list of dramas in the last 20 years. What the press calls 'quality' and 'hot' isn't the same as how people look at it. *Judging Amy* is one of the most watched shows and *JAG* is a major hit among older viewers, but they aren't on magazine covers. What's a watercooler show? Only two people in my office saw *24* last night."

"Part of what network TV is about is having that watercooler show," Poltrack maintains. "Yeah, there's a psychology to it. The top 30 shows drive network TV, and you need some new shows to get in there, preferably in the top 10. If no new shows make it, that obviously dampens the enthusiasm of some. But

'If a *Cosby* came along today, I'm not sure it could [reignite the sitcom genre]. It's much harder to have anything break through simply because of the sheer weight of choice.'

this will be such a strong market that I don't think you'll see this factor absolutely cause dollars to shift to cable."

Fragmentation has changed the notion of what constitutes a watercooler hit. Long gone are the days when everyone buzzed about Archie Bunker's latest outrageous comment or J.R.'s evil machination. Today, one can even be blissfully unaware of who was eliminated on *Survivor* last night and still walk into the office with head held high. The plethora of specialized and targeted programs means there are dozens of mini-watercooler shows, from *Gilmore Girls* to *Six Feet Under* to TLC's *Trading Spaces*. And the measure of a hit, ultimately, is relative. "People pay for what's doing best," says a media agency exec, "not for what's doing well."

Will the bubble burst?

Issues of program quality and the reality onslaught throw into sharp relief longstanding questions about the value of network prime time. The CPM gap between the nets and cable has increased over the last few years, leaving many skeptical clients and media buyers wondering if and when the prime-time bubble will burst. How do media buyers pay high prices for lower ratings and then look themselves in the mirror each morning?

Steve Grubbs is quick to point out that the more-for-less formulation is inaccurate. "We're buying rating points, not network erosion," he notes. "All we're concerned about is our CPM increase or decrease. Sometimes we pay more, but we're not getting less. And every year we reallocate our spending, including lower-cost alternatives. In a bad year, our costs may rise 10 percent in prime, but overall the plan is plus-3."

"The overall combined cost of television hasn't gone up at nearly the same rate as the network component," says Rino Scanzoni, president of the broadcast division at Mediaedge:cia. "We can reach our audiences more efficiently and maybe more effectively than 20 years ago when you had three nets doing boxcar numbers. For most clients, the percentage of GRPs in prime is going down versus years ago. It becomes harder to generate significant circulation, but the good news is there are lot more places you can go. I see the glass half full."

One cable executive avers, "There's no such thing as broad-reach media anymore—it's all niche. The average demo rating on the so-called Big Four networks today is a 3.2. When I tell that to clients, they say it can't be. But people are slow to acknowledge today's reality. Network TV is still easier to execute. Look at the economic problems at agencies–they'd rather spend the money quickly, though every agency guy would swear that's not a consideration. There's no reward for buying the tallest midget."

"The very fragmentation that has diminished the nets' impact has made their relative share that much more imperative versus the other options," says Rash. "It's a dynamic where they remain the last bastions of national reach."

"Clients and agencies say they're mad as hell and they're not going to take it anymore, but they do," notes a veteran Detroit media executive. "It's the 'in' thing to say the networks are too expensive. It's not stylish to advocate network TV, but it is OK to advocate Internet games. Supply and demand is such simple math, but the clients don't want to understand it."

Adds ABC's Shaw, "Over the last 18 months, we've seen a real flight to the quality of network TV. Why has the gap grown between network TV and cable? Those optimizers are sending dollars to network TV, and going forward it seems like the top 10 cable nets will be taking it in the shorts as much as broadcast. If the four nets are doing a 4.0 to a 4.6 rating on adults 18 to 49 in prime time and the top 10 cable nets are doing a 0.3 or 0.4, we're doing 10 times their rating and they're getting half our CPM—why aren't they getting a tenth? Look, you've got advertising opportunities from TV to print to radio to outdoor to benches and matchbook covers. But if you've got national distribution or shelf space or a dealer group, network TV is what you base your plan around."

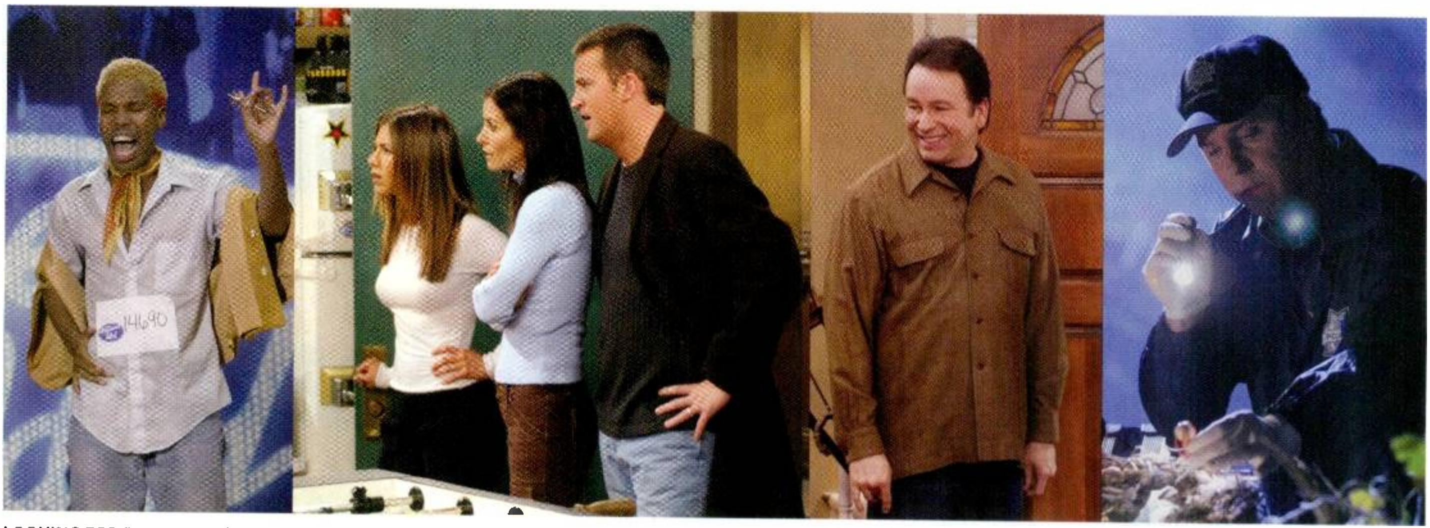
It is curious that buyers invariably invoke the multiplicity of options and yet the prime time total climbs inexorably. "Are we walking the walk? Maybe not to the degree we talk the talk," admits Spengler. "But we spend a higher percentage of money in cable every year. Look how much more has gone there over five or 10 years. At this rate, the price of network prime will drive out the packaged-goods companies, which started to happen with tech and the dotcoms."

Indeed, there are ominous rumblings on the client side about reevaluating network TV's primacy. Consider Procter & Gamble's decision to have its hard-nosed purchasing department act as counselor to its media executives to be a straw in the wind for the industry.

Yet, no one is walking away just yet from network TV and its much-derided upfront. "Prime time is really a phenomenon that is hard to explain," says Spengler. "But network TV is still proven to be the most powerful platform in media—try launching a wireless communications product, say, in radio and newspaper. If the upfront offers our clients the programs we want in the weeks we want, at a better price and with audience guarantees, then it's worth doing." ■

Eric Schmuckler is a contributing writer for Mediaweek.

Fotos International/Archive Photos



LOOKING FOR THE HITS: When media buyers go to the upfronts, they're hoping the nets will offer more shows like *American Idol, Friends, 8 Simple Rules* and *CSI.*

Network report card

Who's up, who's down this year BY MARC BERMAN

As we head into network upfront season—NBC kicks off the annual buyer presentations on May 12—the mood in the buying community remains an odd mixture of hope and uncertainty. Naturally the networks are looking to duplicate the success of shows like *CSI, Friends* and *American Idol.*

But can they find new hits of this magnitude, or will the overall business remain marred by ongoing total viewer losses? So far this season (Sept. 23, 2002 through April 13, 2003), the broadcast nets continue to lose audience with a combined 52.05 million viewers for ABC, CBS, NBC, Fox, UPN and the WB, off 1.22 million, or two percent, from the comparable period a year ago, according to Nielsen Media Research. Although not every network is on the downside, overall erosion of 3 percent among adults 18-49 means that network viewership has still not bottomed out.

"The last time there wasn't year-to-year erosion was in the 1991-92 season, and that was because of better-than-expected levels for the Summer Olympics on NBC," says Brad Adgate, senior vp of corporate research at Horizon Media. "Cable and Internet usage, in particular, continue to negatively impact the broadcast nets."

In another season of mixed leadership, CBS is first in households and total viewers, with NBC No. 1 among adults 18-49. CBS' advantage over NBC in terms of viewers (911,000) should be enough to guarantee it a win for the entire season, but *American Idol*-fueled Fox could pull an upset and move ahead of NBC in the key demo. Elsewhere, ABC has stopped the bleeding, the WB is enjoying a season of growth and UPN is off by significant proportions.

To determine which, if any, of the networks are worthy of bragging rights, what follows are the ratings by network season to date.

CBS

Households: 8.3 rating/13 share (+ 2 percent)
Total viewers: 12.61 million (+ 3 percent)
Adults 18-49: 3.9/10 (no change)
No. 1 in households, total viewers; tied for No. 3 among adults 18-49

While its competitors will point out that CBS is tied for third with ABC among adults 18-49, its first-place position in both households and total viewers, its growth in most key demos and the expected return of at least four freshman shows next season (*CSI: Miami, Without a Trace, Still Standing, Hack*) all spell momentum at the Eye network. So far this season, CBS has narrowed the gap on Thursday with champ NBC, while improving its position four nights of the week (Monday, Thursday, Friday and Sunday).

On the flipside, Wednesday remains weak, Saturday at 8 p.m. has sprung a leak and the Sunday movie continues to erode. And with an average viewer age of 51.4, CBS is the oldest-skewing network. "As much as shows like *CSI* and *Survivor* have attracted younger viewers, CBS overall is considerably older than the other networks. In today's selling environment, that is not a positive," says Adgate.

"CBS really has done a good job of planning ahead with a well-balanced line-up of different programming options," counters Bill Carroll, vp/director of programming at Katz Television. "Although no schedule is perfect, one look at CBS and at least one successful anchor series is present on every night of the week. That's a real positive for the future."

NBC

Households: 7.7/13 (-13 percent)
Total viewers: 11.70 million (-14 percent)
Adults 18-49: 4.5/12 (-15 percent)
No. 2 in households, total viewers; No. 1 in adults 18-49

In fairness to NBC, the Winter Olympics did air on the network last season. But even when excluding those weeks from the averages, the network remains on the downside. In just one season, NBC's hefty, 1.2 adult 18-49 rating advantage over second-place Fox has shrunk to just 0.3. The network is down in the coveted demo six nights of the week (Monday is the exception), and year-to-year total viewer erosion is evident every single night. While the return of *Friends* means NBC can breathe a bit easier next season, aging shows and an array of failed freshman entries (*A.U.S.A.*, *Mister Sterling*, *Hidden Hills*, *In-Laws*) are long-term obstacles NBC must face.

"NBC's inability to capitalize on key hammocked time periods on Tuesday and Thursday has significantly hurt them," says John Rash, senior vp of program planning and negotiations at Campbell Mithun. "Although the right programming can turn any network around, it could be now or never given that *Friends* is ending."

"This really is the last hurrah for NBC," notes Shari Anne Brill, vp and director of programming at Carat USA. "*Friends* is ending, *Frasier* is on its way out, *The West Wing* and *ER* are down and there are no new breakout hits this season. Without the generation of new comedies, NBC's future is at risk."

ABC

Households: 6.4/10 (no change)
Total viewers: 10.23 million (+ 4)
Adults 18-49: 3.9/10 (+8)
No. 3 in households, total viewers; tied for No. 3 among adults 18-49

No one ever said rebuilding a network would be easy. But ABC's ratings are beginning to rise, sitcom *8 Simple Rules For Dating My Teenage Daughter* is the net's first successful building block and *The Bachelor/The Bachelorette* franchise continues its success. Ratings are up five nights of the week, with Wednesday posting the largest gains. While the return of *Monday Night Football* in the fourth quarter and the renewal of all its Tuesday and Wednesday comedies are stabilizing factors, Thursday and Friday could use a major shot of adrenaline.

"By hitting rock-bottom last season, ABC can now move forward," Carroll says. "After some promising results in the comedy department, they now have to concentrate on working on the other genres." Adds Rash: "ABC knew going into this season it would be difficult to rebound. It's a long road to recovery, but with patience, promotion and more new hit shows, they might be able to turn it around."

Fox

Households: 6.0 /10 (+ 3 percent)
Total viewers: 9.86 million (+ 4 percent)
Adults 18-49: 4.2/11 (+ 2 percent)
No. 4 in households, total viewers; No. 2 among adults 18-49

It wasn't that long ago that Fox was languishing in virtual oblivion. New hours from David E. Kelley (*girls club*) and Joss Whedon (*Firefly*) came and went, drama *Septuplets* and sitcom *The Grubbs* never even made it on the airwaves and erosion ran rampant every night of the week. Flash to the present, and the *American Idol*-propelled network is poised to lead this season among adults 18-49.

Meanwhile, Thursday is a veritable wasteland, Friday dramas *Fastlane* and *John Doe* are floundering, *Married By America* has dropped the ball in the Monday 9 p.m. time period and nothing leading out of *Malcolm in the Middle* on Sunday seems to work. "In today's environment, one or two shows can turn around a network's entire fortunes," says Carroll. "And thanks to *American Idol* and *Joe Millionaire*, the tide has suddenly turned to Fox's favor. But their emphasis must remain in the scripted arena if they want to keep the momentum going."

"Fox knows they can't just rest on reality," notes Brill. "With Sunday still strong, *24* returning on Tuesday and *Bernie Mac* back where it belongs [Wednesday at 9 p.m.], they have a number of shows to build from. Their biggest obstacle will be fixing Thursday and Friday."

WB

Households: 2.6/4 (+ 8 percent)
Total viewers: 4.09 million (+11 percent)
Adults 18-34: 2.0/6 (+11 percent)
No. 5 in households, total viewers, adults 18-34

All things considered, the frog net is growing by leaps and bounds. Ratings are up five of six nights of the week (Thursday is the exception). Sunday finally looks promising, thanks to *Charmed*. *Everwood* is a bona fide new hit, and reality has a home on the net for the first time in its history. With four hit dramas on Monday and Tuesday alone (*7th Heaven*, *Everwood*, *Gilmore Girls* and *Smallville*), the emphasis remains building a successful sitcom artillery. Although *Reba* remains the standout on Friday, expanding to a second night of young adult comedies on Thursday met with limited results this season.

"You really have to admire the progress the WB has made," says Adgate. "*Everwood* is the first show to click out of *7th Heaven*, and *Smallville* could be used as a building block on another evening. Although comedy is not a strong point, *Reba* could be used to build the night around." Adds Brill: "Now that they used *Charmed* to fix Sunday, Thursday is the priority. Opposite CBS and NBC, that's a programming challenge that won't come easy."

UPN

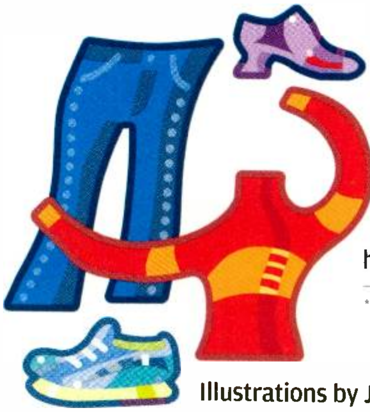
Households: 2.3/4 (-15 percent)
Total viewers: 3.56 million (-18 percent)
Adults 18-34: 1.6/5 (-16 percent)
No. 6 in households, total viewers, adults 18-34

Growth last year was a given thanks to the healthy *WWF Smackdown!* and the arrival of *Enterprise* and *Buffy, the Vampire Slayer*. Even a declining *Buffy* was enough to ignite UPN's dead-in-the water Tuesday line-up in 2001-02. But with *Buffy* calling it quits, *Enterprise* not holding up as well as its predecessors and 4-year-old *Smackdown!* showing signs of wear and tear, the future is uncertain.

While Monday remains consistent, every other night of the week has seen double-digit erosion. "UPN must recognize its strengths and eliminate the weaknesses," says Rash. "Instead of programming the network to a different target audience every night, they need to take what works and spread that theme elsewhere. If they can unify the nights, they'll have a better promotional platform to work with." ■

Marc Berman is a senior editor at Mediaweek who writes the daily Programming Insider *newsletter.*

APPAREL



PRIME-TIME NETWORK SPENDING IN 2002
$286.2 million*

HOT BUTTONS
National chains will put branding messages in high gear.

* Source: CMR

Illustrations by Joe Vanderbos

"War! What is it good for?" asks the classic anti-war anthem. Some retailers may well be asking the same question as they survey the landscape of an economy overshadowed by the Iraqi conflict, sagging consumer confidence and other concerns.

"War, weather, worry and holiday shifts continue to play havoc on retail sales data," says Michael Niemira, lead consultant for ShopperTrak's National Retail Sales Estimate.

In the first days of the Iraqi war in March, consumers were glued to their televisions. Many weren't exactly in the mood to shop, and retail business was threatened. Retailers and others scaled back on TV ads.

A shorter-than-expected war and the Easter holiday brought shoppers back to the malls, however. Fast-forward, and industry watchers are anticipating solid upfront business from retail advertisers.

"Major TV advertisers should return to a degree not unlike the past," predicts Bill McOwen, svp and managing director of broadcast for MPG Arnold. "We don't envision retail being that strong, but national branding should continue."

Although his company foresees a high-single-digit decrease in retail advertising overall, national broadcast is expected to buck the trend. "TV is the first place they shore up, and co-op money should help," he explains.

The hard-goods retail sector looks good, McOwen reports. Case in point: The Home Depot, which in February launched an estimated $350 million campaign around the theme "You can do it. We can help." Then, in April, the Big Lots chain went national with a $50 million campaign touting the fun of close-out shopping.

