MEDIA RAP
Agency execs probe barter, 4th web, shorter spots/49

NAB PREVIEW
Future tech vs. present needs; SNG trucks/56

STEREO UPDATE
Cable coming around on converting systems to MTS/60

RATINGS GAP
Meter disparity between services being reexamined/62

Television/Radio Age

March 31, 1986 $3.50

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Television/Radio Age

March 31, 1986 *Volume XXXIII, No. 20*

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Publisher's Letter

Will national spot TV business reap benefits of healthy economy?

The economy is healthy. The stock market is going through the roof. Projections of the gross national product for the next six quarters are on the upswing, surpassing past cycles. Irwin Kellner, the oft-quoted chief economist of Manufacturers Hanover Trust Co. has said that "the expansion in the economy could keep on rolling right through the next presidential election."

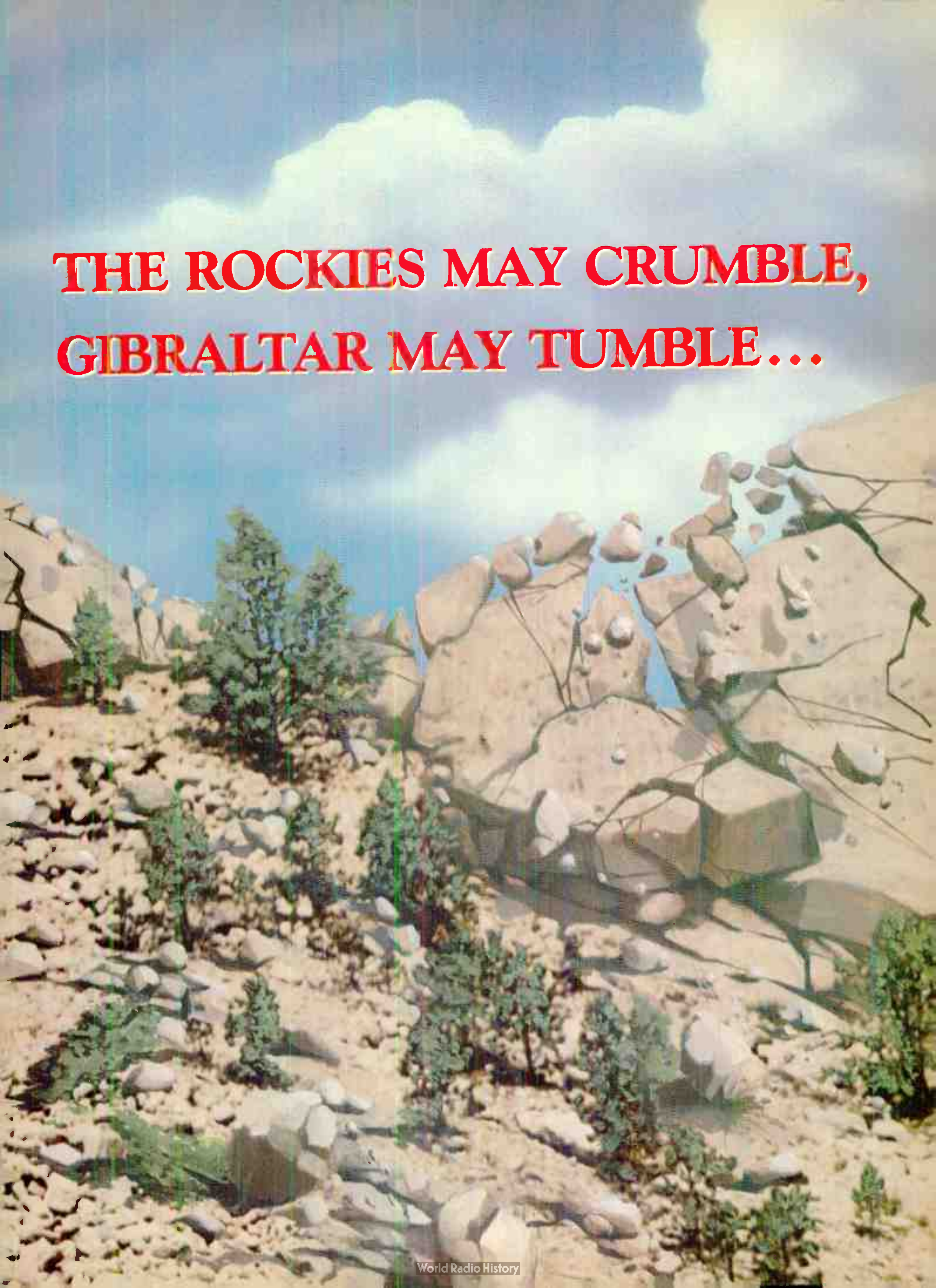
Bill Franklin of *Business Week* observes that the economy is moving faster than the economic indicators. Since wage demands are modest and there is ample supply of commodities, most economists do not see inflationary pressures for several quarters, thus resulting in a balanced economy. Of course, there are the usual caveats—the trade gap is widening, the federal deficit is not disappearing. But on the other hand, cheaper oil will help industrial growth, and with a dollar declining against foreign currencies, that should help reduce the trade deficit. But on the whole, economists are confident of a substantial period of prosperity.

If this is so, why has national television spot been sluggish? The year did get off the starting blocks to a fast beginning. As our story on spot (See page 64) points out, the January TV/RADIO AGE *Business Barometer* reports spot up 16.4 per cent over last year. Last year, national spot for January was practically flat—which explains the spirited increases for this year. Many station managers and their reps are predicting that the quarter should end up in the 10–12 per cent increase range. For the entire year, TV/RADIO AGE has projected an 8 per cent increase in 1986 over 1985 for national, and a 12–13 per cent increase for local. Most reps agree with these "ball-park" figures. But the basic structure of spot varies widely from market to market, as do the revenues from region to region. Texas, for example, is feeling the decline of oil prices, even in the non-oil areas.

Media director outlook. In a recent TV/RADIO AGE roundtable discussion with media directors of top U.S. advertising agencies (see page 49), most of the executives had a rather bearish outlook for national spot in 1986—about a 5 per cent increase.

Several reps observe that media directors traditionally are low in their projections for negotiating purposes. But there are several factors that concern the reps. The first of these is the 15-second isolated spot that will undoubtedly have an impact on the spot business. Management has to be prepared for an erosion of spot dollars caused by media competition from cable, barter, and even PBS. The total volume may be increased, but with more stations, each will get a smaller piece of the pie, according to one broadcast economist, who adds, that television is getting more dollars from accounts that were not on television a few years ago. This means that more stations are devoting more time, energy, and money to generate more local business. I can see, observes one rep, a similar development that happened in radio—not to that extent—but where a larger percentage of the revenues than in the past will come from local and regional business. Commercial television is a healthy business. But every medium has changed through the years, as it has been confronted with new competition. And television has the competitive tools to adjust, to expand, and continue to be profitable. It is the most effective marketing medium in the U.S. economic structure.