Meanwhile, apparel retailers are less predictable. "It's a question of how much more they have to bring back," McOwen says.

Last year, retailers brought more to the table than ever.

Wal-Mart upped its advertising spend by some 31 percent over 2001, laying out $73 million last year, per CMR. Ditto for Target, which last year pumped up its media buy by a healthy 16.5 percent to $160 million. Another national retailer, Kohl's Department Stores, which spent about half the amount Target spent last year, increased its presence nonetheless by 9.2 percent.

And this could be the year Kohl's goes national with TV ads. "It's just a hunch," McOwen says. "But they have grown their footprint, and national advertising may make sense for them."

Especially since consumers are still spending—even in the face of economic and geopolitical worries.

According to ShopperTrak's Niemira, "If you analyze the data and eliminate the noise, it becomes clear the war itself is having a relatively modest impact on the American consumer's spending habits."

ShopperTrak, which measures retail-spending data week to week, reports that U.S. retail sales grew 6 percent the week ending April 5 versus the previous week, and soared 11 percent over the comparable period in 2002.

"Building sales is an important issue for department store retailers right now," adds Elaine Francolino, equity analyst at Moody's Investors Service. "But I'm not sure how that will play out in terms of their advertising spend."

Especially during these times, retailers are seeking a closer connection to the consumer—and every player has employed, and stuck to, its own unique method for reaching out.

Wal-Mart continues its low-price branding and message of giving back to the community, while Target continues to hype designer labels at a discount.

Some retailer messages are getting cheerier—perhaps to combat images of war and feed consumer exuberance.

Gap this spring launched a campaign for GapStretch pants for women, to the strains of "Feelin' Groovy."

Even troubled Kmart, which expects to emerge from bankruptcy protection this month, offers upbeat Joe Boxer ads with the tag, "There's More To Life Than Underwear."
—*Sandra O'Loughlin*

Category: Apparel

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
Levi Strauss & Co.	$49.3 million
Kmart Corp.	$20.3 million
Nike Inc.	$15.6 million
Sara Lee Corp.	$14.5 million
VF Corp.	$13.3 million

TOP PROGRAMS FOR APPAREL ADVERTISING	EXPENDITURES
Super Bowl XXXVI	$4.4 million
The Simpsons	$3.0 million
Emmy Awards	$1.9 million

Source: Nielsen Monitor-Plus

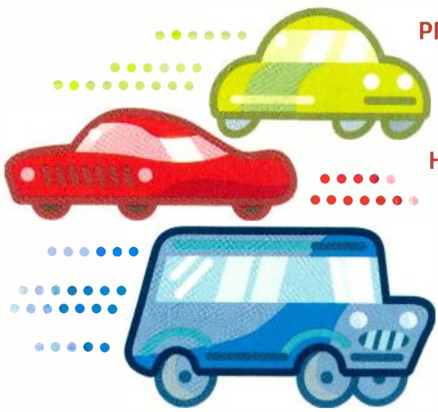
THE STRENGT


>>EX-TREME DATING
>>THE PRACTICE
>>TEXAS JUSTICE
>>DHARMA & GREG
>>THE HUGHLEYS
>>DIVORCE COURT
>>COPS
>>GOOD DAY LIVE

H TO SUCCEED

>>BUFFY THE
VAMPIRE SLAYER
>>THE X-FILES
>>FOX FEATURES
>>KING OF
THE HILL
MIKE JUDGE
>>ANGEL
>>THAT
'70s SHOW
TELEVISION
THE BRAND
AD SALES 212•556•2520

AUTOMOTIVE



PRIME-TIME NETWORK SPENDING IN 2002
$1.8 billion*

HOT BUTTONS
An historically high number of launches bodes well for the nets, as does the need for more brand building.

* Source: CMR

Auto marketers preparing for an historically high number of launches—some of the most important in recent memory—plus a spate of corporate and divisional branding initiatives mean Detroit will belly up to the network upfront this year. "This will set a new notch in the upfront," says Jim Sanfilippo, an auto analyst in the Detroit office of consultancy AMCI.

Last year, automakers spent $5.97 billion on the small screen, 30 percent of that on network prime time. Meanwhile, they laid out $2.5 billion on spot, about 42 percent of all TV. Well aware of the waning reach of network TV, automakers have said they will shift dollars to targeted efforts, pursuing multi-cultural, urban and regional gains. But there's no sign that will temper the rush for early dibs. In fact, double-digit increases are predicted for the upfront.

Last year, General Motors spent $421.4 million on network and $518.6 million on spot TV, per CMR. "For the total year, our spending will be slightly higher this year over last," says a GM representative—no surprise, since GM this year and next rolls out new product in nearly every division. This fall, Cadillac bows the SRX sport wagon. Also forthcoming: the Pontiac GTO, Buick Rainier SUV, and Chevy Colorado pickup and Equinox crossover.

Ford, which spent $314 million on network and $326 million on spot TV last year, will likely reverse that trend as the company launches its most important vehicle since the Model A, the redesigned F-150 pickup, the company's flagship and top-selling vehicle in the United States. Also, Ford readies the launch of its Freestar and Monterey minivans, and the company this year celebrates its centennial.

Sanfilippo says the Big Three this year will rely heavily on the upfront as part of an effort to reverse the incentive-driven sales model. "As they grab their conscience back from the spate of incentives at levels they never imagined two years ago, there will be a rush to repair their brand-building efforts," he says.

Jim Lentz, vp of marketing at Toyota Motor Sales, says this year's upfront activity will be driven both by more product and a bigger crowd. "There are over 20 major auto launches this year. But also, in the past, if you've looked at Kia or Hyundai, they may have had launches, but haven't had the bigger dollars to spend. That's changing as well," he says.

South Korean automaker Kia is in the midst of a new branding campaign—and Tom Smith, the company's new director of marketing communications, says Kia will ante up. "Our desire is moving in the direction of increasing that buy," he says. "We see it as a highly competitive marketplace this time around. Media is very tight right now, which suggests [the market] is leading into a feeding frenzy."

Suzuki, which wants to increase yearly sales from under 68,000 units to 200,000 units by model year 2007, will spend $40 million to push two recently unveiled 2004 models, and next year plans to boost its overall ad spending to more than $100 million. Meanwhile, Nissan, entering the full-size pickup arena, is throwing major ad support behind its first full-size model, out this summer. Mitsubishi just launched its newest SUV, Endeavor.

This, as Toyota is pushing four new vehicles this year, including the new Sienna minivan and N/G Prius, the redesigned Solara and the crew cab version of its Tundra pickup.

Toyota's Lentz says prime-time content—as much as the increasingly crowded playing field—could impact the company's ad strategy this year. The exploding popularity of reality TV, and subsequent soaring cost of rates, could cause a shift in the company's media buy. The company is mulling more of a spot mix, in the face of what Lentz expects to be a major CPM increase. "Are we going to shift dollars from prime network to spot? I can't tell you yet, but we are looking at it," he says. "Nobody's going to back out of prime, but when the cost per thousand rises as reach drops, it forces us to look outside of the box at other ways of marketing, including cable and spot."

He concedes that CPM increases over the past two years have been small. "But," he adds, "it still doesn't make anyone real happy if they have to pay double-digit increases."—*Karl Greenberg*

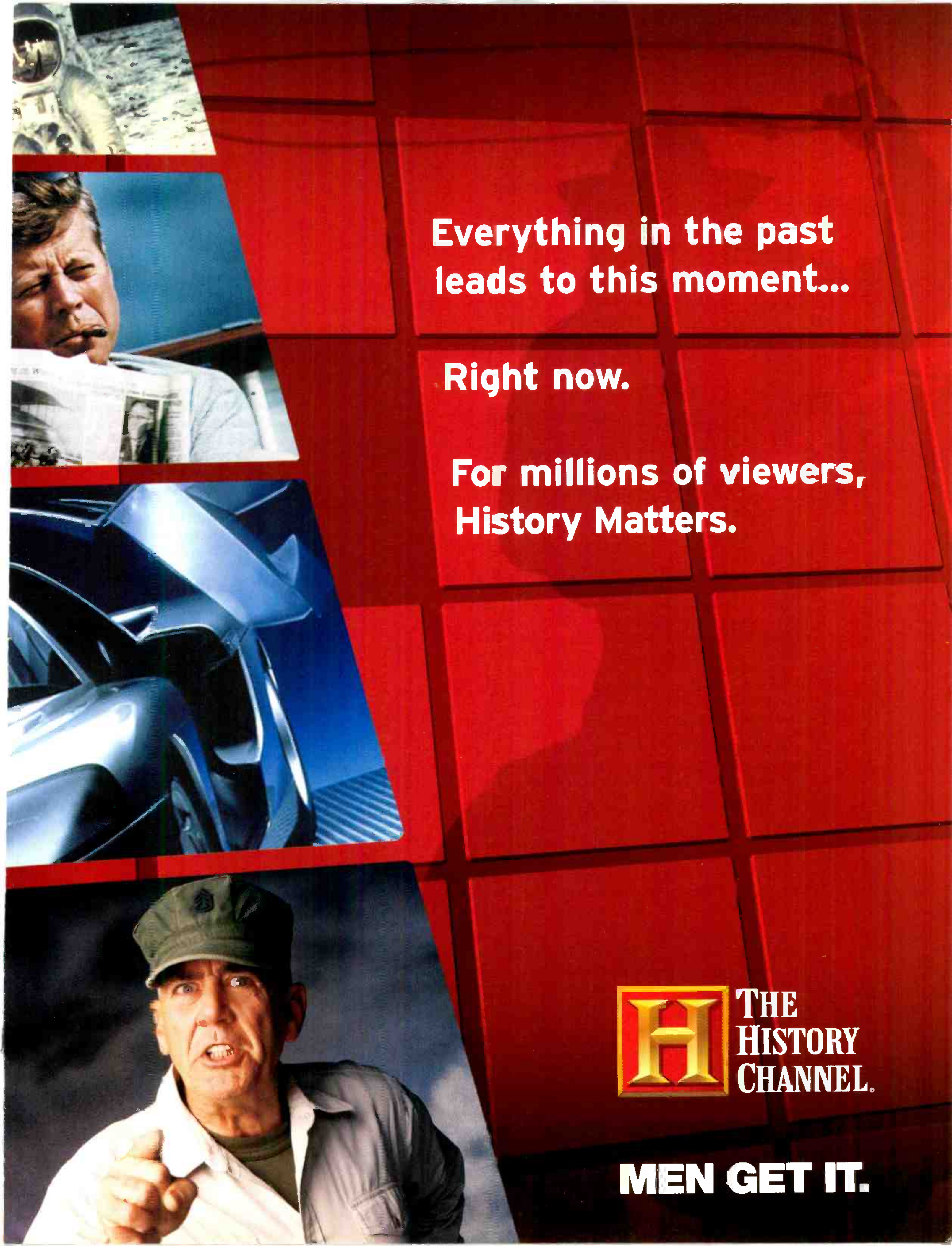
Category: Automotive

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
General Motors Corp.	$750.8 million
Ford Motor Corp.	$418.6 million
Toyota Motor Corp.	$250.4 million
Volkswagen AG	$232.4 million
DaimlerChrysler AG	$226.1 million

TOP PROGRAMS FOR AUTO ADVERTISING	EXPENDITURES
NFL Monday Night Football	$63.0 million
ER	$48.8 million
The West Wing	$43.3 million

Source: Nielsen Monitor-Plus



Everything in the past
leads to this moment...
Right now.
For millions of viewers,
History Matters.
THE HISTORY CHANNEL.
MEN GET IT.

BEER

PRIME-TIME NETWORK SPENDING IN 2002
$284.1 million*

HOT BUTTONS
Despite some slipping in the category, brewers are not backing out of "malternatives."

* Source: CMR

Last summer was the "malternative" season. About a dozen new brands hit what marketers in this arena call the ready-to-drink or flavored malt beverage category. Market leader Smirnoff Ice, Mike's Hard Lemonade and the new entries were backed by what was slated to be media support ranging from $300 to $450 million.

Some of those drinks came and went. Lackluster sales prompted SABMiller unit Miller Brewing to pull advertising support for Stolichnaya Citrona and Sauza Diablo. Coors Brewing dropped Vibe, a fruit-flavored extension of Zima, and Smirnoff Ice sales lost ground versus the previous year.

Industry observers took note of the failures and deemed malternatives a fad. Yet such pronouncements were premature. Extinction for some products is inevitable when a wave of new brands try to jump on the early success of a hot category. But this bandwagon may still be rolling. High-end beverages, which include malternatives and imported beer, will grab 43 percent of beer sales in supermarkets and drug stores by 2007, up from 32 percent in 2002, says Bump Williams, svp of global consulting for Information Resources Inc. He adds that RTDs still offer opportunity because these beverages are bringing new consumers to the beer and ale category. They not only are registering high trial rates but high repeat purchases.

Brewers apparently agree and are not backing out. Diageo, which has the most at stake in the category, rolled a Smirnoff Ice Triple Black extension with spot market buys during the Super Bowl telecast. The premium-drinks company this year will spend $110 million on advertising, promoting and sampling for Smirnoff Ice and Triple Black, and other flavors like Smirnoff Ice Raspberry and Jose Cuervo margarita malternative are possible new product launches.

Anheuser-Busch continues to push for more RTD shelf space, launching Bacardi Silver O^3, an orange-flavored extension, and a low-calorie version of Doc's Hard Lemon. Ad spending for Bacardi Silver and the O^3 extension will be on par with last year's Bacardi Silver outlay, which was $30.7 million, per Competitive Media Reporting. Miller will continue to buy advertising for Skky Blue, a $30 million account, and Jack Daniels Hard Cola.

Miller is scaling back on campaigns for malternatives—it introduced four last year—to focus on Miller Lite, whose market share last year dipped to 7.4 percent from 7.7 percent the year previous, according to *Beer Marketer's Insights*. The Milwaukee-based brewer's "Cat fight" spot, featuring buxom women fighting over "Taste great, less filling," attracted more attention—some negative—than Miller advertising previously had enjoyed. Miller will parlay that publicity with a series of sequels. Ad support for Miller Genuine Draft will shift from national buys to core markets, and the total 2003 budget for Miller brands, which includes Miller High Life, will be comparable to last year. Measured media spending for the three beer brands was $159 million.

Coors' ad spend this year also will be in line with last year. Measured media expenditures during 2002 for Coors Light and Coors Original was $166 million, per CMR. The Golden, Colo.-based brewer got on the radar of the coveted 21-to-27-year-old target market through its NFL sponsorship and "Rock On" ads, punctuated with high-energy music and raucous parties. This year's slate continues the celebration theme, as well as the "Guys' Night Out" mantra for Original Coors, while giving a nod of respect to the fairer sex with a remix of Tom Jones' "She's a Lady."

The bigger bucks will again be spent by Anheuser-Busch, the only brewer of the top 3 that saw shipments increase last year. A-B's prime-time budget will jump by 162 percent to more than $350 million.

The Michelob family, hitting an apparent home run with the launch of low-carbohydrate Michelob Ultra, will get at least $100 million of support, versus about $70 million last year. The No. 1 brewer has marketing agreements with 28 of the NFL's 32 clubs and intends to commit more than $100 during the games, three times more than Coors spent last season. Some spend will shift from national to local, as A-B supplements distributors' local promos.—*Mike Beirne*

Category: Beer

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
Anheuser-Busch Co.	$254.6 million
Adolph Coors Co.	$121.7 million
SABMiller PLC	$92.4 million
Heineken USA	$26.1 million
Boston Beer Co.	$8.8 million

TOP PROGRAMS FOR BEER ADVERTISING	EXPENDITURES
NFL Monday Night Football	$29.9 million
Super Bowl XXXVI	$19.8 million
Friends	$7.8 million

Source: Nielsen Monitor-Plus

THE MAN MADE MOVIE
Movie & a Makeover
THE MOVIES ARE JUST THE BEGINNING...
DINNER & a movie
THE MOVIE BREAK
Our movie showcases are the main event...
and your brand can play a major role.
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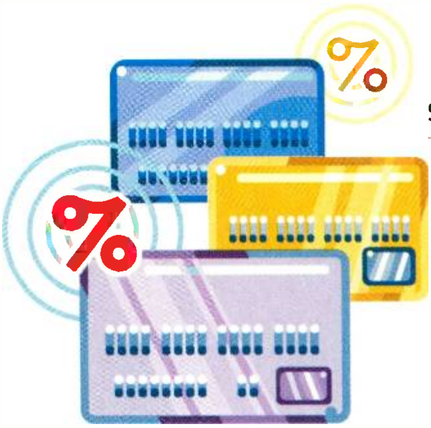
CREDIT CARDS



PRIME-TIME NETWORK SPENDING IN 2002
$352.3 million*

HOT BUTTONS
Co-branding and rewards promotions will raise spending for marketing campaigns.

* Source: CMR

Whether hooking in with theme parks, film festivals or sports leagues, credit card companies' knack for developing high-profile marketing campaigns—replete with big budgets—will be evident this year. The major players in the category will tap the assets of their glamorous partners to introduce fresh promotions and messaging.

MasterCard's advertising plans, for example, include a comprehensive fourth-quarter program via an alliance with Universal. Universal also is involved, along with Major League Baseball, in MasterCard's "Priceless Edge" internship initiative; designed to reach younger audiences, winners of an essay contest get the chance to earn a summer job helping produce a Universal CD or working at an MLB team. "Priceless Edge" is supported with winter and spring advertising.

For summer, MasterCard will launch an integrated weekend-themed usage campaign built around the "priceless" ways people use their Saturdays and Sundays.

In addition, MasterCard, a sponsor of the 150th anniversary of New York's Central Park, will place regional advertising related to the park and, nationally, will continue its base program of "priceless" spots. Debra Coughlin, senior vp global over North American brandbuilding for MasterCard, said the company will spend "a little more" on marketing in 2003 versus last year (which was, per CMR, $238.9 million). "We continue to invest strongly; it's what drives incremental volume," she says.

Visa executives also note the importance of prominent advertising, albeit balanced against economic and international uncertainties. "We need marketing now more than ever," says Becky Saeger, executive vp of brand marketing for Visa. "Our job is to keep the volume going and keep the Visa brand top of mind and be sure we drive business for our members." She estimates Visa will spend about the same this year as 2002's $277.5 million, per CMR, with a greater focus on usage messages. To that end, in the third quarter Visa will introduce a major rewards program for its successful check card, which boasts 127 million users.

Visa's two summer programs will feature the May kickoff of a family-oriented promotion with new co-branded card partner Disney, plus a Nascar initiative giving cardholders the chance to win a trip to a race. Also on tap: an ad-supported holiday promotion aimed at driving retail volume, and National Football League-themed spots to air during football season.

American Express, which laid out $169.4 million last year, will use its own impressive roster of sports and entertainment partners to build programs this year. AmEx will continue to spend around its "Official Card of…" campaign during sponsored events like the U.S Open tennis tournament and September's World Golf Championship. AmEx will again sponsor the springtime Tribeca Film Festival in New York and run ads in the New York area and Los Angeles.

In addition, the company will promote its Blue card with a music-themed campaign launched during the Grammy Awards, tying in with the "Save the Music" campaign, which encourages music programs in schools, and artists like Sheryl Crow.

AmEx's OPEN small-business network also will get attention this year, with new spots focusing on specific products and services. Other ads will support AmEx's upgraded rewards initiative for its charge card, which bowed last fall. Targeted regional programs based around co-branded cards such as Delta SkyMiles—one of which will award double miles at selected restaurants—are planned as well. "We put a lot of advertising behind [co-branded cards] in local markets, including TV opportunities, to highlight the benefits of the cards, and we will look to spend more behind that," says AmEx spokeswoman Desiree Fish.

Discover will focus on rewards positioning with ads touting its cash-back bonus program; three will air during back-to-school and holiday periods, carrying the "It pays to Discover" tag.

Discover, which spent $96.1 million last year, also will debut a new spot for its 2GO card this summer. On the regional front, Discover will support mall-based retail promotions, including its "Little Orange Gift Box" program, which gives shoppers boxes of mints and coupons.—*Hilary Cassidy*

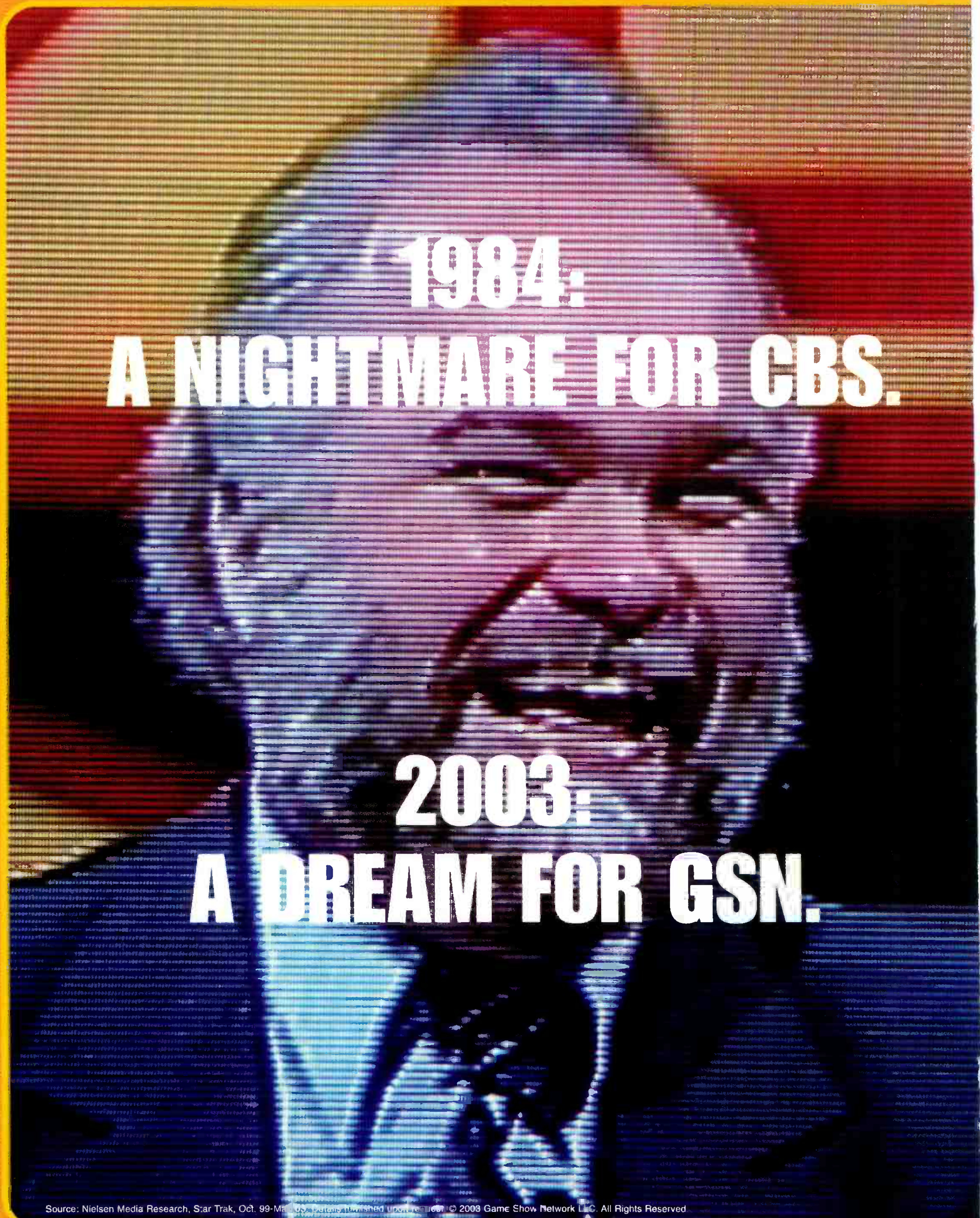
Category: Credit Cards

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
Visa International	$206 million
Mastercard Inc.	$127.6 million
Captial One Financial Corp.	$126.4 million
American Express	$59 million
Morgan Stanley Dean Witter & Co.	$41.5 million

TOP PROGRAMS FOR FINANCIAL ADVERTISING	EXPENDITURES
CSI	$9.9 million
Survivor: Thailand	$9.82 million
ER	$9.81 million

Source: Nielsen Monitor-Plus


1984:
A NIGHTMARE FOR CBS.
2003:
A DREAM FOR GSN.
Source: Nielsen Media Research, Star Trak, Oct. 99-Ma
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"... an invaluable and amusing piece of technological and cultural history."

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"A snappy documentary that charts a crafty little con job... "

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With a 1.8 average HH rating from 10-11pm, millions tuned in to see the incredible story of Michael Larson, an unemployed ice-cream truck driver who scammed CBS out of a fortune. This documentary was the first in a series, so look for more unique programming coming your way.

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FAST FOOD

PRIMETIME NETWORK SPENDING IN 2002
$938.8 million*

HOT BUTTONS
Burger segment unpredictable, as McDonald's continues to cut spending. Quick-casual and bakery-café chains are up and comers.

* Source: CMR

Coming off a tough 2002, the biggest restaurant spenders, fast-food leaders, are unpredictable as war. Major industry trends point to continued battles for share of stomach, as casual-dining chains and emerging quick-casual chains, led by low-spending bakery-café Panera Bread Co., devalue traditional cheap-and-fast food brand equity.

The burger segment grew 3 percent last year before inflation, while non-burger sandwich chains (Subway, Arby's) grew 12 percent, according to Technomic, Chicago. Bakery-cafés, led by Panera, rose 30 percent. Doughnut chains like Dunkin' Donuts and Krispy Kreme grew 12 percent, while the researcher's "other" category, including Starbucks, gained 12 percent.

More stores and generally unchanging per-store ad rates could spell a shift, evidenced by Subway's $218 million media spend last year, up from $176 million in 2001, as the chain hit the 13,000 store mark (outnumbering McDonald's) and as domestic sales climbed 16 percent to $5.2 billion.

McDonald's shaved media spending for the second consecutive year, from $629 million in 2001 to $537 million last year, per Competitive Media Reporting. Mickey D's continues to combat off sales with cost-cutting, even as a new post-"Smile" campaign prepares to air.

Analyst Mitch Speiser of Lehman Brothers, New York, characterizes the regime of ex-CEO Jack Greenberg as "set on unit growth, deals and toys, and not reinforcing competitive advantages and brand equity."

The November-to-February burger war isn't likely to be repeated due to commodity-market dynamics that have beef prices rising as summer approaches. A likely shift to premium sandwiches would make Wendy's, the quality-perception leader, "a particular beneficiary," says Speiser. Wendy's ended 2002 with positive sales but went flat in the first quarter. The company's relatively steady management and strategy puts spending plans on more solid footing than its larger rivals. Wendy's likely will up spending this year, particularly on promoting its kids' meals, an executive says. This would follow a spending boost from $231 million in 2001 to $270 million last year, when the brand bowed its first national Hispanic campaign and hiked late-night 24 percent.

Pizza leaders Domino's and Yum Brands' Pizza Hut appear more concerned with ongoing promotional calendars. A Pizza Hut rep says this year's spending will mirror last year's. Yum siblings Taco Bell, whose spending rose from $180 million in 2001 to $195 million last year, and KFC, which went from $206 million to $224 million, may change creative. Taco Bell, following major menu improvements, enjoyed a 7 percent jump in same-store comps last year. Meanwhile, KFC ponders the fate of spokesman Jason Alexander.

The leaders in casual dining—led by Applebee's, whose media spending amounts to $120 million, $70 million of that national, according to exec John Cywinski—are expected to see high single-digit sales increases. Applebee's and Outback Steakhouse—which significantly increased ad spending this year to levels approaching $100 million, according to management—blazed a trail with their to-go meal ads. Brinker, parent of the Chili's chain, spent $80.5 million on media last year.

"Relatively healthy" customer counts and average ticket will drive "accelerated sales growth" this summer, according to analyst Gerard Klauer Mattison, New York.

The role of media dollars is dubious across some of the most successful and emerging restaurant brands, though. Some of the most successful restaurant chains are also some of the lowest spenders on major media, as evidenced by Starbucks, whose U.S. restaurant sales increased 23 percent to $2.9 last year and whose consistently high same-store sales remained through the first quarter.

Likewise, spending is in the basement for brands in the emerging quick-casual sector, led by Panera, which is eyeing the 500 store mark with 30 percent store expansions. As that brand and others, including Wendy's Baja Fresh and McDonald's Chipotle, continue to expand, their use of traditional national media could increase.—*Bob Sperber*

Category: Fast Food

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
Yum Brands Inc.	$288.8 million
McDonald's Corp.	$273.5 million
Texas Pacific Group Inc.	$145.3 million
Wendys International Inc.	$134.2 million
Doctors Association Inc.	$102 million

TOP PROGRAMS FOR FAST FOOD ADVERTISING	EXPENDITURES
The West Wing	$16.7 million
ER	$15.8 million
NFL Monday Night Football	$15.6 million

Source: Nielsen Monitor-Plus

HEALTH&BEAUTY

PRIME-TIME NETWORK SPENDING IN 2002
$451.9 million*

HOT BUTTONS
Tie-ins with films will boost spending. Fierce brand loyalty among consumers help make category less prone to recession.

* Source: CMR

Cross-media deals and product launches continue to drive the health and beauty market, while corporate consolidations continue apace. But the question remains: Will new product lines and Hollywood tie-ins give the segment a boost in the upfront? Trends are pointing to robust business for the nets.

Revlon, following a pact last year that gave the cosmetics giant a prominent role in ABC's daytime drama *All My Children,* more recently did joint prime-time promos around 20th Century Fox's James Bond flick *Die Another Day*—featuring Revlon pitch girl Halle Berry—as well as the Paramount release *How to Lose a Guy in 10 Days.* Meanwhile, Procter & Gamble's Max Factor rode the wave of hype following the Best Picture Oscar for Miramax's *Chicago* with a similar tie-in.

Deals like those are only expected to continue—especially with major Hollywood players like Creative Artists Agency getting into the product-promotion game in recent times. CAA has grown to rep not just big stars like Sting but mega corporations like Microsoft.

Meanwhile, a slew of new products and brand-name spin-offs—from a hairspray launch by P&G's Pantene to a new line of shampoos and conditioners from the venerable skin-care giant Dove, a launch on which parent Unilever spent a reported $100 million—are helping business. Another boon: the tooth-and-nail battle between toothpaste giants from Crest to Colgate in the hotly competitive teeth-whitening market.

Health and beauty names are extending their brands into completely different arenas, meanwhile. P&G's Cover Girl has licensed its name to contact lens maker Ocular Sciences. And P&G, which last year spent $4.95 billion to acquire Clairol, moved to further dominate the health and beauty market with the purchase of Wella in March. This, as P&G pushes its Oil of Olay spin-off, Regenerist. Church & Dwight, meanwhile, repositioned its Nair depilatory to appeal to a younger customer.

As some brands expand, others are disappearing. P&G just pulled the plug on its Vidal Sassoon hair-care line, which it acquired with the Clairol deal.

The health and beauty upfront is shaping up to be most solid, if recent ad-spending patterns are any indicator. According to Competitive Media Reporting, nine of 10 top spenders in the category spent more on network TV last year than the year before—most by healthy double digits.

P&G, the biggest customer in the field, laid out a whopping $277.7 million last year, versus $179.6 in 2001, a difference of 54.6 percent. Other increased commitments came from Johnson & Johnson, with $147.1, up 32.3 percent; Gillette Co., with $109 million, up 82.3 percent; and Unilever with $104.9 million, up 20.7 percent.

Laggard economic conditions likely won't have much impact on this category, many say. The health and beauty business, while not exactly "recession-proof," is less affected by the economy, points out Debbie Millman, president of New York-based marketer Sterling Group, whose clients include Dove, L'Oreal and Revlon. "Despite the economic turbulence, you'll still see beverage and food launches, shampoo and conditioner launches. You will continue to see relaunches, reintroductions, brand extensions," Millman predicts.

Another factor likely to drive business: the strong emotional connection and fierce loyalty consumers have to these products—making their messages especially resonate during uncertain economic and geopolitical times like these. "These brands have such a tie to our culture that seeing them actually reinforces positive, American brand values," Millman says.

Still, others predict sluggish times for the segment, threatening to derail prospects for the upfront. Health and beauty "is not one of the hottest categories in the industry," maintains Rich Hamilton, CEO of ad research firm Zenith Media, New York, which predicts only low-to-mid single-digit increases in total spending on the category this year.

While P&G continues its acquisition binge—and doubles up its ad buy—that single player "is not big enough to drive the whole market," Hamilton points out.—*Tony Case*

Category: Health & Beauty PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
Procter & Gamble Co.	$428.3 million
Johnson & Johnson	$184.7 million
Gesparal SA	$182.8 million
Unilever	$130.7 million
Gillette Co.	$108.5 million

TOP PROGRAMS FOR HEALTH/BEAUTY ADVERTISING	EXPENDITURES
ER	$25.5 million
Will & Grace	$20.6 million
Friends	$19.8 million

Source: Nielsen Monitor-Plus

MOVIES

PRIME-TIME NETWORK SPENDING IN 2002
$870.6 million*

HOT BUTTONS
Sequels to *The Matrix* and *Terminator* are a sure thing at the box office. Consumers craving escapism.

* Source: CMR

It's not a bad time to be in the movie business, all things considered. In times of conflict, consumers crave catharsis in comedy, and distraction in drama, drowning their sorrows with artificially flavored popcorn butter. With the combined effects of skyrocketing ticket prices and escapism-seeking Americans going to the movies in record numbers, film studios are faring well in an environment that's murky for most marketers.

Total studio advertising spending for 2002 amounted to $871 million—up 10.3 percent over the previous year. Likely, this means the entertainment category will invest a healthy amount of dough in the forthcoming upfront.

Caution is the word of the day for most brands in these tumultuous times, naturally.

Ray Warren, managing director at media buying agency OMD, says that advertisers in many categories have tended to pull back their option buys at the beginning of April, deadline for the 90-day window for the third quarter. "As we get closer to the 2003-2004 season, our advertisers are sending a slightly different signal than they were earlier in the year," Warren reports.

But entertainment is a different animal. According to research from media buying agency Initiative Media conducted at the height of homeland security scares, 84 percent of Americans were not at all reluctant to go to movie theaters, and about three-quarters of those surveyed said the war was not impacting their plans to spend disposable income on films and other out-of-home entertainment activities. Fully 78 percent of respondents said they planned to see a comedy.

When it came to advertising messages, humor also fared well. Comedy was ranked as the most appealing aspect of movie ads, followed by patriotic symbols.

"As a country, we're going to movies at a greater clip and spending more per ticket," says Tim Spengler, executive vp and director of national broadcast at Initiative Media. "We anticipate entertainment to be one of the strongest categories [in terms of year-to-year growth] in this upfront."

That's primarily because the studios have a slew of blockbuster movies with recognizable brand names on their slates. Among the most anticipated forthcoming features: *The Matrix Reloaded* and *Matrix Revolutions* (Warner Bros.) and the latest installment in the *Terminator* series, *T3: Rise of the Machines* (also from Warner Bros.).

Other much-awaited releases: Columbia's *Charlie's Angels: Full Throttle*, 20th Century Fox's *X2*, Universal's *The Hulk*, *2 Fast 2 Furious* and *The Cat in the Hat*, Disney's *Pirates of the Caribbean*, Miramax's *SpyKids 3*, MGM's *Legally Blonde 2: Red, White and Blonde*, and Paramount's *TombRaider 2: The Cradle of Life* and *Rugrats Go Home*.

"There are more sure things coming out, better investments—a *Matrix 2* versus a *Waterworld* as a wild card," Spengler says.

With more competition than ever among entertainment product—not just movies, but video games, for example—consumers face a multitude of forces vying for their hard-earned cash.

Expect to see studio marketers pony up advertising bucks toward ensuring box office dreams rather than duds.