Sol J. Paul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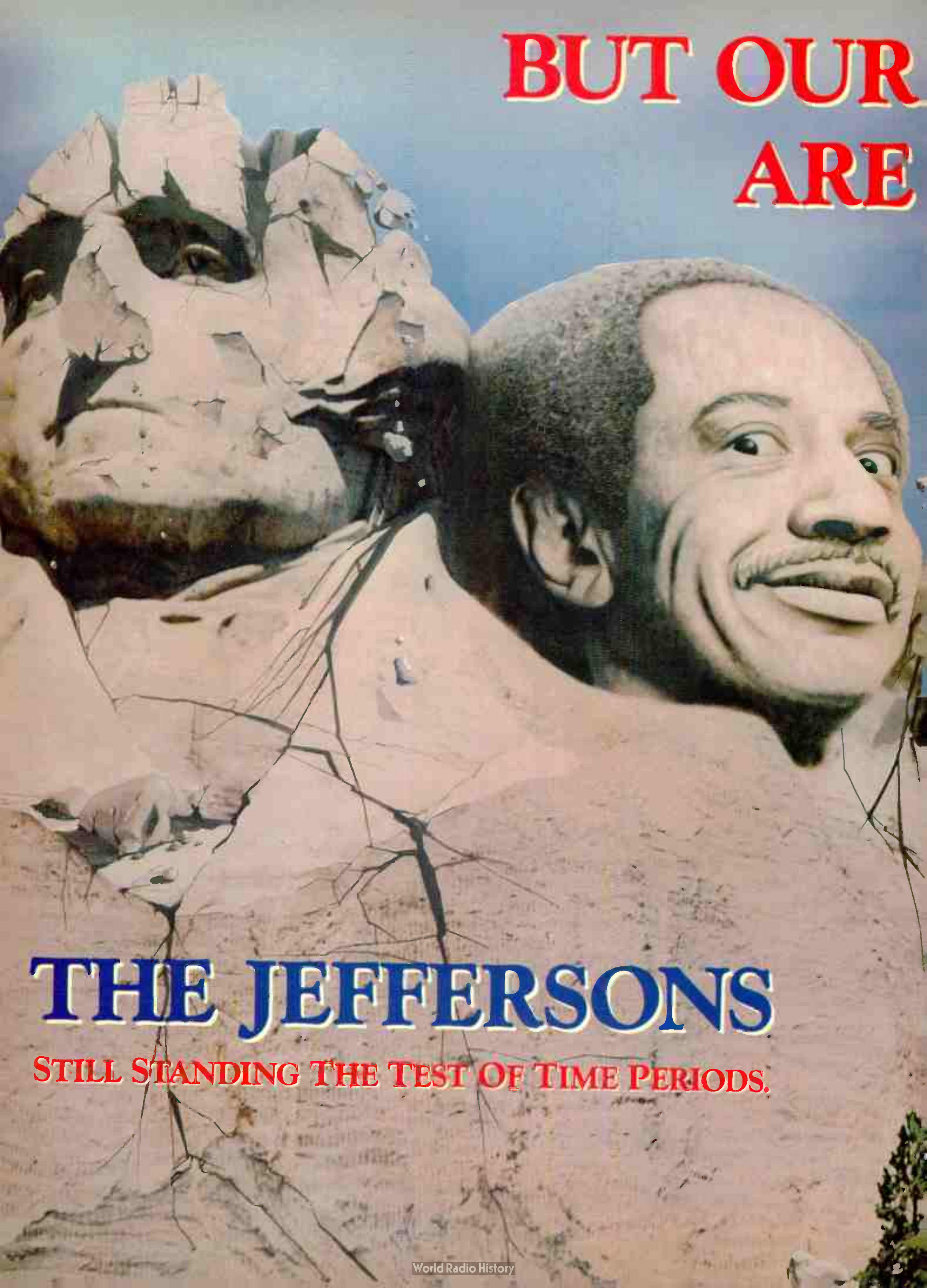
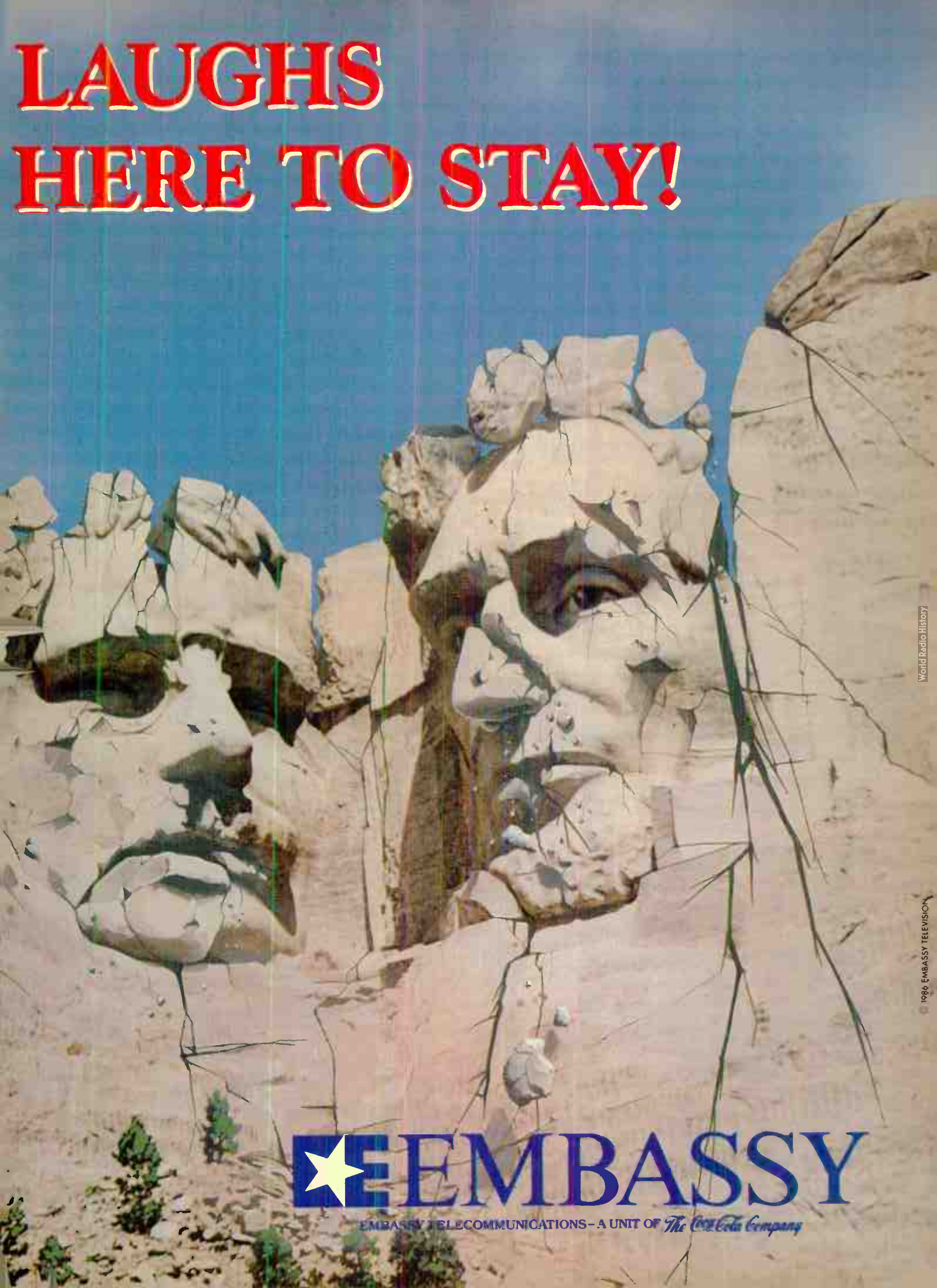
GIBRALTAR MAY TUMBLE...


BUT OUR
ARE
THE JEFFERSONS
STILL STANDING THE TEST OF TIME PERIODS.


LAUGHS
HERE TO STAY!
EMBASSY
EMBASSY TELECOMMUNICATIONS – A UNIT OF The Coca-Cola Company
© 1986 EMBASSY TELEVISION

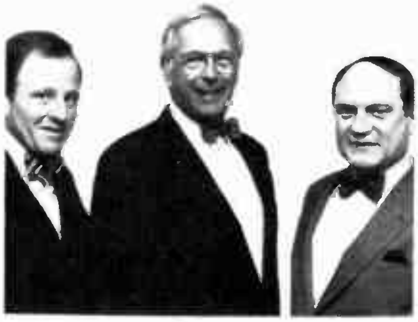
Letters

Bow tie boosters

Thank you for writing the defense of the bow tie (*Publisher's Letter*, "Can you trust a man in a bow tie?", March 3). To judge by their hysterical accusations, the four-in-handers are obviously on the run. You can't trust a man in a bow tie? When I was young, Franklin D. Roosevelt wore a bow tie. Winston Churchill wore a bow tie. Harry Truman wore a bow tie. Humphrey Bogart wore a bow tie. I can't think of four men I would trust more. I don't see Ronald Reagan or Jesse Helms or Casper Weinberger wearing a bow tie. But I guess that proves the point.