Also, expect studios to continue to put more focus on the growing home-entertainment market. Disney is investing a whopping $200 million in overall marketing support for the DVD re-release of *The Lion King*—a budget that eclipses the outlay for most theatrical releases.

Sales of DVD players have reached a critical mass, the result of price-slashing, consumer comfort with the format and the explosion in such DVD-only features as directors' cuts, trailers, Easter eggs (hidden features) and commentary tracks.

Studios increasingly are using major TV campaigns to push DVD releases.

By doing so, they have found that they can convince consumers to invest in the DVD version of a movie they may have rented before or, in some cases, which they already own on videotape.—*Becky Ebenkamp*

Category: Movies

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	NETWORK TV $$$
AOL Time Warner Inc.	$259.5 million
Sony Corp.	$220.5 million
Walt Disney Co.	$174.6 million
News Corp Ltd.	$126.9 million
Vivendi Universal SA	$124.8 million

TOP PROGRAMS FOR MOVIE ADVERTISING	EXPENDITURES
Friends	$35.9 million
ER	$27.7 million
Will & Grace	$22.3 million

Source: Nielsen Monitor-Plus


COMEDY CENTRAL

PRESCRIPTION DRUGS

PRIME-TIME NETWORK SPENDING IN 2002
$510.1 million*

HOT BUTTONS
Drop off in DTC spend keeping business flat, even as a slew of new product launches emerge.

* Source: CMR

As expected, direct-to-consumer (DTC) prescription drug advertising is leveling off for major media outlets, including network prime time. That's largely the result of a fairly lackluster pipeline of pharmaceuticals in development, along with the number of highly advertised blockbuster drugs that have come off patent, or will be shortly.

Pharmaceuticals to treat ailments such as arthritis and allergies are typically advertised to consumers, but many of the bigger Food & Drug Administration approvals in 2002 were for drugs and treatments that don't as easily lend themselves to consumer media—including new drugs for cancer treatment, schizophrenia and irritable bowl disorder.

The double-digit increases the category has enjoyed over the past few years are clearly over for now, and this year analysts are predicting pharmaceutical advertising to be nearly flat or at best, perhaps, a slight bump. Following years of rapid growth, last year—and for the first time since 1997—pharmaceutical advertising declined compared to the year previous. Overall, drug companies dropped their ad spends in 2002 by 9 percent to $2.5 billion, per Competitive Media Reporting.

TV advertising was not hit the hardest; instead, newspapers suffered the biggest declines. Nonetheless, the picture wasn't exactly rosy for the nets: prime-time DTC spending skid by 6 percent last year to $510 million.

Merck's Zocor, Pfizer's Lipitor and other medications in the cholesterol and blood pressure categories have accounted for a good amount of DTC advertising over the past several years. New product didn't necessarily spell new business for media. Zetia, one of the newer cholesterol medications, approved by the FDA at the end of last year, initially was expected to be supported with a major consumer media blitz. But co-marketing partners on the drug, Schering-Plough and Merck, recently said instead of a major DTC pitch—which could have been in the $100 million range, in line with competitors—marketing for Zetia would instead focus on detailing to physicians.

Media spending in the highly visible prescription allergy segment is likely to drop off, perhaps by as much as 50 percent, if insurers manage to get the FDA to push the three major allergy pills—S-P's Clarinex, Aventis' Allegra and Pfizer's Zyrtec—over the counter.

Last year, Aventis spent $130 million on media for Allegra, which was the second-most-advertised drug in 2002 after AstraZeneca's Nexium. Out of that $130 million, $24 million was allocated to prime-time network spots. Similarly, Pfizer's Zyrtec bought $20 million in prime-time business last year.

Though S-P currently has an approximate $40 million total media push for its now-OTC Claritin, in addition to a campaign for the next-generation prescription version Clarinex, typically advertisers spend quite a bit less on marketing the less profitable OTC drugs. Already, many insurers are not reimbursing patients for prescription allergy drugs since Claritin went OTC.

One of the bright spots for the immediate future: two new impotence drugs meant to rival Pfizer's groundbreaking Viagra, both which are expected to be approved for sale in the U.S. this year. The new treatments: Cialis from Eli Lilly and Levitra, a joint effort between GlaxoSmithKline and Bayer. Both drugs are being touted as working faster than Viagra. Lilly's Cialis claims to be effective for up to 24 hours.

All that is bound to result in a major ad war between the three brands, which could account for at least an additional $75 million to $125 million in network prime-time ads, based on the size of a typical blockbuster campaign and recent media support for Viagra.

Just a handful of other drugs expected to be approved in the next 12 months are likely to be launched with significant DTC support. Those include: Abbott Laboratories' Humira for rheumatoid arthritis; AZ's cholesterol drug, Crestor; and Cymbalta, a Eli Lilly antidepressant.

Pfizer put a total of $87 million into DTC ads last year, $27 million of that going toward prime-time network, per CMR. —*Christine Bittar*

Category: Pharmaceuticals PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
GlaxoSmithKline PLC	$202.8 million
Pfizer Inc.	$166.8 million
Merck & Co. Inc.	$126.6 million
Johnson & Johnson	$116.9 million
Astrazeneca PLC	$110.4 million

TOP PROGRAMS FOR PHARMACEUTICAL ADS	EXPENDITURES
60 Minutes	$18.9 million
CBS Sunday Night Movie	$18.6 million
JAG	$13.5 million

Source: Nielsen Monitor-Plus

SOFT DRINKS

PRIME-TIME NETWORK SPENDING IN 2002
$320 million*

HOT BUTTONS
In the midst of a period of rapid innovation unlike any this country has ever seen, the soft drink giants have vowed not to lose sight of their core brands.

* Source: CMR

While a flavor of the month, literally, is common in Japan, new soft drink rollouts had been slow-going in this country. Sure, there was a new diet drink here, a new juice there, but nothing like the new-product frenzy that has ensued of late. This year, cold vaults at a convenience store near you will continue to be as crowded as a fraternity in a phone booth, with forthcoming launches of tropical-flavored Sprite Remix, orange-flavored Mountain Dew LiveWire and possibly Vanilla Pepsi.

These new innovations come after last year's successful roll-out of Vanilla Coke and not-nearly-as-successful debuts of Pepsi Blue, Dr Pepper Red Fusion and dnL.

"Without these introductions, there's no growth in the category whatsoever," says Debbie Wildrick, category manager for beverages at Dallas-based 7-Eleven. "Unique beverages like Mountain Dew LiveWire and Code Red can bring some of the younger generation back into carbonated soft drinks." Last year, Coca-Cola managed to grow its market share 0.6 percent on the back of Vanilla Coke to give it 44.3 percent of the carbonated soft drink category. Pepsi fell 0.2 percent to 31.4 percent.

Two-year-old Mountain Dew Code Red, which kicked off the whole innovation frenzy, is still going strong with 93.5 million cases sold last year, making it the No. 13 carbonated soft drink. Vanilla Coke was the No. 15 drink with 90 million cases sold, per *Beverage Digest*. Pepsi Blue, conversely, sold only about 17 million cases.

With these new introductions comes significant ad spending. Last year, Pepsi shelled out $27.5 million on Pepsi Blue and $6 million on Code Red, says CMR. BBDO New York crafted both efforts. Coca-Cola ponied up $23 million on Vanilla Coke ads, created by The Martin Agency, Richmond, Va.

Despite the swirl of attention new brands bring, both Coke and Pepsi have realized they need to stick with the brands that brought them to the dance. Both cola giants will tout their core brands with renewed vigor this year.

Last year prime-time network spending for carbonated soft drinks was off significantly, down 12.1 percent to $272 million from $309 million in 2001. Coca-Cola Classic pulled back its spending following a handful of ham-fisted ad efforts. Spending on the brand fell 39 percent to $95 million. Brand Pepsi also saw a steep decline of 29.2 percent from last year's spending of $73 million. Not surprisingly, spending across all media in the category fell 12.9 percent to $618 million.

That trend appears to be reversing, as Coca-Cola burst out of the gates in 2003 with its ubiquitous "Real" campaign, created by WPP Group's Berlin Cameron/Red Cell, New York. The top cola company has vowed to spend $20 million on cable for its "Do what feels good" Diet Coke ads, via Foote, Cone & Belding, New York. Diet Coke spending has been all over the map the last couple of years. In 2001, it amounted to $41 million, compared to just $16 million the year previous.

That's not to say Pepsi has been quiet. It kicked off this year with heavy first-quarter spending on the national launch of lemon-lime entry Sierra Mist, including a BBDO-produced Super Bowl spot. Diet Pepsi's "Think Young. Drink Young" campaign was also promoted during the big game. Pepsi spent $32 million on its most popular diet drink last year, compared to just about zilch in 2001.

The flurry of Pepsi's new brand work began during the Academy Awards with Destiny Child's Beyonce Knowles starring in her first ad, shot by Spike DDB, New York. Pop star Shakira also appeared in a new spot from BBDO. Non-carbonated soft drinks like Gatorade and Aquafina saw increases in media spending last year. Drinks "without gas" were up 11.5 percent during prime time, laying out $48 million. The segment saw a 4.8 percent bump to $190 million across all media.

The beverage giants will continue to invest in the exploding non-carbonated arena, as illustrated by the new "Purity guaranteed" Aquafina campaign, via Element 79, Chicago. Coke spent less on Dasani and Powerade last year compared to 2001. However, new creative for Dasani and others is expected later this year.—*Ken Hein*

Category: Soft Drinks

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
Pepsico Inc.	$134.5 million
Coca-Cola Co.	$122.7 million
Cadbury Schweppes PLC	$107.1 million

TOP PROGRAMS FOR SOFT DRINK ADVERTISING	EXPENDITURES
NFL Monday Night Football	$11 million
Simpsons	$6 million
Survivor	$5.8 million

Source: Nielsen Monitor Plus

TECHNOLOGY

PRIME-TIME NETWORK SPENDING IN 2002
$974.7 million*

HOT BUTTONS
Wireless-both technology and services-will fuel growth. Telecom rivals competing with cross-media promotions.

* Source: CMR

Ten years ago, the long distance business was one of the largest advertising categories, with more than $1 billion in spending, as AT&T, MCI and Sprint tried to coerce consumers into leaving one for the other. Now, the long distance business has receded far into the background. While AT&T and MCI are way down in spending, Sprint doesn't even advertise long distance anymore.

That's not to say the telecom category is dead. As a matter of fact, it's booming, thanks to wireless, which has become reminiscent of long distance a few years back.

Despite 60 percent saturation in the United States, which, analysts say, may be the limit, spending among the top five wireless firms—Verizon Wireless, AT&T Wireless, Cingular, Sprint PCS and Nextel—jumped 32 percent in 2002, way out of proportion with subscriber growth, which, for some, has hit a wall. Cingular, for instance, saw its first drop in subscribers in 2002, as did Sprint PCS.

So if growth has slowed, why all the spending? For the same reason the long distance companies spent like mad in the '90s: churn. With little brand loyalty in the category, customers are easily lured into switching services by price, phone selection and new so-called third generation, or 3G, services that include more robust Web surfing and color screens.

The carriers are trying their hardest to build brands. Take Verizon Wireless, whose Test Man character, introduced in early 2002, has become a successful hook, cited by some financial analysts to explain the company's larger-than-average growth.

Telecom advertisers have jumped into cross-media promotion in a big way. Verizon Wireless was integrated into a February episode of ABC's hit John Ritter-helmed sitcom *8 Simple Rules for Dating My Teenage Daughter.* The question remains: Is Verizon benefitting from clever marketing, or from spending more money than any other brand in the world in 2002? (Verizon laid out $661 million last year, per Competitive Media Reporting.)

Rivals like Cingular and AT&T Wireless are no doubt pondering that. Meanwhile, they're hedging their bets by continuing to boost their own spends. The outlook for 2003 is more of the same. Though spending sagged a little in the first quarter, analysts say fourth-quarter outlay should be huge and spending will continue to grow.

In one positive sign, WorldCom appears to be back on track, though this time around it is known as MCI. The new company, analysts say, is in good shape to compete, largely because it doesn't carry any debt, a huge advantage over players like Verizon, which owes about $65 billion.

Meanwhile, the tech category continues to slump. Tech was the No. 13 category in spending, per CMR, and the first sequentially to cut its spend in 2002 versus 2001. The reason? Lackluster outlays for most of the big tech brands, like IBM (up 5.8 percent) and Intel (down 23 percent), and not much new blood. Dell, which continues to defy economic conditions, was the only standout, with a 142 percent jump in spending.

In an industry so closely tied to the economy, predicting a rebound is a fool's errand. To make the picture even gloomier, there is no blockbuster product set for 2003. Microsoft's biggest new product launch is a revamp of Office set for this summer, but that's likely to be a relatively low-key launch.

There are some bright spots, however. Intel, for example, is betting big on Centrino, a new wireless technology it is backing with a $300 million global investment. AOL and MSN, meanwhile, must try to convince users rapidly fleeing dial-up for broadband to keep their services, which could mean bigger marketing investments. AOL took the lead with a high-profile, $35 million campaign that broke during the Academy Awards featuring actress Sharon Stone.

The stakes are high for both online dynasties, but especially AOL, which cut its ad spending by 22 percent last year. After parent company AOL Time Warner took a $99 billion loss for 2002, the company has to move quickly to hook users on its broadband content. Otherwise, it will find itself in the position of long distance companies—presiding over a dead-end industry in rapid decline.—*Todd Wasserman*

Category: Technology

PERIOD: Jan 1, 2002 - Dec 31, 2002

ADVERTISER	PRIME-TIME NETWORK TV $$$
Verizon Communications Inc.	$247 million
Sprint Corp.	$220.8 million
AT&T Co.	$150.9 million
SBC Communications Inc.	$102 million
Microsoft Corp.	$98.3 million

TOP PROGRAMS FOR TECH ADVERTISING	EXPENDITURES
ER	$26.8 million
Law & Order	$24.4 million
The West Wing	$22.5 million

Source: Nielsen Monitor-Plus

NEWSPAPERS: THE ABCs

	Daily Circulation	Sunday Circulation	Daily Market Penetration	Sunday Market Penetration
Honolulu Island: 290,250 Households				
The Honolulu Advertiser	137,232	160,060	47.1%	55.0%
Hawaii Island: 55,350 Households				
Hawaii Tribune Herald	19,692	23,309	36.3%	42.9%
West Hawaii Today	11,728	15,518	21.6%	28.6%
The Honolulu Advertiser	4,942	4,186	9.1%	7.7%
Maui Island: 45,473 Households				
The Maui News	24,408		53.7%	
The Honolulu Advertiser	5,636	3,672	12.6%	8.2%
Kauai Island: 21,021 Households				
The Lihue Garden Island	7,945	9,064	40.6%	46.3%
The Honolulu Advertiser	3,319	3,085	16.9%	15.7%

Data is based on audited numbers published in the Audit Bureau of Circulations' October 3, 2002 County Penetration Report.

NIELSEN RATINGS / HONOLULU

EVENING AND LATE-NEWS DAYPARTS, WEEKDAYS

Evening News

Time	Network	Station	Rating	Share
5-5:30 p.m.	ABC	KITV	7.3	21
	Fox	KHON	6.9	20
	CBS	KGMB	4.8	14
	NBC	KHNL	3.7	10
5:30-6 p.m.	Fox	KHON	7.7	19
6-6:30 p.m.	Fox	KHON	15.6	31
	ABC	KITV	8.2	17
	CBS	KGMB	5.7	11
	NBC	KHNL	5.4	11

Late News

Time	Network	Station	Rating	Share
10-10:30 p.m.	Fox	KHON	12.5	26
	CBS	KGMB	8.5	18
	NBC	KHNL	8.1	17
	ABC	KITV	7.0	15

All data estimated by Nielsen from diary returns of early and late local newscasts only.
Source: Nielsen Media Reearch, February 2003

(*continued from page 18*) umbia. John Flanagan, who had served as editor and publisher of the *Star-Bulletin*, stepped down in March 2002. He contributed to the editorial pages for about nine months before leaving the paper at the end of last year. Also in March 2002, Frank Bridgewater was promoted from managing editor to editor of the *Star-Bulletin*.

Bridgewater says that following the end of the JOA, the *Star-Bulletin*, having to build the new stand-alone paper hastily, had many hurdles to clear, including expanding its printing press and distribution. However, he now feels confident in the paper's ability to compete.

"In terms of quality, there's no doubt that the *Advertiser* is a better paper than it was two years ago because we're here," Bridgewater says. He concedes that the *Star-Bulletin* is outmatched in financial, staffing and circulation resources. Bridgewater estimates the *Star-Bulletin*'s current circulation is about 63,000. The paper has indicated it intends to resume being audited by ABC sometime this year.

Among recent changes at the *Star-Bulletin*, the paper last fall introduced a column written in Hawaiian. "It's the first time in more than 50 years that a general-circulation newspaper has had something written in Hawaiian on a regular basis," says Bridgewater. The column, which appears on page A2 on Sundays, is coordinated by two University of Hawaii professors. The *Star-Bulletin* also hired four new columnists who represent different segments of the community.

In addition to the *Star-Bulletin*, Black's Midweek Printing Inc. also owns *Midweek*, a free weekly shopper with distribution of 260,000, along with several local military papers.

The Honolulu radio market is ranked No. 61 in the country and is approximately a $25 million DMA for radio advertising, according to Nielsen Monitor-Plus (*see Monitor-Plus chart on page 16*). According to BIA Financial Network, the local radio market is actually closer to $33 million per year. "The Hawaiian music market is very robust," says Dan Manella, vp/gm of Honolulu-based New Wave Broadcasting.

Radio behemoth Clear Channel Communications is the largest player in Honolulu, with a 41.3 percent share of radio ad revenue, according to BIA Financial Network. The company owns seven stations in the market, including the overall leader, Adult Contemporary KSSK-FM. (One Clear Channel station is too weak to show up in the Arbitron market rankings.)

New Wave Broadcasting, which owns five stations in the market (its Radio Disney affiliate, KORL-FM, does not show up in the Arbitrons), hired Manella on March 3. He had previously headed the Milwaukee Radio Alliance, a small, privately owned radio group in that market. Last year, New Wave flipped its Adult Contemporary station KORL-FM to Hawaiian, with new call letters KHUI. Three of the top 10 stations in the market carry the Hawaiian format.