ARTHUR SCHLESINGER, JR.
New York

It is doubtful that your *Publisher's letter* of March 3, 1986, will set a sartorial trend. However, it did evoke expression of sympathy for and solidarity with our friends who wear bow ties. Herewith pictorial evidence of our support.



From l.: *James R. Kelly, senior vice president/director of client services; Walter A. Schwartz, president & chief operating officer; Kenneth P. Donnellon, vice president/marketing & communication*

ALL THE BEST FROM YOUR FRIENDS AT BLAIR TELEVISION

It helps to have friends to get you through times of crisis. Like this bow-tie crisis.

I'm grateful for the esteemed Charles Osgood's endorsement of my credibility despite the fact that I've worn bow ties on NBC's air [and off] for 35 years.

Then, too, there was lovable Linda Ellerbee's retort to so-called clothing expert John T. Molloy's claim that lawyers reject, as unreliable for jury duty, men who wear bow ties. On the *Today Show* Linda eloquently shot back, "In defense of my pal Irving R. Levine, as Shakespeare said, 'First kill all the lawyers, or something like that.' "

I don't know Linda's source for that ferocious quotation, but I do know that the hostility of bow-tie haters stems from envy. Men who have never been able to master the art of tying a bow tie are fit to be tied with envy of those of us who can do so even without aid of a mirror.

Well, I harbor no resentment. I'll share the secret. It's the same as tying a shoelace, except that it's around your neck, of course.

Why do I wear a bow tie, despite the abuse? Simple. It's the only kind I have. Will I give up wearing them? As our nation's non-bow-tie-wearing president has said on occasion, "Hell, no."

IRVING R. LEVINE
NBC News,
Washington

I trust Sol Paul, a bow tie dude, more than I ever trusted Walter Cronkite.

GENE MALONE
General manager,
WOLF-TV
Scranton, Pa.

I enjoyed your *Publisher's Letter* on the bow tie situation.

OWEN S. SIMON
Vice president,
creative services,
Group W Productions,
Los Angeles

Black broadcasting

We enjoyed your articles on black broadcasting in the February 17, 1986, issue.

On page A-11 are listed some stations and their Arbitron ratings. In the spring, 1985, ARB for total persons 12+, Monday–Sunday, 6 a.m. –midnight, metro area, KCIJ was Number 1 with a 16.1 share. KCIJ is formatted 100 per cent black gospel, is on the AM side and is a daytimer.

F. M. RIDENOUR, JR.
Vice president/general manager,
KCIJ,
Shreveport

When you're
the strongest force
in first-run syndication,
you don't have to shout.

Columbia Pictures
Television
Group
A UNIT OF THE Coca-Cola COMPANY

Because the facts are loud and clear:

The Columbia Pictures Television Group is the hottest name in the first-run business and is firmly committed to the future of first-run syndication. With Columbia Pictures Television, Colex Enterprises and The Television Program Source, we're the first place that independent and affiliated stations turn to for first-run programming.

When you've got all this going for you, you don't need to shout.

Columbia Pictures
Television
Group
A UNIT OF THE Coca-Cola COMPANY

COLUMBIA PICTURES TELEVISION GROUP

Columbia Pictures Television

WHAT'S HAPPENING NOW!!
2ND Yr. Series In Association With LBS Communications.

THE REAL GHOSTBUSTERS
1ST Yr. Strip

Colex Enterprises

GIDGET
1ST Yr. Series

IT CAME UPON THE MIDNIGHT CLEAR
AND OTHER PREMIERE MOVIES

The Television Program Source

THE NEW PRICE IS RIGHT
2ND Yr. Strip

CARD SHARKS
1ST Yr. Strip

Sidelights

Now, the flat plate

Home satellite antennas have generally been shaped liked dishes. Now meet the flat plate, just introduced by Future Communications in Colorado Springs, Colo. Called PhaseCom, the antenna is five feet square and less than two inches thick, weighs about 20 pounds, and looks like a solar panel when mounted flat on any surface.

New flat plate antenna, *introduced by Future Communications, Colorado Springs*

Future Communications says PhaseCom opens up the satellite marketplace to people who live in apartments, condos, mobile homes and motor homes. Prices start at $421, with the most deluxe unit costing $1,189.

MOR journalism

American journalists are shifting towards middle-of-the-road political views, according to a study of 1,000 broadcast and print journalists summarized in *The American Journalist*, a new book by Indiana University journalism professors David Weaver and Cleveland Wilhoit.

Demographically, compared with a dozen years ago, the study found that journalists are younger, more likely to be women, less likely to be minorities, and more likely to leave the journalism field in their 40s.

The Gannett Foundation funded the research for the book, which was published by Indiana University Press. Among other findings: journalists reflect the larger society "almost exactly" in religious backgrounds and affiliations; journalists are more highly educated than ever; journalists, with a 1981 median income of $19,000, have about $7,000 less in purchasing power than they did in the 1960s; few journalists regard readers, listeners and viewers as "gullible."

In tune with traffic

AM radio giant WCCO in Minneapolis-St. Paul might have the only blind traffic reporter in the country. He's Dean Spratt, and for the past five years, he's been delivering at least 10 rush-hour reports daily.

Spratt works out of his home, where six programmable scanners keep him tuned to police officers and county sheriffs. He takes notes on a Braille writer and broadcasts his reports to the station via a special hookup line.

Besides his traffic reports, Spratt sometimes passes along tidbits heard over the scanners to WCCO's news reporters, enabling them to scoop the competition.

Tobacco clout?

Will radio and TV shy away from news stories on the hazards of cigarettes now that the tobacco industry, through recent mergers, controls billions of dollars in food advertising dollars? That's a possibility raised by attorney Lawrence White in the latest issue of *ACSH News & Views*, pub-


Media General Broadcast Services Inc.
TOWERS ABOVE THE REST
Libraries for Sales and Production • Station IDs
Advertiser Jingles • Music Formats • Travel Packages
Program Syndication • Custom Production
NAB Booth #3335 Look for the Tower.
Visit our Hospitality Suite
at Lowe's Anatole
"We Deliver"
Media General
Broadcast Services, Inc.
A MEDIA GENERAL COMPANY
NEW YORK • MEMPHIS • CHICAGO
CLEVELAND • LOS ANGELES

HOUR HE

Sidelights *(continued)*

lished by the American Council on Science and Health.

Citing magazines and newspapers who do not report news about cigarette dangers because "they fear the loss of advertising revenue," White says, "television stations and networks which have not been amenable to tobacco industry blackmail since the government banished cigarette advertisements from the airwaves in 1971 could now see heavily advertised products such as Birds Eye frozen food or Fleischmann's margarine used as threats in case they dare to report on the health hazards of cigarettes.

Recent tobacco industry acquisitions include Nabisco by R.J. Reynolds and General Foods by Philip Morris.

History remade

NBC-owned WYNY(FM) in New York is now broadcasting from a renovated Studio 9A in the RCA building. The historic studio is said to have been the site of President Franklin Roosevelt's famed "fireside chats," and it does indeed still include a real fireplace, the only one ever in the RCA building.

The original beam ceilings from the 1933 studio design are also still there, but the technology is definitely state-of-the-art. The studio, described by manager of engineering Mark Olkowski as the most advanced radio facility in New York, includes: two Pacific Recorders audio consoles, 12 ITC Series 99 tape cartridge machines, three Otari reel-to-reel recorders, three separate telephone hybrid systems with full conferencing, DBX noise reduction on all tape equipment, and full transmitter remote control and monitoring capability.

Studio 9A was originally designed to make politicians and dignitaries feel at home in a living-room environment at NBC Radio. WYNY also uses adjacent Studios 9B and 9C, and the three facilities are the only remaining NBC Radio studios from the original 1933 layout and design of the network's then-new headquarters.

NRBA format survey

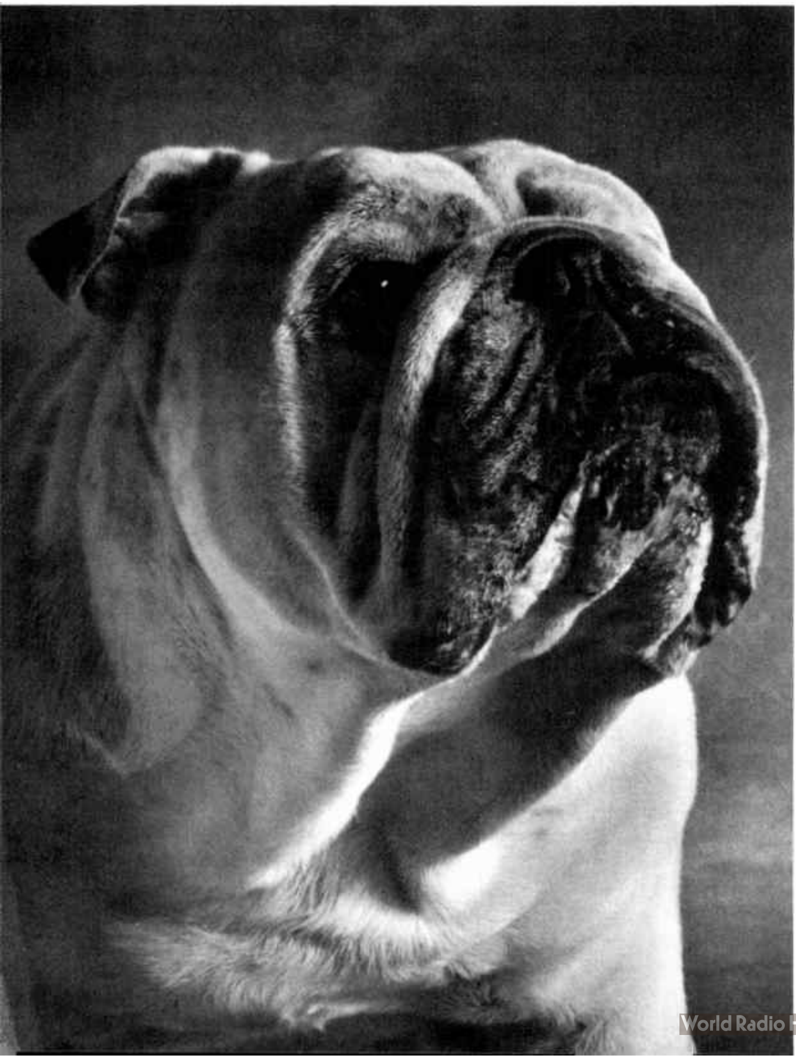
Adult contemporary continues to be the most-programmed radio format, according to the 1985 Radio Programming Survey conducted by the National Radio Broadcasters Association (NRBA). AC, which has been the leading format for all four years of the NRBA survey, was programmed by 36 per cent of AM stations responding and 29 per cent of FM stations.

Second most popular FM format was contemporary hit radio (CHR) with 26 per cent, followed by country, 20 per cent, album oriented rock (AOR), 8 per cent, and easy listening, 7 per cent.

On the AM dial, country was second to adult contemporary, programmed by 30 per cent of stations responding to the survey. After that, there was a big dropoff, to a tie for Number 3 between big band/nostalgia and news/talk, both with 6 per cent.

The remaining formats on AM and percentage of stations programming them: oldies/gold, 4 per cent; religious, 4 per cent; CHR, 3 per cent; easy listening, 2 per cent; ethnic, 2 per cent; and urban contemporary, 2 per cent.

The survey, sent out in late November, 1985, with a followup in January, 1986, received a 50 per cent response rate from a random sample of 1,180 commercial radio stations. Results were tabulated by Indiana University. Representative returns were said to have been received from all regions and market sizes.



Tele-scope

Outlet group to rebuild TV and radio operation

The new owners of the Outlet TV and radio stations have no intention of pausing to digest the heavy financing load incurred in their purchases of the group. Chief exec Bruce G. Sundlun says they intend to go right out searching for TV affiliates in the top 50 markets and for top 25 market radio stations. The search, of course, is subject to FCC approvals of the massive switch from Rockefeller Group ownership, including the sale of three TV Outlet affiliates to others.

The Outlet group, under the name Seaward Communications, the entity set up to acquire the seven TV and four radio stations from the Rockefellers (Seaward is the name of Sundlun's Newport, R.I. residence), has taken over four TV and the radio stations for $168 million. Total acquisition price for the entire group was $625 million, but WCPX-TV Orlando went to First Media Corp., a Marriott family-owned company for $200 million; KOVR-TV Sacramento was sold to Narrangansett Capital Corp. for $104 million, and KSAT-TV San Antonio went to H&C Communications for $153 million. Howard E. Stark brokered the transactions.

Four TV stations. That leaves Seaward, 38 per cent of whose equity is held by Wesray Capital Corp. (William Simon and Ray Chambers), with two TV affiliates, two TV indies added to the Outlet group by the Rockefellers and radio outlets in Los Angeles, Philadelphia, Washington and Detroit. The TV stations are WJAR-TV Providence (NBC), WCMH-TV Columbus, O. (NBC), WXIN(TV) Indianapolis and WATL-TV Atlanta. Seaward's contract with the Rockefellers was signed February 5 and the application for approval filed with the FCC March 7. An okay is expected within three months.

AMOL to be integrated

With A. C. Nielsen having decided to integrate AMOL (Automated Measurement of Lineups) into a common package with NTI for the networks, CBS has extended its AMOL contract through the end of April while it awaits further details from Nielsen. CBS had previously indicated its intent to pull out of AMOL as of March 31 (see *Tele-scope*, March 3).

With pricing of AMOL the major concern of CBS, Stan Seagren, Nielsen's vice president, eastern regional manager, says the networks will be informed shortly of a price reduction (below the current $600,000 a year per network) but that the full integrated package may take another two months to prepare. David Poltrack, CBS vice president, research, speculates the package might be similar to what Nielsen has been offering agencies—including a discount for signing for three years vs. one, which essentially means getting commitments for the forthcoming people meter.

But Seagren says the only thing decided is that AMOL will be part of the total NTI agreement for networks and that there will be a price reduction. He says he hopes CBS will renew AMOL on the basis of the price reduction pending a full presentation of the package, which is tied together with the recent establishment of accelerated ratings information.

Fraiberg to run WOR-TV

Lawrence P. Fraiberg will retire from his position as president of Group W's Television Station Group April 15 and immediately take over as president of MCA Broadcast Operations and vice president of MCA, Inc., with direct responsibilities for the operations of MCA's new acquisition, WOR-TV New York.

Fraiberg will be succeeded by Thomas Goodgame, currently vice president and general manager of Group W's WBZ-TV Boston.

Disney in two deals

Gene Siskel and Roger Ebert, hosts of Tribune Entertainment's *At the Movies*, will exit the half-hour series and join Walt Disney Domestic Television in a new movie-review series, to be called *Siskel & Ebert & the Movies*, to begin in the fall. It's understood that Siskel and Ebert will each receive $1 million annually and will also develop TV specials on the movie industry. Tribune will retain the series' name and will "improve" the format with more interviews and with an inside look at the movie industry. New hosts (or host) have not yet been chosen. The team hosted Tribune's show for about four years. According to a Tribune spokesman, the group's stations will not carry the Disney version.

Disney has also entered into an agreement with *People* magazine to introduce a first-run syndicated TV show based on *People* for the fall, 1987. The venture will begin with a pilot which will be presented to stations in the fall. *People* will be a half-hour strip with a special one-hour weekend edition, and will be fed daily via satellite to participating stations. It will be targeted specifically for the access time period.