Cox Radio owns two Hawaiian stations, including KCCN-FM, No. 1 overall in the format, along with KINE-FM, the format's No. 2 player. Cox owns a total of four stations in Honolulu and operates Oldies outlet KGMZ-FM and News/Talk KKEA-AM under joint sales agreements.

Maverick Media owns three stations in the DMA that are in the process of being sold to Real Radio of America, pending FCC approval. Two of the properties, KUMU-AM and KUMU-FM, simulcast between 6 and 10 a.m. Monday to Friday. Maverick's third outlet, KAHA-FM, launched last July. Called "The Big Kahuna," KAHA is now the market's only Classic Rock station.

The out-of-home advertising market is virtually nonexistent in Hawaii because stringent local zoning ordinances ban traditional billboards. ■

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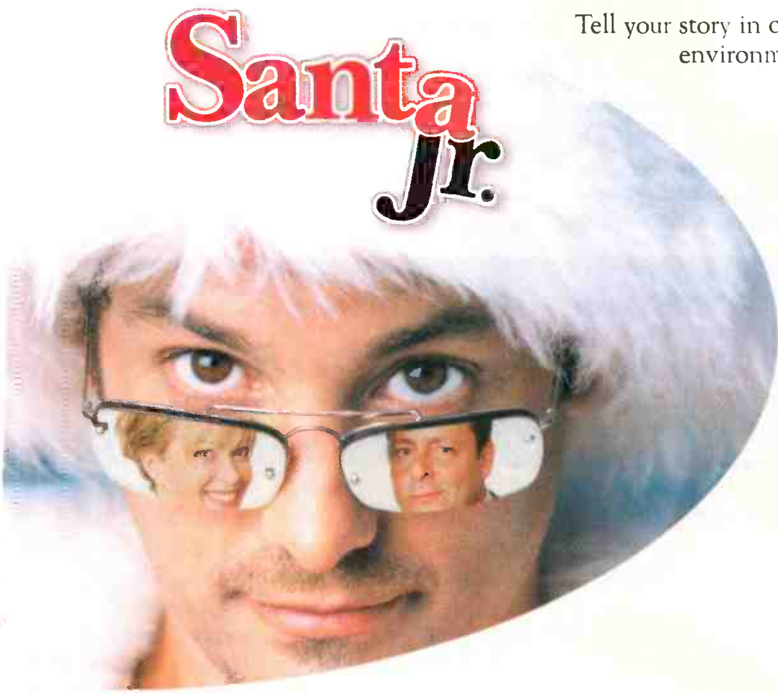

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BY ROBERT PASSIKOFF

The Ministry of Silly Segmentation

Research studies on TV viewers can promise a lot more than they deliver

MEDIA ANALYSTS, REJOICE! A RECENT SEGMENTATION STUDY BY THE CENTER FOR E-SER- vice at the University of Maryland's Robert H. Smith School of Business has identified five types of TV watchers. Not a moment too soon, because we were getting antsy, wondering just what we should call all those millions of people sitting around staring at glowing tubes from coast to coast.

Apparently these folks called a random sample of adults and asked them questions about their TV habits. Using data supplied by something called the National Technology Readiness Survey, the study defined five "TV Sign" segments: Innovators; Convergence Viewers; Media Controllers; Skeptics; and Passive Viewers.

Aside from the strong likelihood that the respondents were paying more attention to their TVs than the interviewers, this raises two Great Unasked Questions: Why the hell should anyone care about this stuff, and, now that you know this, what are you going to do about it?

The researchers who conducted the segmentation study apparently felt that ever-changing technology and the proliferation of niche networks and new programming has caused great confusion among viewers. Indeed, the study found that 70 percent of adults want "good" information on the content of TV programs so they can watch what they are "comfortable with." Fifty percent thought that the number of choices on TV is overwhelming.

Whoa, heady stuff this! Did anyone actually need a study to discover those trenchant facts? In the lexicon of brand research, we'd suggest that this segmentation study provides "excellent answers to meaningless questions."

We wonder whether these people who want "good" information are too busy watching TV to occasionally glance at a *TV Guide* or turn to the program-listing channel that's supplied by nearly all cable and satellite operators. In case the researchers hadn't noticed, providers have already exceeded consumers' information needs and expectations by putting myriad little buttons on their remote controls that provide extensive information about programming. This information can be retrieved while you watch a show, time-shift a program, or just surf. You push a button and it tells you the show's plot and the main characters. It identifies the genre, and it can lead you to other shows like it. Or not like it. As the study did not identify a segment called "TV Techno-Peasants," I thought it reasonable to assume that most of the respondents could push a button on a remote.

We also wonder how much money and effort went into this exercise, because unless we've missed something of galactic proportions, this project would appear to be market research's version of *Monty Python's* Ministry of Silly Walks. How does drawing little boxes around people sitting on couches across America change the fate of nations, of marketing—or even of people sitting on couches across America? Will those cute new names for five alleged "types" of viewers change programming, commercials, or anyone's brand or media habits?

As technology morphs and more media emerge, are we in the early dawn of a new era bristling with thrilling new market segments that might include Innovative Couch Potatoes, Skeptical Media Controllers and Passive Convergers? How about Spiritually Awakened Viewers, Depressed TV Controllers or Antagonistic TV Innovators? Given those possibilities, I hope for the sake of the research company that the check has already cleared.

It's all very interesting, but not very useful. It certainly would never have led programmers to create *Are You Hot?* or *Joe Millionaire*. And for that we should, perhaps, be truly thankful. ■

Robert Passikoff is founder and president of Brand Keys Inc., a brand and customer loyalty consultancy. He can be reached at 212-532-6028, x12.

LETTER TO THE EDITOR

Low CPMs Don't Mean Less Value

I radically disagree with Erwin Ephron's statement, "A high CPM indicates greater value, a low CPM, lesser value" in his column "The Wonder of CPM" ("The Blunt Pencil," *Mediaweek*, April 7). He also states that media with higher CPMs "provide greater attentiveness and a better environment" because they presumably offer more of a targeted audience.

FHM and *Maxim* have permanently altered advertising in the men's-magazine field because of a simple fact: We each sell hundreds of thousands of copies at the newsstand every month; hence, we don't have to pass all of our costs on to the advertising community the way our weaker competitors do. Because *FHM* is in high demand, buyers are shopping in droves and paying full boat for the magazine. *FHM* and the "laddie" category of magazines are able to offer more-efficient CPMs than the other guys can because we have a better business model: Produce a magazine that is reader-driven and one that readers are willing to pay full price for on a regular basis. This delivers a higher value to advertisers than magazines that are overly dependent on short-term subscriptions. A marketer gets the best of both worlds—a low CPM, a higher value for his advertising, and very targeted vehicles for reaching the young adult market.

One of the fundamental differences between print and broadcast is that we have two revenue sources: readers and advertisers. Profitable circulation, an elusive goal for many magazines, has enabled publications such as *FHM* to deliver the magic trio—efficiency, value and targeted reach—that has been missing from the men's market for decades. Mr. Ephron and I certainly agree on two things: Low CPMs are good! Efficiency is good! But to suggest they are a trade-off for "greater attentiveness" and a "better environment" is a false assumption, belied by our unprecedented newsstand growth and continued circulation strength.

Dana Fields
Executive Publisher and President
FHM
New York

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On Sale Now

Everything she loves about Lifetime, now in your hands.

The Premiere Issue of Lifetime Magazine is about to start a love affair with the kind of thirtysomething women you'd love to reach. Our sincere thanks to the many, many launch advertisers who believe in our mission, our message, and the resonance of the Lifetime brand.

July/August issue closing soon. Monthly starting in September. For more information, call VP, Publisher Susan Plagemann at 212-649-2801.

media elite

EDITED BY ANNE TORPEY-KEMPH

Quicktakes

***RUNNER'S WORLD* EXECUTIVE EDITOR**
Amby Burfoot will have a celebrity sidekick on the course today as he marks the 35th anniversary of his victory run in the Boston Marathon. The winner of the 1968 event and 25-year *RW* veteran will be kicking up his heels with Will Ferrell, the former *Saturday Night Live* cast member who graced the mag's March cover as an avid newcomer to marathoning. Ferrell says he wants to break 3:59, coincidentally the same time Burfoot paces. It will be Ferrell's third marathon, Burfoot's 75th, and his 15th time running the Beantown 26-miler. Now 56, Burfoot's 1968 victory made him the first American winner of the event since 1957, when the first to cross the finish line was his high school running coach, John J. Kelley. The practicing-what-he-publishes Burfoot says he's excited about running with Ferrell, "but if he pulls any of the stunts he did in *Old School* [the recent theatrical in which Ferrell ran naked through a few scenes], I'll have to put some distance between us."...In other sports news, **Susan Ungaro** had the dubious honor of presiding over the tennis event that broke Serena Williams' months-long winning streak. As host of the recent Family Circle Cup for Women's Tennis Association pros, held at the Family Circle Magazine Stadium on Daniel Island, S.C., *FC* editor in chief Ungaro presented the winner's trophy to Justine Henin-Hardene, marking the Belgian's first big win in the U.S....At *Architectural Digest*'s recent dinner party at the furniture market in High Point, N.C, magician Matthew Furman amazed attendees during the cocktail hour, particularly *AD* publisher **Amy Churgin**. When Furman made her swizzle-stick spin around and fly out of her glass on its own, then magically pulled coins out of her pockets and fists, an astounded Churgin quipped, "If you can do that with insertion orders, have I got a job for you!"...*Vanity Fair* has a wide range of readers, now including some Iraqis who recently helped themselves to the contents of Deputy Prime Minister Tariq Aziz's home in Baghdad following the U.S. takeover there. The New York *Daily News* reported that looters emerged from Aziz's "elegant East Side" home with treasures including copies of *Vanity Fair*. *VF* editor of creative development **David Friend** confirms that Aziz was indeed an avid fan of the magazine. Friend says about three years ago while pursuing a story on Saddam Hussein, he met several times with the then-Iraqi embassador to the U.N. mission, "and he kept telling me Tariq Aziz was a huge fan [of *VF*]." Aziz had been gettting his copies through an arrangement with someone at the mission, explains Friend. When Friend had occasion to meet Aziz in New York in relation to the *VF* piece, "the first thing he said to me was that he loves *Vanity Fair* but was missing two issues," he recalls. Friend arranged to get them for him, so the looters should have a complete set. ■

It'll be Burfoot's 15th time in the Boston Marathon, which he won in '68.

FALEH KHEIBER/ REUTERS

Lost without his *VF*: Aziz

Ungaro (r.) with *FC* Cup finalists in S.C.

Movers

MAGAZINES
MaryAnn Bekkedahl, publisher of *Men's Health*, has been promoted to vp, publisher of the Rodale title...**Robert Sabat**, formerly deputy editor of Wenner Media's *Us Weekly*, has been named managing editor of *GQ*. Sabat replaces longtime m.e. Martin Beiser.

CABLE TV
At ESPN, **Spence Kramer** was promoted from director of marketing to vp advertising and promotion, overseeing all ad development and creative services.

RADIO
Lynn Gay has been promoted from director to vp of affiliate relations for Premiere Radio Networks, the programming division of Clear Channel...**John Kuyasa** has been named national accounts manager in the Southeast for Arbitron's advertiser marketing services. Kuyasa joins Arbitron from Spectra Marketing, where he was director of client services...**Ed Nolan** was promoted to vp and CFO of Greater Media, from vp of finance.

TELEVISION
Elizabeth Wilner was named NBC News political director, responsible for all aspects of the network's political coverage. Wilner was most recently deputy political director for ABC News...**Carter Smith** was named group sales manager for Eagle Television Sales, a Los Angeles rep unit of Katz Media's Katz Television Group. Smith was most recently regional director of West Coast operations for Boston-based Internet advertising firm OSDN...**Christopher Roman** has been promoted to general manager of Entravision Communications' TV stations in Santa Barbara, Calif. Roman was most recently general sales manager for the company's radio and television properties in Palm Springs, Calif.

STUDIOS
Brooke Bowman was named director of development for Buena Vista Productions, where she will take pitches for potential first-run syndication programs, as well as reality development for prime time and cable. Bowman was most recently manager of series development and programming for VH1.

Media Dish

At *New York Magazine*'s "New York Weddings" event at Essex House, publisher Alan Katz with Natalie Abraham, brand manager for Davidoff cigars, a sponsor of the event

RICK DIAMOND/WIREIMAGE

On the red carpet at Gaylord Entertainment Center in Nashville before the recent CMT Flameworthy 2003 Video Music Awards, (l. to r.) Ann Sarnoff, COO, VH1 and CMT; honoree Faith Hill; and Kaye Zusmann, vp/program development and production, CMT

Traditional Home hosted the recent Shopping by Design event at Boston Design Center. (L. to r.) Krissa Rossbund, *TH* interior design editor; Duncan Gilkey, president, BDC; and Estelle Bond Guralnick, *TH* Boston regional editor.

SYLVAIN GABOURY/DMI

At New York venue Show for TV Guide Channel's 2003 ad sales upfront event, themed, "Destination: Entertainment," (l. to r.) Madeleine Forrer, senior vp/gm, TV Guide Channel; TV Guide Channel *Survivor* correspondent Susan Hawk; network hosts Debbie Matenopoulos, Ken Taylor, Cynthia Garrett and Katie Wagner; special guests Trista Rehn of ABC's *The Bachelorette* and Dominic Chianese of HBO's *The Sopranos*; and Bill Rosolie, senior vp/director of sales, TV Guide Network Group

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NEWS OF THE MARKET

Ad Spending Targeting Blacks on the Rise

Advertiser spending in targeted African-American programming on the broadcast and cable networks and in syndication rose 33 percent in fourth quarter 2002 compared to the same period the previous year, according to an Initiative Media analysis of Competitive Media Reporting data. The analysis shows that advertisers spent $168 million in fourth quarter 2002, compared with $146 million for the same period in 2001. UPN and Fox tied as the top networks for African-American viewers in prime time with an 8.1 household rating. ABC was close behind with a 7.8, followed by CBS (7.5), NBC (6.6) and the WB (3.6). Lifetime ranked highest among cable networks in prime time. *Cedric the Entertainer* on Fox was the highest-rated show among black households with a 20.4 rating, followed by four UPN sitcoms: *One on One*, *Girlfriends*, *Half & Half* and *The Parkers*. ABC's *My Wife & Kids*, Fox's *Bernie Mac*, Fox's *Fastlane*, CBS' *CSI* and NBC's *Law & Order* rounded out the top 10 series among black audiences.

New WE Slate Heavy With Reality

WE: Women's Entertainment last week announced several new series and specials for the 2003-04 season, as well as plans to air three original films. New offerings include reality series *Bridezilla; Diva Detectives*; *Mix It Up*, a design show hosted by Courteney Cox; and the ambitious *The Tinsley Bumble Show*, which places a fictional character—a New York heiress who loses her dough after her father gets arrested for white-collar crime—in real situations. Like most reality shows, *Tinsley Bumble* is taped using a single-camera format. No premiere date has been set. Also, the net's *Single In* series will return with a look at the singles scenes in Miami's South Beach and Las Vegas. Specials will include *How We Met*, spotlighting five couples as they tell the story of their first meeting; *Night Bites: Women and Their Vampires*; and *She House*, an interactive series during which a house is built to a woman's dream specifications and decorated, in part, by viewers. The network's new original films will start in November with *Between Strangers*, a story about female artists, starring Sophia Loren and Mira Sorvino. Two other titles will be announced later. WE is currently available in 52 million homes.

Little Steven Adds ABC Affiliates

It was a deal Steven Van Zandt couldn't refuse. The Bruce Springsteen band member, *Sopranos* family man and radio host of *Little Steven's Underground Garage* on Saturday nights (10 p.m. to midnight), has added 26 affiliates through a deal with ABC Radio Networks. The addition of the ABC-affiliated Classic Rock stations brings Little Steven's affiliate count to 103. Through a deal with the Hard Rock Cafe, Van Zandt syndicated his radio show with an initial 23 stations last April. The program features Van Zandt's picks from garage and rock bands.

New Radio Show Rocks With Nascar

Rock music meets stock-car racing in *Racing Rocks!*, a new two-hour weekend show to launch today in radio syndication by United Stations Radio Networks. The show will be hosted by Riki Rachtman, devout Nascar fan, former MTV VJ and Los Angeles radio personality. He'll be joined in the studio by Kerri Kasem (daughter of the legendary Casey Kasem) providing entertainment

BOB D'AMICO/ABC INC.

Stephanopoulos will moderate a face-off of Democratic hopefuls.

ABC First With Candidates' Debate

ABC News on May 3 will hold the first debate among Democrat presidential candidates, with *ABC News This Week* anchor George Stephanopoulos moderating. The debate, which will take place in Columbia, S.C., will be made available to ABC affiliates on Saturday evening and will also be broadcast by ABC News Radio and ABC News Live, the 24-hour Internet broadband news service. Among the candidates who have committed to participate are: Gov. Howard Dean (D-Vt.); Sen. John Edwards (D-N.C.); Rep. Richard Gephardt (D-Mo.); Sen. Bob Graham (D-Fla.); Sen. John Kerry (D-Mass.); Rep. Dennis Kucinich (D-Ohio); Sen. Joseph Lieberman (D-Conn.); former senator and U.S. ambassador Carol Moseley Braun; and Rev. Al Sharpton.

Calendar

The Association of National Advertisers will present a series of **marketing skills enhancement seminars** April 28-30 at the Rye Town Hilton in Rye Brook, N.Y. Contact: 212-697-5950.

Magazine Publishers of America will present **New York Magazine Day** April 29 at the Ad Club of New York. The event includes breakout sessions with advertisers, media directors and publishers. Contact: Cathryn Weber, 212-533-8080.

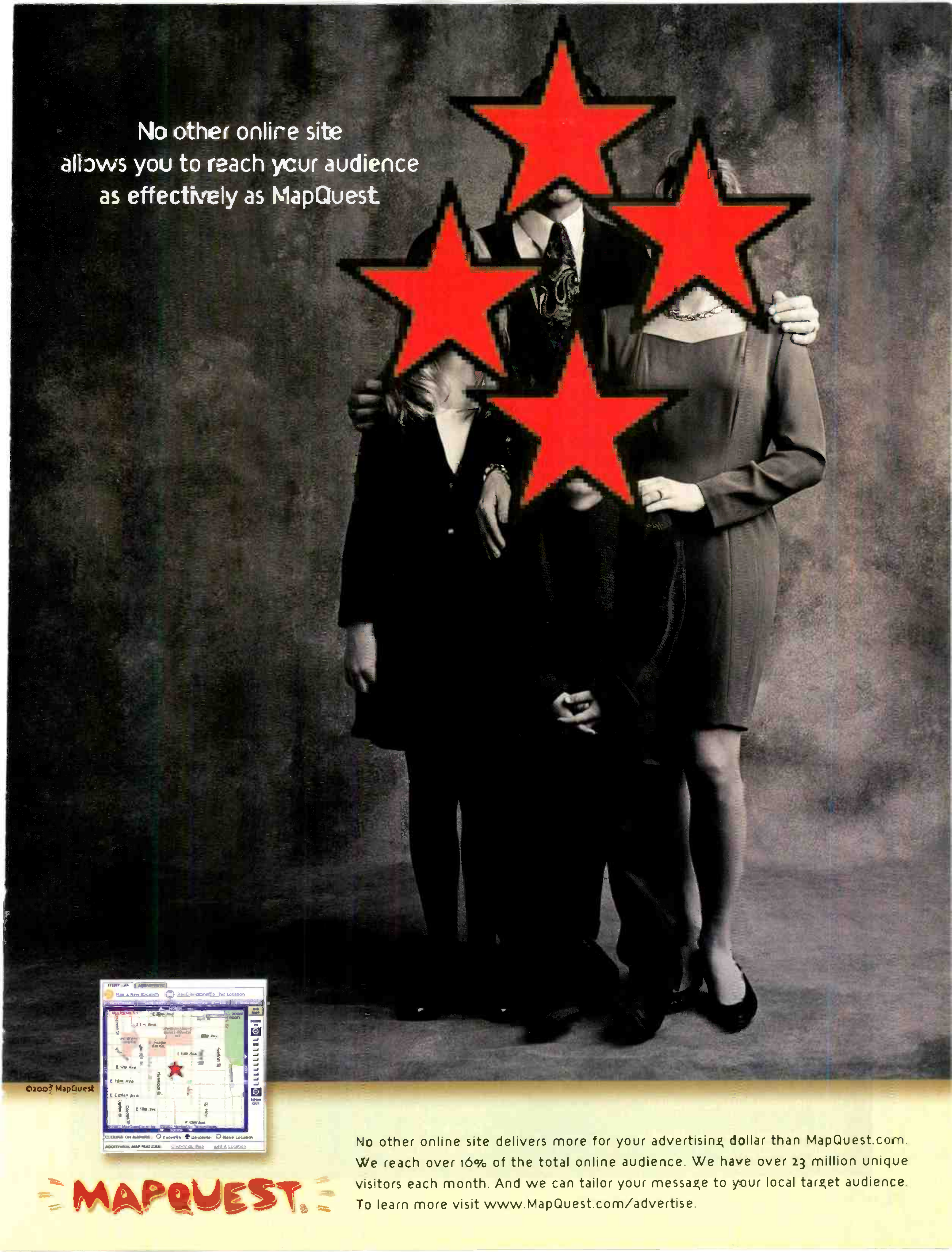
Deadline for entries for the **Eddie Awards** (formerly the Editorial Excellence Awards), presented by *Folio* magazine, is May 1, with both consumer and b-to-b titles eligible. To qualify, titles must have frequency of at least twice a year and issues entered must have been published during calendar year 2002. Contact: folioshow.com or call 212-716-8577.

American Business Media will hold its **spring meeting** May 4-7 at the Westin Savannah Harbor Resort & Spa in Savannah, Ga. Speakers include CBS White House correspondent Bill Plante; Dan Belmont, president of Carat Business & Technology; AAAA president Burtch Drake; and OMD senior media strategist Kevin Arsham. Contact: 212-661-6360 or visit www.americanbusinessmedia.com.

Mediaweek and sister VNU magazine *Editor & Publisher* will present the **Interactive Media Conference & Trade Show** May 7-9 at the Paradise Point Resort in San Diego. Topics to be covered include converged media and interactive advertising. Contact: 888-536-8536.

The Radio Creative Fund will present the **Radio Mercury Awards**, recognizing excellence in radio creative, June 19 at the Waldorf-Astoria in New York. Contact: 212-681-7207 or visit www.radiomercuryawards.com.

The Association of National Advertisers will present the **Print Advertising Forum**, bringing together client-side marketers, publishers, ad agencies and others, June 19 at the Plaza Hotel in New York. Contact: 212-697-5950.



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reports and racer Brett Roubinek with sports commentary. The network also syndicates *Thunder Road*, which combines Country music with Nascar-themed content.

Initiative's Sussman Exits, Ernst Upped

Ira Sussman, executive vp and director of futures for Initiative Media, has exited the company in the wake of a reorganization of its research division to accommodate global research needs. David Ernst was promoted to executive vp, director of futures and technologies, from senior vp and director of IM solutions, reporting to Alec Gerster, CEO of IM Worldwide. Reporting to Ernst is Stacey Lynn Koerner, who was promoted to executive vp and director of global research integration, from senior vp and director of broadcast research.

AURN Teams With Blues Net

American Urban Radio Networks has partnered with the American Blues Network, a 2-year-old radio syndication company that produces and distributes 24-hour programming devoted to the Blues. Through the strategic alliance, the 32 radio affiliates of ABN will carry AURN's news at the top of the hour and become part of AURN's two RADAR-rated Arbitron networks, Pinnacle and Renaissance. In addition, AURN's 400 station affiliates will have access to ABN's programming, including the daily *Nothing but Party Blues and Oldies*, hosted by Nikki deMarks from 9 a.m. to 2 p.m.; and *Blues Sunday*, hosted by E. Rodney Jones and featuring classic Blues artists.

Sirius Adds Gay Channel

Sirius satellite radio last week launched OutQ, the nation's only 24-hour entertainment channel targeting the gay, lesbian, bisexual and transgender community in the U.S., estimated at more than 15 million. John McMullen, host on Sirius Left channel, serves as program director. The channel has recruited several high-profile gay-community personalities, including Wayne Besen, who has been a frequent guest on TV news and talk shows; Cary Harrison, who hosts a weekly Talk radio show in Los Angeles; and Tim Curran, a 20-year broadcast veteran who has worked on MTV's *Real World*, the History Channel and GAYBC Radio. Separately, the 100-channel subscription radio service said its receivers would be available as a dealer option in most of Audi's 2004 model-year vehicles.

Hallmark on a Roll With Original Films

The Hallmark Channel scored its highest household ratings for an original film with the April 13 airing of *Love Comes Softly*, about a widow finding love in a new town with a man who lost his wife. The film generated a 2.7 household rating and delivered 1.4 million viewers 2-plus during the hour premiere. The back-to-back airing of *Love Comes Softly* delivered 3.3 million unduplicated viewers, which boosted Hallmark to fifth place in prime time that night behind TLC, TBS, Fox News and CNN. Prior to *Love Comes Softly*, Hallmark's highest-rated film was February's *Straight From the Heart*, which earned a 1.9 rating. ■

EAST

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Culture Trends

MOST REQUESTED ON ASK JEEVES

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TOP 10 MOVIE SEARCHES

1 ***A MIGHTY WIND***
2 ***ANGER MANAGEMENT***
3 ***CHICAGO***
4 ***BEND IT LIKE BECKHAM***
5 ***WHAT A GIRL WANTS***
6 ***PHONE BOOTH***
7 ***THE LIZZIE MCGUIRE MOVIE***
8 ***X-MEN 2***
9 ***THE MATRIX RELOADED***
10 ***MALIBU'S MOST WANTED***

TOP 10 TV SEARCHES

1 ***AMERICAN IDOL***
2 ***FRIENDS***
3 ***SURVIVOR: THE AMAZON***
4 ***THE SIMPSONS***
5 ***ANGEL***
6 ***CHARMED***
7 ***ER***
8 ***THE BACHELOR***
9 ***SMALLVILLE***
10 ***BOSTON PUBLIC***

Source: Ask Jeeves

THE HOLLYWOOD REPORTER'S BOX OFFICE

THIS WEEK	LAST WEEK	PICTURE	WEEKEND GROSS	DAYS IN RELEASE	TOTAL GROSS
1	NEW	***ANGER MANAGEMENT***	42,220,847	3	42,220,847
2	1	***PHONE BOOTH***	7,618,519	10	26,716,634
3	2	***WHAT A GIRL WANTS***	6,287,478	10	19,989,630
4	5	***BRINGING DOWN THE HOUSE***	4,502,225	38	117,614,736
5	3	***A MAN APART***	4,457,668	10	18,276,063
6	4	***HEAD OF STATE***	3,982,035	17	30,935,561
7	NEW	***HOUSE OF 1,000 CORPSES***	3,460,666	3	3,460,666
8	6	***THE CORE***	3,306,820	17	25,755,993
9	8	***CHICAGO***	3,207,797	108	156,851,720
10	7	**BASIC**	2,103,440	17	23,742,354

For weekend ending April 13, 2003

Source: *Hollywood Reporter*

TEEN PEOPLE TRENDSPOTTER™

HOT PICKS FOR APRIL

Teen People's Trendspotters are a community of self-appointed influencers between the ages of 13-24 who keep the magazine's editors abreast of emerging trends in teen culture...

PUNK'D

- A successful new reality show on MTV. Ashton Kutcher is the host and cooks up pranks to play on other celebrities. Monday nights at 10:30...

"I love seeing celebs sweat it out for once..."

- Marina, 17, IL

METEORA

- Linkin Park's new album...

"Linkin Park has another amazing album on their hands..."

- Barry, 17, MO

OLIVER JAMES (THE ACTOR)

- Young British actor who stars in the film *What a Girl Wants*...

"I predict that the next hot actor will be Oliver James...All my friends are obsessed with him and his accent..."

- Lisa, 16

DR. SCHOLL'S

- The wooden shoes from the 1970s is the must-have shoe for the spring...

"I am in love with all the cool colors coming out for spring...I think they will take the place of the flip-flop craze from last summer..."

- Jen, 18, MD

ALL-AMERICAN REJECTS

- the punk band...

"All-American Rejects makes fun music that isn't cookie-cutter..."

- Krystal, 19, TX

THE BILLBOARD 200

THE TOP-SELLING ALBUMS COMPILED FROM A NATIONAL SAMPLE OF RETAIL STORE SALES.

THIS WEEK	LAST WEEK	WEEKS ON CHART	TITLE	ARTIST
1	-	1	*FACELESS*	**GODSMACK**
2	1	3	*METEORA*	**LINKIN PARK**
3	2	10	*GET RICH OR DIE TRYIN'*	**50 CENT**
4	3	3	*NOW 12*	**VARIOUS**
5	-	1	*TO WHOM IT MAY CONCERN*	**LISA MARIE PRESLEY**
6	-	1	*THE SENIOR*	**GINUWINE**
7	7	2	*THE VERY BEST OF...*	**CHER**
8	4	3	*ONE HEART*	**CELINE DION**
9	5	59	*COME AWAY WITH ME*	**NORAH JONES**
10	9	6	*FALLEN*	**EVANESCENCE**

SOURCE: BILLBOARD/SOUNDSCAN

MODERN ROCK TRACKS

COMPILED FROM A NATIONAL SAMPLE OF AIRPLAY SUPPLIED BY BROADCAST DATA SYSTEMS.

THIS WEEK	LAST WEEK	WEEKS ON CHART	TITLE	ARTIST
1	1	7	*SOMEWHERE I BELONG*	**LINKIN PARK**
2	2	14	*BRING ME TO LIFE*	**EVANESCENCE**
3	3	13	*LIKE A STONE*	**AUDIOSLAVE**
4	5	19	*HEADSTRONG*	**TRAPT**
5	4	18	*CAN'T STOP*	**RED HOT CHILI PEPPERS**
6	6	14	*TIMES LIKE THESE*	**FOO FIGHTERS**
7	7	11	*GIRL'S NOT GREY*	**AFI**
8	8	8	*SEVEN NATION ARMY*	**THE WHITE STRIPES**
9	10	11	*SEND THE PAIN BELOW*	**CHEVELLE**
10	33	2	*PRICE TO PLAY*	**STAIND**

SOURCE: BILLBOARD/SOUNDSCAN

Spring Cleanup

After an audit revealed *YM* overestimated its 2001 circ, the G+J teen title is lowering its rate base by 200,000

FOLLOWING THE DISCLOSURE EARLY THIS YEAR THAT *YM* OVERESTIMATED ITS NEWS-stand sales figures for the first half of 2001 by an average of 215,000 copies per issue and missed its circulation rate base on 6 out of 10 issues that year, G+J USA Publishing is taking steps to placate the teen title's advertisers and is instituting new safeguards against circ reporting errors. In addition, because of continued erosion in its newsstand sales *YM* in October will slash its circulation guaranteed to advertisers by 9 percent, from 2.2 million to 2 million, and will reduce its ad rates.

"We really want to try to underpromise and overdeliver," explains *YM* publisher Laura McEwan.

While *YM*'s publisher's estimates indicate the title has maintained its rate base of 2.2 million—total paid circulation in the second half of 2002 was flat at 2.2 million, according to the Audit Bureau of Circulations—newsstand sales remain sluggish. *YM*'s single-copy sales dipped 3.9 percent in the second half of '02, to an average 408,583. The newsstand decline was due in part to an increase in frequency from 10 to 11 issues last year and a cover-price bump from $2.99 to $3.50. This year, *YM* will publish 12 issues and will test a $3.99 cover price on the August, September and December issues.

"We want to make sure this never happens again... There is now a higher level of scrutiny—the checks and balances are in place."
SPENGLER

TODD FRANCE

YM's circ problems surfaced after the release this past January of the magazine's 2001 ABC audit report. The audit stated that single-copy sales in the first half of '01 averaged just under 400,000, not the 600,000 reported in *YM*'s original estimates. In February 2001, *YM* introduced a redesign with a new logo; those changes, compounded by heated newsstand competition in the teen category, contributed to a sharp falloff in actual sales. Newsstand results rebounded in the second half of '01 thanks to back-to-school issues, and *YM*'s estimates for that period were more in line with the final ABC–audited numbers.

YM was not alone in missing its rate base in '01. Time Inc.'s *Teen People* failed to make its 1.6 million rate base that year, and Primedia's *Seventeen* missed rate base on 8 of 12 issues for the 12-month reporting period ended in June 2001.

G+J CEO Dan Brewster has tapped executive vp/chief marketing officer Cindy Spengler to oversee changes in the publisher's circulation reporting methods. "We really wanted to look into what happened and want to make sure this never happens again," Spengler says. "There is now a higher level of scrutiny—the checks and balances are in place."

Spengler says she "will review every ABC statement before it goes out." She is convening monthly publisher meetings to discuss industry trends in circulation and share best practices.

McEwan, who previously reported to Brewster, now reports to Spengler (as do the publishers of *Fitness* and *Child*).

Meanwhile, *YM* advertisers that bought pages in 2001 issues have been offered cash back or makegoods. The title's ad pages are solid this year, up 21.6 percent through May to 402, reports the *Mediaweek* Monitor.

McEwan this week will begin explaining the rate base cut to media buyers. The reduction "is probably not a bad thing, because they increased their frequency and increased the price to get a better-quality reader, but they could have managed the communication [to buyers] better," says Pattie Garrahy, president of PGR Media, who has four clients that received rebates for '01 buys in *YM*. "I always like when a publication alerts you to the fact that it is strategically lowering its rate base because it is increasing its frequency and increasing price. I don't like hearing about [a rate base cut] after the fact, because after the fact sounds like 'oh, we blew it.' And coming on the heels of the 'misreporting' makes it a concern."

"Talking directly to your consumer is the best thing a magazine can do—even at a smaller rate base," adds Robin Steinberg, vp/print director at Carat USA, who plans to place one of her clients into *YM*'s June issue. "And 2 million is still a nice size." *—LG*

Shake-up at *ESPN*

Papanek, Hoenig get new jobs

John Skipper, executive vp and general manager of *ESPN The Magazine*, reorganized his management team last week, broadening the responsibilities of his two chief lieutenants and naming a new editor in chief.

After five years at the helm, John Papanek, senior vp and founding editor in chief of *ESPN The Magazine*, has been named senior vp, editorial. In his new role, Papanek will be responsible for the editorial direction of the magazine, ESPN.com and emerging media (such as interactive television), and will oversee the coordination of those activities with ESPN's cable networks. The new responsibilities should come easily to the veteran editor, especially the oversight of ESPN.com; back in 1992, Papanek, a onetime managing editor of *Sports Illustrated*, served as Time Inc.'s first director of new media.

Succeeding Papanek as editor of the magazine is executive editor Gary Hoenig, who has also been at the biweekly since its launch. *ESPN* under Hoenig will likely undergo a few minor changes. "There are some things I'm going to want to move around a little bit," says Hoenig. "I'd like to see us do more covers that take a stand, and we'll fool around with the front of the book, but nothing too dramatic." Hoenig adds he will also seek to integrate the magazine into other ESPN media properties. "You're going to see a lot more reporters online," he says. "We're going to form a joint investigative team, and we'll be contributing more to the network."

Meanwhile on the business side, Skipper has handed Andy Sippel, the title's vp of marketing, oversight over all revenue—circulation and advertising—for *ESPN*, ESPN.com and emerging media. Skipper has also added a general manager for each of the three business units.

"I had a whole bunch of stuff on my plate, 20 people reporting to me, and the businesses got big enough that I had to put other people in charge," Skipper says of the management shuffle. "It struck me as a good time, with the magazine doing as well as it is."

Hoenig eyes closer ties with cable net.