MCA TV, Tribune deal

MCA TV and Tribune Broadcasting Co. have entered into a co-production venture on new episodes of *Charles in Charge*, sitcom which ran on CBS-TV in 1984–85. Under the agreement, MCA will clear the stations and Tribune Entertainment will sell the time. The weekly syndicated show will be sold via barter and will be available next January. All Tribune stations will carry the program. *Charles in Charge* was originally produced by Universal Studios, which will produce the new episodes. The series had 22 episodes before being taken off the air by CBS. The new episodes will feature Scott Baio, who was in the original *Charles in Charge*. Baio also played Chachi Acrola on *Happy Days*.

Meter helps Denver indies

Nielsen's metered service, introduced in Denver during the past year, is making the two independents in the market look a whole lot better—and early indications from the ScanAmerica test there show similar results.

According to Rich Cerussi, general sales manager of KWGN-TV, the metered NSI service in February showed the two independents (KWGN-TV and KDVR) with a combined share of 22, sign-on to sign-off, against a February Arbitron diary service showing a 17 share.

With ScanAmerica testing 200 meters in two counties, including Universal Product Code purchasing data, preliminary data for late November, December and early January also indicated a 22 share.

Cerussi also notes that, where Arbitron diary data ranks his station fourth in total household cume, sign-on to sign-off, in the TSA, it comes out first in Nielsen metered data—with 1,053,000 households vs. 935,000.

New York Emmys

WCBS-TV New York, topping the other television stations in the market, racked up seven program Emmys and five for individual craft achievement for excellence in the arts and sciences of television as produced and seen in New York City during the period covering September 1, 1984 to August 31, 1985. A total of 15 programs and 16 individual craft achievements were awarded by the New York Chapter of The National Academy of Television Arts and Sciences during ceremonies held in New York. WCBS-TV took program honors for single news feature, sports programming, documentary program, documentary series, children's program, entertainment program and PSA. WNBC-TV took four Emmys, for news broadcast, investigative reporting, news special and community outreach program. WNET(TV) and WPIX(TV) took two each. (For complete rundown of winners, see TV/RADIO AGE, next issue).

Matson to new post

Patricia J. Matson, vice president, corporate communications, ABC Inc., since October, 1984, has been appointed vice president, corporate communications, Capital Cities/ABC Inc. Matson's background includes 20 years of corporate, political and broadcast experience, including nine years at ABC. Matson joined ABC in 1977 in Washington as director of news information, moving to New York later that year as director of business information. She was promoted to vice president, public relations planning and development, in 1979, taking on supervisory responsibilities in broadcast public relations for business information, video enterprises, radio and owned stations public relations, speechwriting, audience information and Washington public relations activities. Before joining ABC, Matson's experience included four years in press relations at The White House, 1973–1977.

KTTV(TV) wins two awards

KTTV(TV) Los Angeles won both awards in the top television category, overall coverage, presented by the Greater Los Angeles Press Club during ceremonies held in Beverly Hills. KTTV's *8 O'Clock News* was the winner for a television newscast under 60 minutes and its *10 O'Clock* news garnered the top honor for a TV newscast of 60 minutes or longer. Interestingly, the 8 p.m. show made its debut only eight months ago. The 10 p.m. news was moved to the 11 p.m. time slot and a 30-minute format in January when the station premiered its *9 O'Clock Movie*. Both of the winning newscasts are anchored by Marcia Brandwynne and Jay Scott. Executive producer of the 8 p.m. news is Dana Millikin and producer is Debbie Biringer. Dana Millikin is executive producer, and Rod Lea is producer of the 10 p.m. news telecast.

BBC to acquire Lionheart

BBC Enterprises announced an agreement in principle to acquire Lionheart Television International from Western-World Television and Public Media Inc., each of whom acquired 49 per cent of the syndicator in May, 1984.

As part of the deal, W-W will continue representing the BBC in South America at least into 1992, and PMI during the same period will continue representing the BBC to such educational and institutional markets as libraries and universities. Lionheart's 1985–'85 sales of BBC product in the U.S. totaled $7.95 million.

An official press release said W-W and PMI had decided to "realize their investment." W-W President Robert Springer, acknowledged that the sellers would be coming out ahead on their two-year investment.

In recent months, Lionheart has taken steps to expand the U.S. market for BBC product into the commercial sector from its public TV base. Lionheart also handles shows from Australia's BBC network as well as Western-World productions and co-productions. Springer said disposition of the latter product is not yet decided, but W-W itself will probably distribute the successful film *Threads* and its companion piece *Visions*.

Health care ads gain

Although an optical services advertiser—Pearle Vision Centers—spent far more on TV than any single medical or dental care advertiser in 1985, the overall

THE
QUESTION IS,
SHOULD YOU
PLAY
KNIGHT RIDER
AS AN HOUR
OR
A HALF HOUR?

THE ANSWER IS...

Tele-scope *(continued)*

medical-dental advertising amounted to more than twice that of the optical category. According to Television Bureau of Advertising based on Broadcast Advertisers Reports, the 10 leading medical and 10 leading dental advertisers together spent $86,894,300 in '85—a 40 per cent gain over $62,073,900 in '84. Optical services were up 41 per cent—$38,695,300 compared with $27,521,000.

Pearle, the only optical services advertiser using network as well as spot, spent a total of nearly $14.9 million on TV in '85—over $9.7 million on network and more than $5.1 million on spot—in total, 18 per cent more than a year ago. Next largest optical spender was Lens Crafters, with more than $4.2 million in spot—a 257 per cent gain over '84.

Top medical service spender was Humana, Inc., up 46 per cent to nearly $5 million. The leading dental service advertiser, Denta Health Dental Clinic, was down 35 per cent to $880,100.

TvB reports the three types of health services together have had an average annual compound growth rate of 36 per cent in the past five years. It notes health care services have increased their TV investments five-fold, from $27,361,000 in 1980 to $125,579,600 in 1985.

Public TV series buys

Public TV stations spent a record $39,436,099 for the purchase of 26 series at their 13th annual program market—the Station Purchase Cooperative. Amounting to 901 hours of programming, this compares with last year's expenditure of $35.2 million for 24 series amounting to 874 hours.

The programs acquired this time are expected to comprise half the lineup for the '86–87 season and include four new series plus new offerings from 22 established series. One of the four, *The Search for the Mind*, has been deferred to the '87–88 season. From WNET(TV) New York, it is a nine-part sequel to *The Brain*.

New for the '86–87 season are *Adventure*, an eight-parter from WGBH(TV) Boston featuring true stories of extraordinary people facing great challenges; *American Masters*, a 15-parter from WNET profiling such American artists as Eugene O'Neill, Billie Holiday and George Gershwin; and *The Day the Universe Changed*, a 10-part BBC production from South Carolina Educational Television exploring how discoveries of new knowledge have transformed man's understanding of the world and universe. Financial support from stations via the SPC represents all or a major portion of the purchased programs' budgets.

AICP adds ninth chapter

The Association of Independent Commercial Producers has added its ninth chapter—in Atlanta. Other chapters are in New York, Los Angeles, Dallas, Chicago, Miami, San Francisco, Denver and Seattle. Belonging to the new chapter are 22 production companies and 16 associate member firms in the Atlanta and Charlotte, N.C. areas.

Only one prime daypart down

With network TV advertising in January making a 7 per cent gain from the same month in 1984, the three networks were ahead in all dayparts except daytime. Total revenues for the month, according to Broadcast Advertisers Reports, were $726.5 million, compared with $678.9 million. Meanwhile, Monday–Friday daytime—10 a.m.–4:30 p.m.—was down to $133.2 million from $138.6 million.

Top spender for the month was Procter & Gamble, spending $42.9 million and followed at a distance by Philip Morris and General Motors. Details follow in the two tables below.