ESPN's total paid circ rose 9.8 percent to 1.55 million in the second half of 2002 compared to the same period a year earlier, according to ABC. The magazine is currently delivering a big enough circulation bonus on its 1.65 million rate base that Skipper is considering raising guaranteed circ to 1.8 million in January. (Time Inc.'s weekly *Sports Illustrated* remains the category's circ leader, at 3.2 million.)

ESPN's ad pages are up 7.6 percent this year to 444 through its April 28 issue, according to the *Mediaweek* Monitor. —*LG*

Country Style

Titles celebrate the heartland

Shelter magazines with heartland appeal and homespun tastes are hitting new heights in circulation and advertising, as readers and media buyers are proving themselves more than a little bit country. "People are spending more time at home these days," says Neil Ascher, Zenith Media executive vp and director of communication services. "And when they're at home, it's more about relaxation than high style. People want some peace—and maybe not some trendy piece of furniture—in their living room."

The country design movement—born during the 1976 bicentennial as a patriotic,

Mediaweek Magazine Monitor

MONTHLIES May 2003

	RATE BASE (2ND HALF '02)	CIRC. (2ND HALF '02)	CURRENT PAGES	PAGES LAST YR.	% CHANGE	YEAR TO DATE	YTD LAST YEAR	% CHANGE
BUSINESS/TECHNOLOGY								
Business 2.0	550,000	567,075	62.32	47.10	32.31%	212.41	214.60	-1.02%
Entrepreneur	540,000	547,421	96.66	108.99	-11.31%	531.12	540.54	-1.74%
Fast Company	725,000	734,449	67.94	72.08	-5.74%	302.33	274.43	10.17%
Fortune Small Business[10]	1,000,000	1,000,100[B]	47.86	40.39	18.49%	155.30	152.84	1.61%
Inc	665,000	680,719	63.18	76.70	-17.63%	299.15	295.35	1.29%
Technology Review[10]	310,000	316,588	27.14	25.00	8.56%	128.60	93.90	36.95%
Wired	500,000	531,491	103.07	74.31	38.70%	378.92	267.89	41.45%
Category Total			**468.17**	**444.57**	**5.31%**	**2,007.83**	**1,839.55**	**9.15%**
ENTERTAINMENT								
Movieline[9/1]	250,000	251,986	42.50	30.33	40.13%	94.49	97.31	-2.90%
Premiere	600,000	607,140	27.33	40.36	-32.28%	149.21	135.94	9.76%
The Source	475,000	487,425	80.66	74.33	8.52%	433.66	432.98	0.16%
Spin	525,000	537,096	55.28	62.83	-12.02%	253.12	303.71	-16.66%
Vibe[10]	800,000	818,169	94.26	93.63	0.67%	456.82	420.42	8.66%
Category Total			**300.03**	**301.48**	**-0.48%**	**1,387.30**	**1,390.36**	**-0.22%**
ENTHUSIAST								
Automobile	625,000	644,281	58.89	60.93	-3.35%	330.53	286.44	15.39%
Backpacker[9]	295,000	298,376	54.66	53.19	2.76%	204.42	210.44	-2.86%
Bicycling[11]	285,000	286,090	70.23	45.56	54.14%	214.70	137.85	55.74%
Boating	None	206,574	110.20	138.35	-20.35%	565.48	610.34	-7.35%
Car and Driver	1,350,000	1,387,113	104.66	97.04	7.85%	448.15	394.12	13.71%
Cruising World	155,000	156,272	93.97	96.22	-2.33%	494.75	502.79	-1.60%
Cycle World	310,000	326.510	100.40	104.07	-3.53%	390.59	440.36	-11.30%
Flying	None	303,218	76.09	57.83	31.58%	296.83	289.73	2.45%
Golf Digest	1,550,000	1,564,475	149.25	120.85	23.50%	686.09	578.67	18.56%
Golf Magazine	1,400,000	1,410,001	115.91	113.11	2.48%	605.45	573.19	5.63%
Motor Boating	None	134,126	95.33	92.52	3.04%	529.60	543.06	-2.48%
Motor Trend	1,250,000	1,283,260	83.79	82.74	1.27%	410.74	324.88	26.43%
Popular Mechanics	1,200,000	1,220,205	104.02	67.83	53.35%	379.11	312.05	21.49%
Popular Photography	450,000	453,087	126.59	141.42	-10.49%	655.46	724.04	-9.47%
Popular Science	1,450,000	1,485,911	64.00	50.00	28.00%	288.00	210.93	36.54%
Power & Motoryacht	150,000	156,859[B]	164.00	201.58	-18.64%	1,025.18	1,030.09	-0.48%
Road & Track	750,000	784,978	110.17	99.52	10.70%	483.18	425.93	13.44%
Sailing World[10]	50,000	55,103	50.79	47.30	7.38%	186.68	162.81	14.66%
Stereo Review's Sound & Vision[10]	450,000	453,022	52.49	50.16	4.65%	206.80	242.58	-14.75%
Tennis Magazine[10]	700,000	714,316	50.89	53.27	-4.47%	166.99	208.60	-19.95%
Yachting	132,000	137,444	160.00	160.38	-0.24%	870.70	864.16	0.76%
Category Total			**1,996.33**	**1,933.87**	**3.23%**	**9,439.43**	**9,073.06**	**4.04%**
FASHION/BEAUTY								
Allure	900,000	949,669	148.44	140.09	5.96%	505.96	425.56	18.89%
Cosmopolitan	2,700,000	3,021,720	180.81	183.76	-1.61%	680.34	684.70	-0.64%
Elle	950,000	1,000,638	118.03	116.11	1.65%	647.29	587.44	10.19%
Essence	1,050,000	1,061,681	146.54	131.45	11.48%	537.64	519.61	3.47%
Glamour	2,200,000	2,304,151	182.63	177.37	2.97%	615.89	522.26	17.93%
Harper's Bazaar	700,000	742,079	73.31	95.24	-23.03%	513.29	558.50	-8.09%
Honey[10]	350,000	352,327	43.17	68.42	-36.90%	181.40	196.34	-7.61%
In Style[YY/M]	1,500,000	1,670,792	287.38	270.02	6.43%	1,242.83	1,063.20	16.90%
Jane[10]	650,000	678,979	79.44	92.94	-14.53%	349.26	302.46	15.47%
Latina[11]	250,000	254,833	86.70	61.11	41.88%	311.28	217.14	43.35%
Lucky	750,000	818,250	134.58	69.58	93.42%	551.72	311.05	77.37%
Marie Claire	850,000	943,100	145.73	149.01	-2.20%	583.54	563.67	3.53%
Vogue	1,100,000	1,257,787	160.29	178.66	-10.28%	1,124.73	1,057.43	6.36%
W	450,000	464,169	114.78	126.66	-9.38%	728.67	671.70	8.48%
Category Total			**1,901.83**	**1,860.42**	**2.23%**	**8,573.84**	**7,681.06**	**11.62%**
FOOD/EPICUREAN								
Bon Appétit	1,250,000	1,322,577	123.45	107.68	14.65%	440.78	394.40	11.76%
Cooking Light[11]	1,550,000	1,574,194	142.89	114.21	25.11%	539.69	436.18	23.73%
Food & Wine	900,000	951,751	123.16	95.47	29.00%	466.31	403.38	15.60%
Gourmet	950,000[Q]	958,974	133.70	145.68	-8.22%	445.63	445.11	0.12%
Category Total			**523.20**	**463.04**	**12.99%**	**1,892.41**	**1,679.07**	**12.71%**
GENERAL INTEREST								
Biography	700,000	705,597	36.17	37.00	-2.24%	143.53	116.52	23.18%
Harper's Magazine	205,000	229,434	18.49	19.33	-4.34%	95.06	81.73	16.31%
National Geographic	6,600,000	6,657,424	40.00	27.77	44.04%	152.72	138.56	10.22%
People en Español[11]	400,000	413,545	72.14	56.41	27.89%	236.38	194.21	21.71%
Reader's Digest	12,000,000	11,944,898	75.42	91.91	-17.94%	359.20	412.31	-12.88%
Savoy[10]	300,000	323,548	43.58	42.96	1.44%	182.09	179.62	1.38%
Smithsonian	2,000,000	2,045,430	53.22	52.08	2.19%	242.14	234.72	3.16%
The Atlantic Monthly[11]	450,000	529,834	50.34	36.99	36.09%	244.39	185.23	31.94%
Vanity Fair	1,000,000	1,131,144	129.98	128.80	0.92%	786.55	656.74	19.77%
Category Total			**519.34**	**493.25**	**5.29%**	**2,442.06**	**2,199.64**	**11.02%**
HEALTH/FITNESS (MEN)								
Flex	None	150,412	152.91	207.68	-26.37%	794.36	907.35	-12.45%
Muscle & Fitness	None	410,430	109.85	145.05	-24.27%	607.83	701.63	-13.37%
Runner's World	510,000	530,511	45.87	35.05	30.87%	197.07	163.80	20.31%
Category Total			**308.63**	**387.78**	**-20.41%**	**1,599.26**	**1,772.78**	**-9.79%**
HEALTH/FITNESS (WOMEN)								
Fitness	1,200,000	1,253,392	100.71	82.93	21.44%	398.51	336.56	18.41%
Health[10]	1,350,000	1,360,525	112.11	98.07	14.32%	405.81	375.60	8.04%
Prevention	3,100,000	3,150,017	108.46	98.96	9.60%	434.84	421.13	3.26%
Self	1,250,000	1,332,782	117.00	105.68	10.71%	470.83	423.00	11.31%
Shape	1,600,000[Q]	1,643,816	120.81	114.84	5.20%	455.11	346.46	31.36%
Category Total			**559.09**	**500.48**	**11.71%**	**2,165.10**	**1,902.75**	**13.79%**
KIDS								
Boys' Life	1,300,000	1,237,157	12.41	10.41	19.21%	55.14	46.00	19.87%
Disney Adventures[10/+]	1,100,000	1,139,167[B]	19.90	20.66	-3.68%	74.28	90.01	-17.48%

MONTHLIES May 2003

	RATE BASE (2ND HALF '02)	CIRC. (2ND HALF '02)	CURRENT PAGES	PAGES LAST YR.	% CHANGE	YEAR TO DATE	YTD LAST YEAR	% CHANGE
Nickelodeon Magazine[10]	950,000	999,369[B]	32.48	42.84	-24.18%	139.78	125.92	11.01%
Sports Illustrated for Kids	950,000	987,432[B]	27.63	20.52	34.65%	120.04	112.97	6.26%
Category Total			**92.42**	**94.43**	**-2.13%**	**389.24**	**374.90**	**3.83%**
MEN'S LIFESTYLE								
Details[10]	400,000	414,649	68.16	54.36	25.39%	367.36	275.91	33.14%
Esquire	700,000	740,204	59.86	79.60	-24.80%	338.89	310.36	9.19%
FHM[11]	1,000,000	1,061,122	68.58	65.00	5.51%	288.90	292.17	-1.12%
Gentlemen's Quarterly	750,000	803,652	97.89	106.93	-8.45%	539.69	536.40	0.61%
Maxim	2,500,000	2,512,090	104.44	95.30	9.59%	439.20	427.34	2.78%
Men's Fitness	600,000[Q]	677,147	89.44	69.16	29.32%	330.14	320.97	2.86%
Men's Health[10]	1,625,000	1,695,554	110.47	77.67	42.23%	378.45	286.03	32.31%
Men's Journal	600,000	602,092	76.91	86.11	-10.68%	338.95	308.77	9.77%
Penthouse	None	530,091	34.04	39.06	-12.85%	164.37	196.50	-16.35%
Playboy	3,150,000	3,213,638	38.77	42.67	-9.14%	193.11	201.27	-4.05%
Stuff	1,100,000	1,130,466	50.82	58.32	-12.86%	275.45	285.54	-3.53%
Category Total			**799.38**	**774.18**	**3.26%**	**3,654.51**	**3,441.26**	**6.20%**
OUTDOORS								
Field & Stream[11/1]	1,500,000	1,544,039	82.74	55.73	48.47%	239.24	201.48	18.74%
National Geographic Adventure[10]	375,000	376,043	56.66	61.88	-8.44%	187.42	180.23	3.99%
Outdoor Life[9/1]	900,000	1,021,595	46.81	41.87	11.80%	153.85	119.81	28.41%
Outside[G]	625,000	645,933	124.43	112.28	10.82%	378.72	340.48	11.23%
Category Total			**310.64**	**271.76**	**14.31%**	**959.23**	**842.00**	**13.92%**
PARENTING/FAMILY								
American Baby	2,000,000	2,002,011[B]	60.74	67.37	-9.84%	255.01	272.80	-6.52%
Baby Talk[10]	2,000,000	2,001,113[B]	39.92	38.21	4.48%	184.51	175.53	5.12%
Child[10]	1,020,000	936,970	98.70	80.74	22.25%	344.91	266.22	29.56%
FamilyFun[10]	1,550,000	1,534,849	71.18	82.86	-14.10%	242.17	261.29	-7.32%
Parenting[10]	2,150,000	2,136,283	135.93	95.96	41.65%	464.34	373.62	29.63%
Parents	2,200,000	2,091,782	134.00	131.41	1.97%	579.77	532.21	8.94%
Category Total			**540.47**	**496.55**	**8.85%**	**2,090.71**	**1,881.67**	**11.11%**
PERSONAL FINANCE								
Kiplinger's Personal Finance	1,000,000	1,024,868	43.74	53.00	-17.47%	213.72	235.86	-9.39%
Money	1,900,000	1,992,438	80.30	67.29	19.33%	351.57	299.74	17.29%
Smart Money	800,000	808,752	65.81	54.24	21.33%	302.34	274.65	10.08%
Category Total			**189.85**	**174.53**	**8.78%**	**867.63**	**810.25**	**7.08%**
SCIENCE								
Discover	1,000,000	1,048,079	21.16	22.38	-5.45%	109.38	109.47	-0.08%
Natural History[10]	225,000	247,779	32.17	34.34	-6.32%	149.36	146.54	1.92%
Scientific American	665,000	688,850	50.67	36.77	37.80%	148.50	111.82	32.80%
Spectrum, IEEE	None	335,638	29.52	38.83	-23.98%	183.84	187.78	-2.10%
Category Total			**133.52**	**132.32**	**0.91%**	**591.08**	**555.61**	**6.38%**
SHELTER								
Architectural Digest	800,000	832,196	198.89	153.37	29.68%	723.18	652.45	10.84%
Country Home[10]	1,100,000	1,104,559	104.21	111.06	-6.17%	357.81	303.06	18.07%
Country Living	1,700,000	1,758,891	119.02	106.00	12.28%	441.44	407.76	8.26%
The Family Handyman[10]	1,100,000	1,156,914	72.33	62.34	16.03%	253.83	236.50	7.33%
Home[10]	1,000,000	1,027,945	87.02	65.93	31.99%	291.94	250.93	16.34%
House Beautiful	850,000	901,880	92.00	99.74	-7.76%	365.76	366.40	-0.17%
House & Garden	775,000	860,988	80.11	88.46	-9.44%	351.00	353.99	-0.84%
Southern Living[13]	2,500,000	2,563,757	138.67	120.50	15.08%	663.69	580.19	14.39%
Sunset	1,425,000	1,476,930	119.54	115.37	3.61%	473.47	428.12	10.59%
This Old House[10/Y]	925,000	940,628	97.80	93.27	4.86%	320.21	312.53	2.46%
Category Total			**1,109.59**	**1,016.04**	**9.21%**	**4,242.33**	**3,891.93**	**9.00%**
TEEN								
CosmoGirl![10]	1,000,000	1,069,904	87.28	57.86	50.85%	261.83	199.93	30.96%
Seventeen	2,350,000	2,459,135	110.16	109.42	0.67%	444.93	468.89	-5.11%
Teen People[10]	1,600,000	1,603,138	75.04	92.72	-19.07%	324.42	328.82	-1.34%
YM[+/Y]	2,200,000	2,206,067	89.27	76.96	16.00%	401.51	330.07	21.64%
Category Total			**361.75**	**336.96**	**7.36%**	**1,432.69**	**1,327.71**	**7.91%**
TRAVEL								
A. F.'s Budget Travel[10/J/E]	450,000	517,567[B]	73.99	100.14	-26.11%	306.25	261.09	17.30%
Condé Nast Traveler	750,000	771,481	173.31	163.40	6.06%	570.44	498.30	14.48%
Travel + Leisure	950,000[Q]	962,768	133.47	113.61	17.48%	667.81	497.11	34.34%
Travel Holiday[10/E]	650,000	652,677	55.00	143.25	-61.61%	426.82	421.73	1.21%
Category Total			**435.77**	**520.40**	**-16.26%**	**1,971.32**	**1,678.23**	**17.46%**
WEALTH								
Robb Report	None	106,569	79.17	74.00	6.99%	387.87	360.15	7.70%
Town & Country	425,000	431,122	116.32	139.12	-16.39%	538.07	511.11	5.27%
Category Total			**195.49**	**213.12**	**-8.27%**	**925.94**	**871.26**	**6.28%**
WOMEN'S LIFESTYLE								
Heart & Soul[10]	350,000	365,824	43.76	51.25	-14.61%	156.83	148.99	5.26%
Martha Stewart Living	2,270,000	2,359,328	132.74	185.56	-28.47%	511.38	710.14	72.01%
More[10]	750,000[Q]	798,626	88.05	61.89	42.27%	296.89	212.80	39.52%
O, The Oprah Magazine	2,000,000	2,261,570	156.81	163.40	-4.04%	539.39	523.45	3.05%
Real Simple[10]	900,000	1,140,500	123.00	77.40	58.91%	421.40	248.60	69.51%
Victoria[L]	950,000	969,180	32.31	40.04	-19.31%	138.03	158.50	-12.91%
Category Total			**576.67**	**579.54**	**-0.50%**	**2,063.92**	**2,002.48**	**3.07%**
WOMEN'S SERVICE								
Better Homes and Gardens	7,600,000	7,607,832	217.76	175.65	23.97%	841.24	731.71	14.97%
Family Circle[15]	4,600,000	4,601,708	123.74	99.64	24.19%	614.35	525.91	16.82%
Good Housekeeping	4,600,000	4,690,508	157.41	119.87	31.32%	670.70	588.82	13.91%
Ladies' Home Journal	4,100,000	4,101,414	140.15	99.87	40.33%	642.27	478.73	34.16%
Redbook	2,350,000	2,394,184	169.02	124.10	36.20%	598.39	431.13	38.80%
Woman's Day[17]	4,350,000[Q]	4,246,805	185.24	132.70	39.59%	728.58	591.05	23.27%
Category Total			**993.32**	**751.83**	**32.12%**	**4,095.53**	**3,347.35**	**22.35%**
MEDIAWEEK MONITOR TOTALS			**12,315.49**	**11,746.54**	**4.84%**	**52,791.36**	**48,562.92**	**8.71%**

Rate base and circulation figures according to the Audit Bureau of Circulations for the second half of 2002 except: B=audited by BPA International and X=did not file audit by deadline; E=publisher's estimate; G=Includes Buyer's Guide special: 55.13 pages 2003, 50.73 pages in 2002; J=2002 May/June combined issue; L=June last issue; M=Includes Makeover special: 27.38 pages 2003, 21.74 pages in 2002; Q=raised rate base during period; Y=YTDs include one special issue; YY=YTDs include two specials; 9=published 9 times; 10=published 10 times; 11=published 11 times, 13=published 13 times;15=published 15 times; 17=published 17 times; +=published one more issue in 2003 than 2002; 1=published one fewer issue in 2003

values-embracing backlash against that era's prevailing high-tech styles—has proved itself more than a fad. Now its buzzwords are *casual* and *accessible*. "People thought this was only a trend," says *Country Living* editor in chief Nancy Soriano, whose Hearst Magazines monthly turns 25 this year. "It's a lifestyle—it's a mindset, it's about how you live your life—and it's not going anywhere."