Network TV revenue estimates—January, 1986

Three-network totals (000$)

Daypart	January 1985	January 1984
Prime: Sun. 7–11 p.m. & Mon.-Sat. 8–11 p.m.	$355,232.8	$335,020.5
Mon.-Fri. daytime: 10 a.m.-4:30 p.m.	133,178.1	138,647.2
Mon.-Sun. late night: 11 p.m.-sign off	25,668.6	24,804.9
Sat./Sun. daytime: sign on-6 p.m.	97,911.9	76,208.2
Mon.-Fri. early morning: sign on-10 a.m.	16,673.0	15,485.1
Mon.-Fri. early fringe: 4:30–8 p.m.	46,350.7	42,547.0
Sat./Sun. early fringe: Sat. 6–8 p.m./Sun. 6–7 p.m.	51,510.1	46,178.2
Subtotal early fringe	97,860.8	88,725.2
Total	**726,525.2**	**678,891.1**

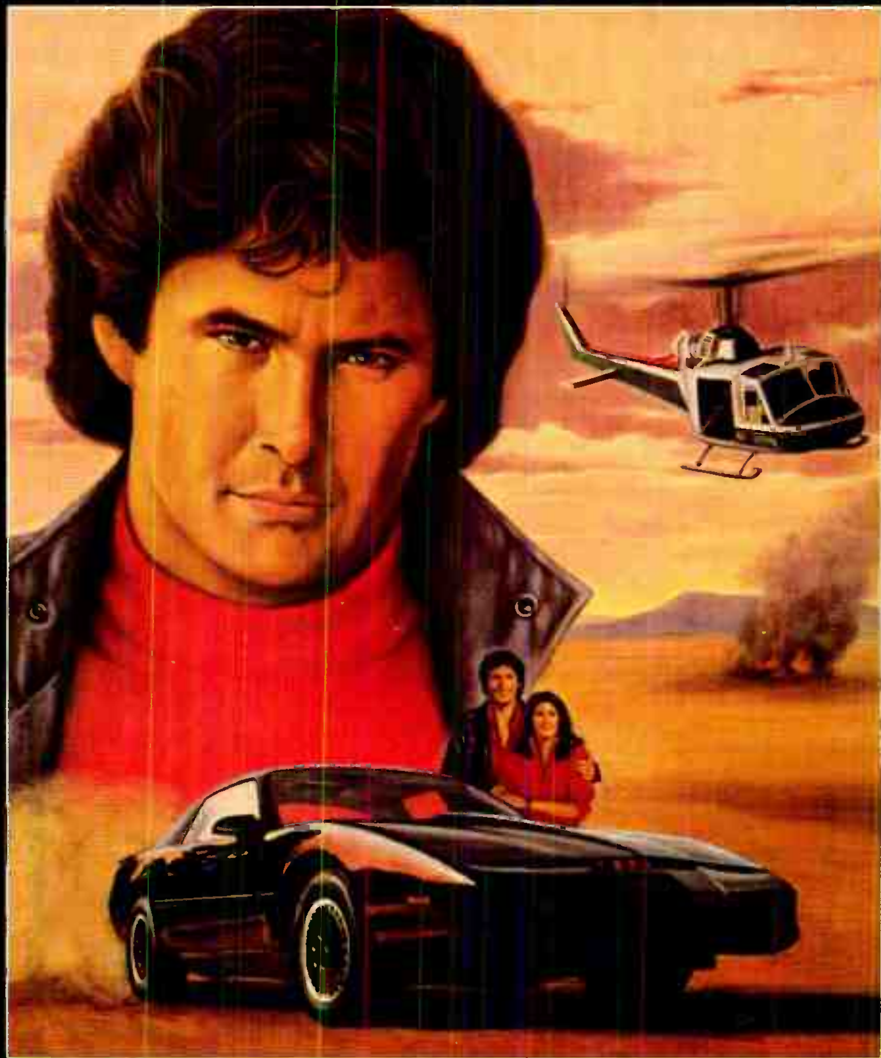
Source: Broadcast Advertisers Reports

Network TV parent companies ranked by estimated expenditures—January 1986

Parent company	Estimated expenditures
Procter & Gamble	$42,875,500
Philip Morris	25,527,100
General Motors	19,966,400
American Home	19,081,400
McDonalds	18,174,000
Ford	17,232,000
Anheuser-Busch	15,532,600
R.J. Reynolds Inds Inc	15,355,000
Unilever	14,607,400
Sears Roebuck	14,269,800

Source: Broadcast Advertisers Reports

...YES!



Either way you have...

- A perfect mix of adults and kids for transitional time periods.
- All of the humor and action-adventure that audiences crave.
- Those heavy viewers who monopolize early fringe.
- *Plus* the added option to switch back and forth from the hour to the half-hour format.

Now, *that's* flexibility!

KNIGHT RIDER®

Available as Half-Hours or Hours.

MCA TV

International Report

Brussels

ECC drafts code for controlling programs spilling over borders

Without undue haste, European officials finally appear to be coming to grips with the problem of trying to control television programs which cross national borders. Although the close proximity of European states has precluded absolute exclusion of television signals from one country into another, satellite and cable broadcasts have exacerbated the problem.

Given that the number of international broadcasts will increase in the future, the European Community Commission has accepted a draft directive, which at least will try to exercise some degree of control over what each member country might transmit throughout the whole of the Community.

The proposed rules restrict programs produced outside the EEC to 40 per cent in three years from a more generous 70 per cent at the outset.

To stimulate the growth of independent producers, it is mandatory that 5 per cent of all programs broadcast, rising to 10 per cent in three years, must be purchased from independent production companies within the Common Market.

Tobacco ban. Among the other directives are a total ban on tobacco advertising, restrictions on alcohol commercials and a common code to protect children by prohibiting all broadcasts which involve "pornography, gratuitious violence or incitement to race hatred."

In addition to the uniform regulations, the Commission relies on the promise that all programs broadcast will comply with the laws of the originating country to ensure that all member states will respect transmissions from their EEC partners.

Even after the Commission has its say, however, passage of the "Television Without Frontiers" proposals are not within sight. The long complicated Common Market legislative process will ensure that the code, even if eventually approved by the member states, will not be put into effect for several years, at least.

Luxembourg

President plans protest on awards of two channels on TDF bird

The Luxembourg government and France's High Authority for Audiovisual Communication have both condemned the French government's decision to award two of the four available channels on the TDF-1 satellite to a European consortium.

Luxembourg president Jacques Santer said at a press conference that the Compagnie Luxembourgeoise de Telediffusion (CLT) had been refused a channel "on the point of finalizing an agreement," and he plans to send an official letter of protest to the French government. Although CLT has been offered an option on the fifth channel, this channel will be on TDF-2, which is not scheduled for launch until mid-1988.

The High Authority is concerned at "the lack of space reserved on TDF-1 for French programs and for the French language." Of the four channels available on TDF-1, only two were awarded to French channels: the recently launched private channel, France Cinq, and the new public sector cultural network, La Sept.

The remaining two channels have been awarded to the newly-formed European Satellite Television Broadcasting Corp., which is expected to begin broadcasting early next year in English and Italian. The consortium currently has four members: U.K. publisher Robert Maxwell of the Mirror Group is president, joining forces with Italian Silvio Berlusconi, Berlusconi's partner in France Cinq, Jerome Seydoux, and the West German Kirch group (which includes Beta Film and Taurus Film). A Spanish publisher is expected to sign up with the group within the next two weeks.

Mirror Group deputy chairman, Bryan Cowgill, and Silvio Berlusconi will look after production. The consortium plans to produce 70 hours of programming during its first year, increasing this figure to 100 hours in the second year of operation. Not all programing will be for TDF-1: some is also intended for television and cinema outlets worldwide. Several productions are planned, including a serial on the life of Ernest Hemingway, an adaptation of Barbara Hutton's novel, *Poor Little Rich Girl* as well as an adaptation of Simone Signoret's last novel, and a series about aircraft test pilots.

The consortium also plans to take part in coproduction ventures.

London

Rank challenges IBA's refusal to allow it to buy Granada Group

The Rank Organization promises to vigorously pursue its desire to acquire the Granada Group, which includes Granada Television, although Rank now has withdrawn its $1.1 billion offer. Rank is challenging the British Independent Broadcasting Authority's refusal to allow it to obtain in the courts more than 5 per cent of the television operation's voting rights, but concedes that it is unlikely there will be a speedy resolution to the issue.

Essentially the dispute centers around the extent of the IBA's managerial powers, bringing into question the IBA's right to refuse to allow another company to obtain a controlling interest in a firm holding an operating broadcasting license.

Observers do not believe the court will rule against the IBA, but Rank has said it wants to discuss its future plans for Granada Television, with the IBA. This could involve a mechanism by which Rank could retain financial control without actually running the station. So far, however, the IBA has refused to even talk with Rank.

In withdrawing its bid, Rank has been given 21 days to resubmit an offer to acquire the Granada Group when and if there is a resolution to the television station ownership problem.

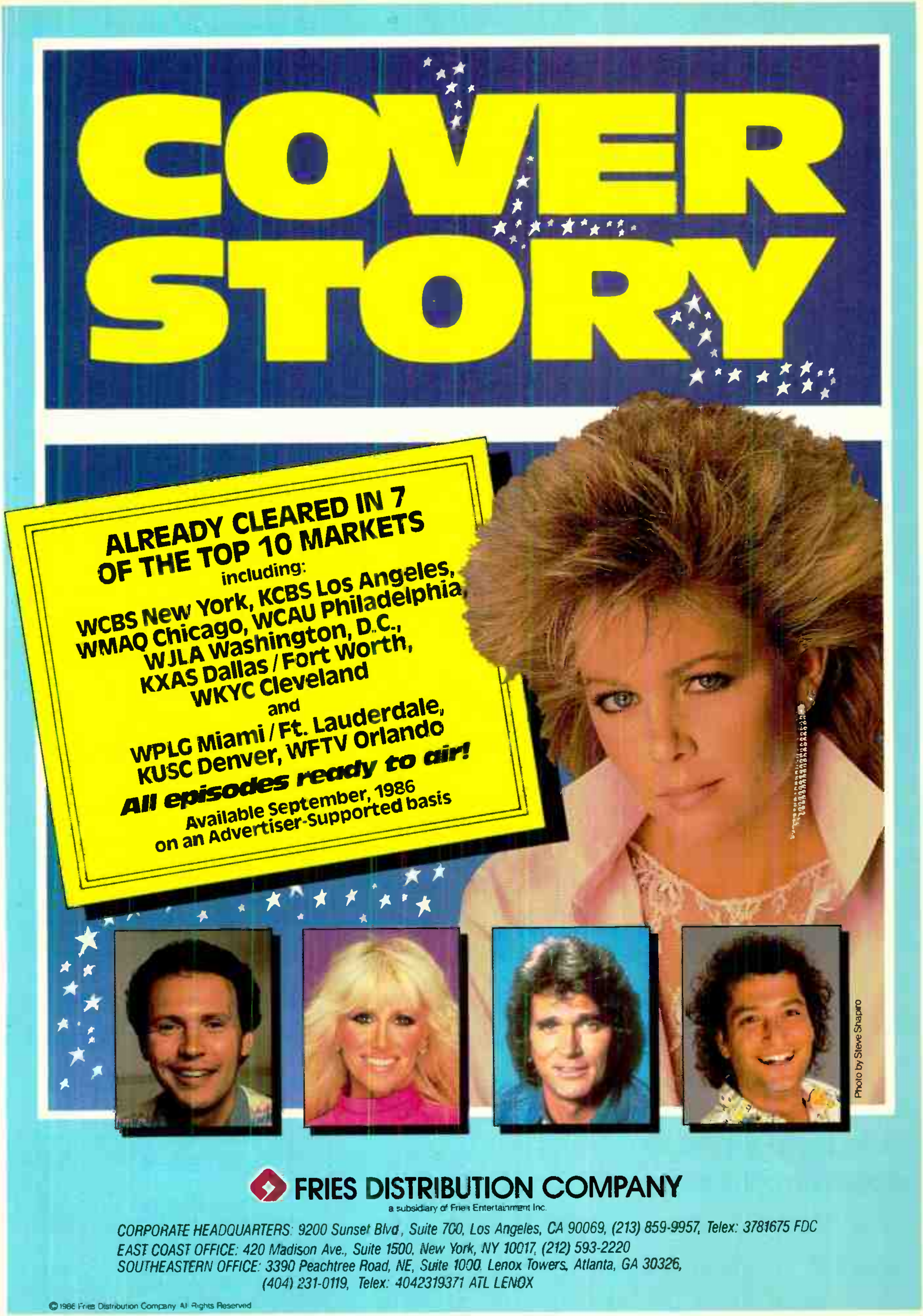
Broadcasters criticize study covering potential of satellite business

Pan-European satellite broadcasters have reacted angrily to a survey conducted by London-based Communications and Information Technology (CIT) Research which says that they have got it wrong. The report predicts that the foreseeable future of satellites lies in business use rather than home TV.

According to CIT, revenue from West European satellite services will rise to $1.5 billion by 1995, $900 million of which will come from business and institutional customers rather than television channels. The survey estimates that only 1,375,000 domestic satellite receivers (TVROs) will be installed by 1995.

Tony Logie, director of sales at Sky Channel, dismisses the report: "CIT is notoriously pessimistic about the future of cable and satellite and, whenever their figures are compared with our own, ours end up being nearer to the truth than theirs—with hindsight."

Music Box's head of research, Julian Pounds, says, "Consider that we have only been going for 18 months, and that at year end the number of homes connected was 10 million, which will grow phenomenally over the next few years with the advent of DBS, SMATV and low powered satellite."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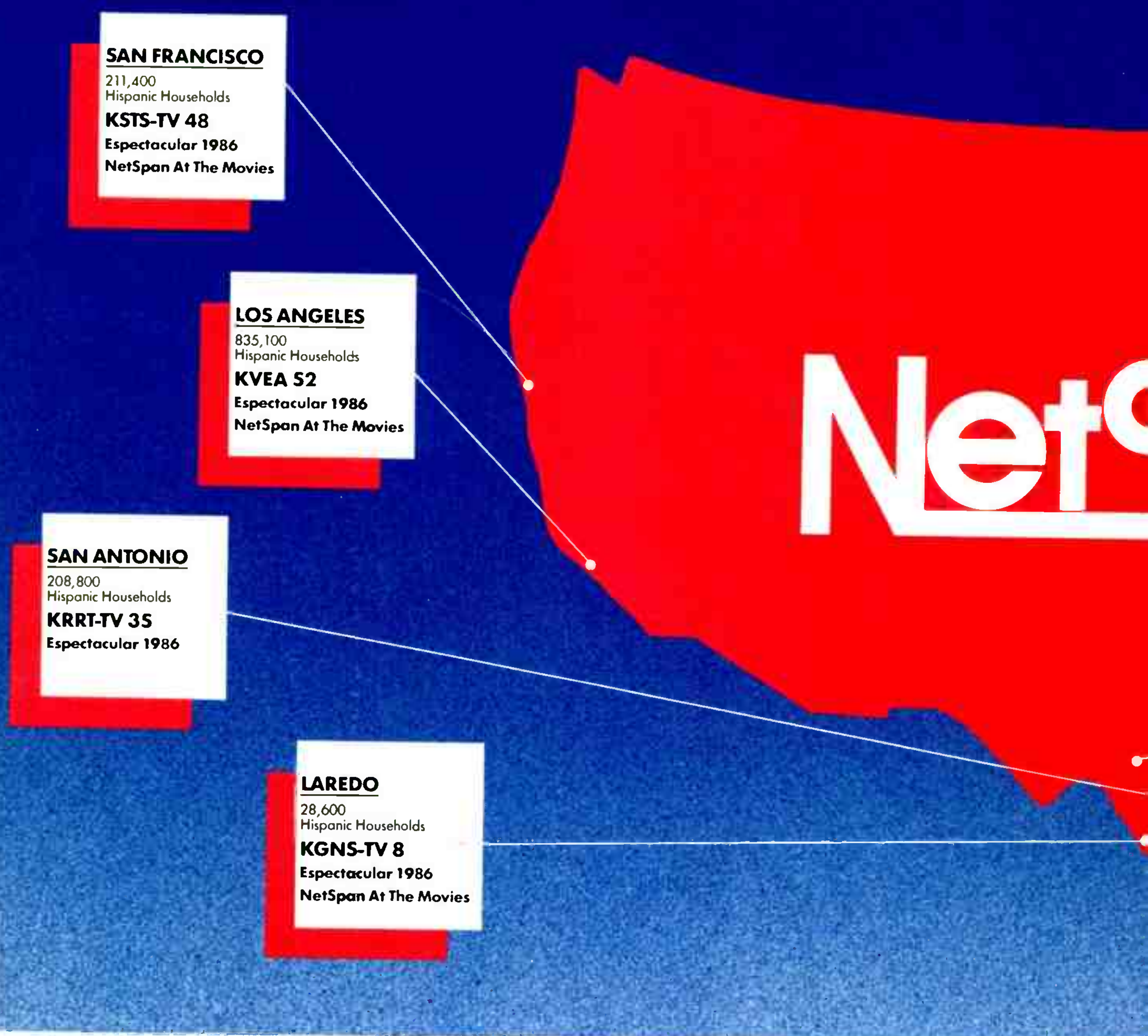