Soriano edits her book broadly, covering shopping, cooking and travel in addition to her core subject of decor.

While reader interest in country-style shelter books resides mainly in the heartland, city dwellers from New York to Los Angeles are also inclined to pick these titles up. In fact, *Country Living* features such columns as Country in the City and Shop Talk, which discovers rural keepsakes in the city.

City folks find comfort in reading titles aimed at their country cousins.

Country Living boasts the largest circ and the longest history in the category; its total paid circulation rose 7.3 percent to nearly 1.8 million in last year's second half compared with the same period in '01, according to the Audit Bureau of Circulations.

The title's ad pages are also moving ahead, up 8.3 percent this year through May to 441, reports the *Mediaweek* Monitor. *CL* publisher Steven Grune notes that a first-quarter surge of 20 percent in mass-market retail ad pages—clients include Home Depot and Target—has helped drive the book this year.

Elsewhere, Meredith Corp. has benefited handsomely from the surging interest in country stylings. "Home and family is their raison d'être," notes Zenith's Ascher. Indeed, the Des Moines–based publisher's *Country Home* and *Traditional Home* had banner years in both ad sales and circ in 2002. *Country Home*'s total circ grew 10 percent in last year's second half, to more than 1.1 million.

On the ad front, *Country Home*'s pages are up 18.1 percent this year to 358 through May, thanks in part to splitting the February/March edition into two separate issues. *CH* this year has moved to a 10-times-yearly frequency, up from 9.

Sister publication *Traditional Home*'s circ advanced 3.4 percent to 852,000 in 2002's

Lagani's *CH* and *TH* win solid ad gains.

second half.

"People like the idea of staying close to home these days. My books have clearly benefited from that," says Joseph Lagani, Meredith vp and publishing director of both *Country Home* and its more upscale sister publication, *Traditional Home*. "Country is a code word for casual, and traditional is a safe place to be."

Strong business from food and packaged-goods advertisers such as Procter & Gamble and Kraft have fueled *Country Home*'s strong showing, Lagani says. *Traditional Home*, which publishes eight issues per year, recently picked up new business from design-industry types including Osbourne & Little fabrics. *TH*'s ad pages through May are up 13.3 percent, to 319.

Buyers are embracing the tweaks made by new *TH* editor Ann Maine, who in recent months has added a softer, more colorful palette. "We'd gotten a bit harder-edged... and beige," Maine says of the old look.

Despite the category's impressive gains, the titles are still having to prove to buyers that their outlook is not too "just-folks." *Country Living*'s Grune insists that country style "isn't just a bunch of cluttered baskets on the ceiling." As *CH* editor Carol Sheehan pronounces: "It's not about sitting on the front porch churning butter. It's about sitting on the front porch and having a nice glass of Bordeaux. It's very modern." —*Jeff Gremillion* ■

WEEKLIES April 21, 2003

	ISSUE DATE	CURRENT PAGES	ISSUE DATE LAST YEAR	PAGES LAST YEAR	PERCENT CHANGE	YTD PAGES	YTD LAST YEAR	PERCENT CHANGE
NEWS/BUSINESS								
BusinessWeek	21-Apr	45.78	22-Apr	63.97	-28.44%	786.00	870.51	-9.71%
The Economist	12-Apr	31.00	13-Apr	53.00	-41.51%	611.00	739.00	-17.32%
Newsweek[E]	21-Apr	27.42	22-Apr	36.65	-25.18%	553.58	555.60	-0.36%
The New Republic++		DID NOT REPORT				85.22	96.33	-11.53%
Time[E]	21-Apr	39.41	22-Apr	39.50	-0.23%	661.41	683.10	-3.18%
U.S. News & World Report	21-Apr	33.88	22-Apr	30.91	9.61%	368.35	387.23	-4.88%
The Weekly Standard	28-Apr	7.33	29-Apr	12.30	-40.41%	134.97	143.59	-6.00%
Category Total		**184.82**		**236.33**	**-21.80%**	**3,200.53**	**3,475.36**	**-7.91%**
SPORTS/ENTERTAINMENT/LEISURE								
AutoWeek	21-Apr	21.17	22-Apr	20.37	3.93%	353.82	364.58	-2.95%
Entertainment Weekly	18-Apr	25.33	19-Apr	24.31	4.19%	505.33	468.96	7.75%
Golf World	18-Apr	42.30	19-Apr	61.79	-31.54%	365.50	509.25	-28.23%
New York	21-Apr	42.70	22-Apr	80.50	-46.96%	684.00	802.30	-14.75%
People	21-Apr	76.73	22-Apr	67.70	13.34%	1,049.16	1,007.79	4.11%
Sporting News	21-Apr	20.92	22-Apr	16.33	28.11%	217.08	227.72	-4.67%
Sports Illustrated[1]	21-Apr	37.85	22-Apr	50.84	-25.55%	711.88	772.63	-7.86%
The New Yorker	21-Apr	99.00	22-Apr	126.40	-21.67%	650.49	625.86	3.93%
Time Out New York	16-Apr	81.44	17-Apr	74.06	9.96%	1,045.80	970.81	7.72%
TV Guide	19-Apr	58.32	20-Apr	42.14	38.40%	777.81	757.03	2.74%
Us Weekly	21-Apr	21.83	22-Apr	16.00	36.44%	393.17	293.84	33.80%
Category Total		**403.26**		**429.73**	**-6.16%**	**6,628.77**	**6,650.06**	**-0.32%**
SUNDAY MAGAZINES								
American Profile	20-Apr	8.85	21-Apr	8.60	2.91%	142.75	136.85	4.31%
Parade	20-Apr	13.76	21-Apr	16.15	-14.80%	216.02	205.44	5.15%
USA Weekend	20-Apr	10.96	21-Apr	12.91	-15.10%	195.65	198.92	-1.64%
Category Total		**33.57**		**37.66**	**-10.86%**	**554.42**	**541.21**	**2.44%**
TOTALS		**621.65**		**703.72**	**-11.66%**	**10,383.72**	**10,666.63**	**-2.65%**

E=estimated page counts; 1=one fewer issue in 2003 than in 2002; ++=two more issues in 2003

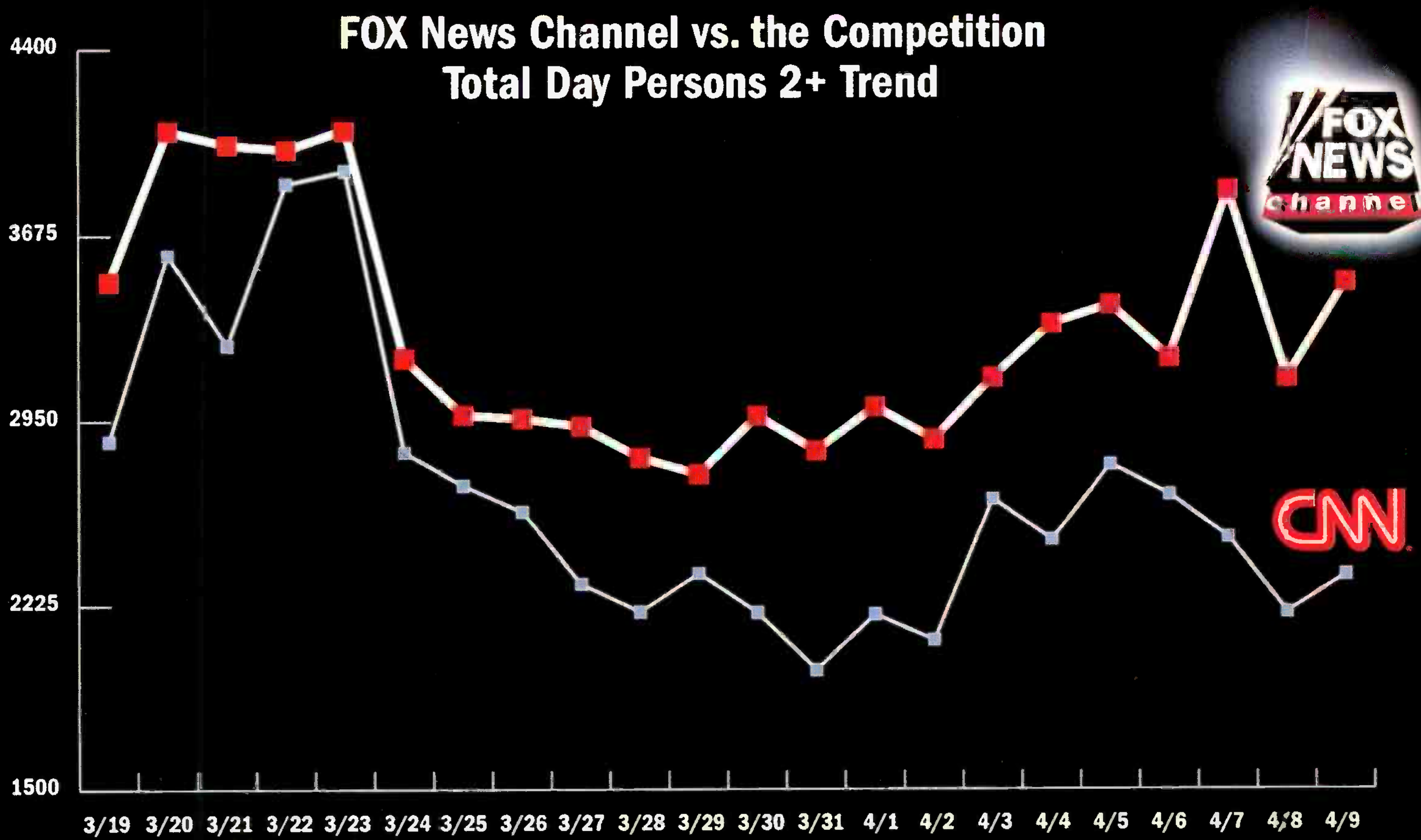
BIWEEKLIES April 21, 2003

	ISSUE DATE	CURRENT PAGES	ISSUE DATE LAST YEAR	PAGES LAST YEAR	PERCENT CHANGE	YTD PAGES	YTD LAST YEAR	PERCENT CHANGE
BUSINESS/ENTERTAINMENT								
ESPN The Magazine	28-Apr	55.65	29-Apr	44.73	24.41%	443.59	412.30	7.59%
Forbes[E]	28-Apr	74.51	29-Apr	83.17	-10.41%	868.94	833.79	4.22%
Fortune[F]	28-Apr	77.87	15-Apr	242.85	-67.93%	909.19	952.66	-4.56%
National Review	5-May	10.50	6-May	12.66	-17.10%	123.32	107.98	14.21%
Rolling Stone	1-May	30.66	25-Apr	55.25	-44.51%	359.13	414.71	-13.40%
CATEGORY TOTAL		**249.19**		**438.66**	**-43.19%**	**2,704.17**	**2,721.43**	**-0.63%**

E=publisher's estimate; F=2002 issue is Fortune 500 special

CHARTS COMPILED BY AIMEE DEEKEN

DURING THE WAR WITH IRAQ AMERICA CHOSE THE MOST POWERFUL NAME IN NEWS



FOX NEWS channel

We report. You decide.™

Source: Nielsen Media Research, 3/19/03-4/9/03, FNC vs. CNN. Persons 2+ AA(000) M-Su 6a-6a. Subject to qualifications which will be made available upon request.

media person

BY LEWIS GROSSBERGER

Nervous Nellies

A LOT OF PEOPLE HAVE BEEN ASKING MEDIA PERSON LATELY, "MR. PERSON, WHY DID the Fox News Channel attract the most viewers of any cable network during the recent hostilities in Iraq?" Usually, Media Person irritably replies, "How the hell should I know?" and slams down the phone. This strikes some of his questioners as odd behavior, especially those who have come to pose the query in person.

But now it's time to write the column, and all of you are looking at Media Person expectantly, so he must come up with a convincing reply to this crucial question. It's this kind of constant pressure to perform, perform, perform that has sent so many pundits and media gurus over the edge, and more than a few porn stars. But MP is made of sterner stuff (which is now out of stock, by the way, so don't try to purchase any) and will concentrate on the question with all his accumulated acumen...and then take a wild guess.

But first, the related question of why all the cable networks gained audience while the old networks lost. That's easy. In wartime, war is all you want to watch, and on Fox, CNN and MSNBC it's always there. Guaranteed. Whereas if you go to ABC/NBC/CBS, maybe it is, maybe it isn't. You're never quite sure. Who wants to run into *Everybody Loves Raymond* at a time like this? Suddenly, it seems so banal, so jejune, so...stupid. You wonder why you ever thought it was amusing in the first place. You want war! And you want the feeling that you're watching it unfold right now, the real thing, right in front of you, in real time. The cable channels give you that feeling superbly, even though it's mostly an illusion, with lots of vamping to fill the dead spots.

And by now you're confident you can quickly find the cable news. It's taken several decades, but finally you've committed their channel numbers to memory, even though they contain as many as two numerals.

So that's why everyone was cable-bound. But why did many viewers stay fixed on Fox instead of fluttering maniacally among the three cable-news stations as any sensible person (Media Person for example) was doing? Of course, Fox has its core audience that never deserts it at any time—unless Ann Coulter is holding a book-signing event down at the local mental hospital. What can you say about these people? They are loyal, steadfast right-wingers, and nothing can be done to help them.

But obviously they were joined by others. Who were the others? They were The Anxious, that's who. It is no secret that war causes the nation's stress level to rise. War is dangerous and unpredictable. It gets some people killed and makes the others nervous. The Anxious—and there are millions of them—want good news, they want a win and they want it fast, because the higher the casualties, the higher the anxiety. Also, what with all the opposition to U.S. military action being heard nowadays, they want to be reassured that the war is good, just, moral, necessary.

Who were the others? They were The Anxious, that's who. It is no secret that war causes the nation's stress level to rise.

And so they went to Fox. On Fox the war is sure to go better than anywhere else. It's not even "the war" but "Operation Iraqi Freedom," with zooming jets morphing into flapping eagles, that well-known symbol of Iraqi sovereignty. On Fox we're winning and even better, we're right. On other channels, disturbing questions arise more frequently. This does nothing for one's anxiety level.

Now it happened, at least this time, that Fox had the war more or less correct. It *was* going rather well for the U.S., even when CNN and MSNBC were worried that maybe it wasn't. But was this not essentially a coincidence? Fox's accuracy was due not to its perspicacity but its ideology. (That's right: It was right because it was right.) On Fox, it seems reasonable to predict, our wars will always go well, at least as long as Fox is owned by a Murdoch.

Or at least Media Person thinks so. Actually, though a top media guru should never make a damaging admission like this, Media Person switches back and forth so much, he's not always sure which channel he's watching at any given moment. There are an awful lot of similarities, maybe more than the differences.

What provokes a Media Person fingerflick? Anything that annoys him. A commercial. (MP really hates it when all the channels go to commercial at the same time; this should be banned.) An annoying person...Aaron Brown, Geraldo, Ollie North. A droning general saying the same thing the other general just said. An icky segment. Media Person will not tolerate ick: the mawkish "how-does-it-feel" (to have your son killed, your daughter captured, your ex-husband's nose blown off, your boyfriend shown on Uday's gold toilet?) interview.

You may be enslaved by Fox. Media Person roams free. ■

CHIP WASS

MEDIAWEEK (ISSN 0155-176X, USPS 885-580) is published 46 times a year. Regular issues published weekly except 7/8, 7/22, 8/5, 8/26, 12/23 and 12/30 by VNU Business Publications USA., 770 Broadway, New York, NY 10003. Subscriptions: $149 one year, $249 two years. Canadian subscriptions: $342 per year. Other foreign subscriptions $319 (air mail). Registered as a newspaper at the British Post Office. Canadian Post Publication Agreement No. 1430238. Periodicals postage paid at New York, NY, and additional mailing offices. Subscriber Service 800-722-6658. MEDIAWEEK, 770 Broadway, New York, NY, 10003. Editorial: New York, (646) 654-5250; Los Angeles, (323) 525-2270; Chicago, (312) 583-5500. Sales: (646) 654-5125. Classified: 800-7-ADWEEK. POSTMASTER: Address changes to MEDIAWEEK, P.O. Box 1976, Danbury, CT, 06813-1976. If you do not wish to receive promotional material from mailers other than ADWEEK Magazines, call 800-722-6658.