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90% OF ALL HISPANIC HOUSEHOLDS

NetSpan is flourishing with the participation of key Spanish-language television stations across the U.S., as well as Anglo stations in markets with large Hispanic populations.

Along with these stations, NetSpan reaches more than 8.5 million cable homes via the Satellite Program Network.

All told, NetSpan reaches more than 90% of all U.S. Hispanic Households.

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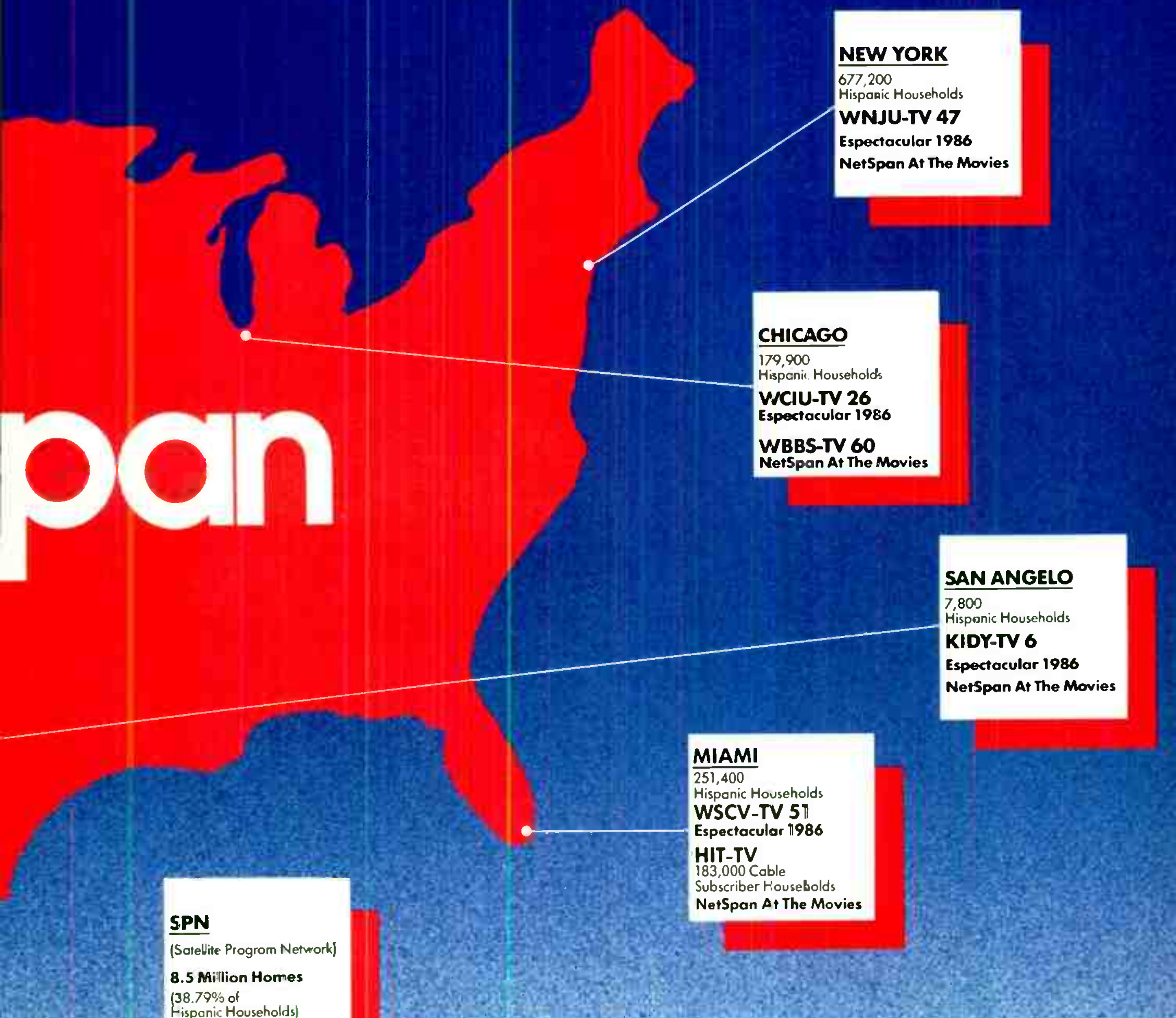

into loyal fans:

Espectacular 1985
and **Espectacular 1986**
Original monthly musical extravaganzas featuring legendary performers such as Julio Iglesias, Raphael, Mossiel, Ruben Blades and Jose Feliciano.
NetSpan At The Movies A series of twelve star-studded motion pictures, dubbed into Spanish, with such international performers as Roy Scheider, Liv Ullman, John Gielgud, Ralph Richardson and Susan Hampshire.
Musical Specials Exciting productions featuring top Latin artists, including the extraordinary Menudo.

BLUE CHIP ADVERTISING SUPPORT

As a result of this kind of coverage and programming, NetSpan's list of national advertisers is truly impressive: AT&T, Bayer, Eastern Airlines, Ford, Kraft, Panadol and Sears.

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Through its National Sales Division, NetSpan is also providing national sales representation for WNJU-TV 47 New York and KVEA 52 Los Angeles.

NetSpan

In New York call Andrea D'Amico (212) 935-3480. In Los Angeles call Bob Rodriguez (818) 502-1000.
Program Distribution:
Beni Nosti Associates (305) 285-1440

Source: Arbitron Ethnic Population Book 1984–85

Cable Report

NCTA: MSOs eye programming

The March 15–18 convention of the National Cable Television Association in Dallas marked something of a turning point for an industry long preoccupied with selling subscriptions. The biggest news to emerge from the meet involved programming rather than marketing or operations. Specifically, major American multiple cable system operators are positioning themselves to enter the programming business, both as originators and as financial partners of existing programmers.

Leading the pack is Tele-Communications Inc. of Denver (TCI). Its chairman, John Malone, confirmed that TCI recently increased its stock interest in Turner Broadcasting System Inc. Neither he nor Turner officials would state the extent of TCI's investment, but Malone indicated it is an amount less than 5 per cent of outstanding public shares (Ted Turner controls 80 per cent of TBS stock). Speculation had it that both parties were waiting for finalization of Ted Turner's longstanding deal to acquire the MGM film studio and library before revealing details. But Malone did offer this explanation of the financial union: "The whole theory here is to let Ted have enough money to do the job, keep him independent without liquidating his company. We would be willing to support him in any way that seems appropriate to him and us."

The pending deal with Turner was only the latest step taken by the often dynamic, aggressive TCI management in establishing a programming beachead. At the NCTA show, TCI announced an ownership interest in American Movie Classics pay service, owned jointly by Cablevision Systems Development of Woodbury, N.Y., and CBS Inc. TCI's percentage of equity was not disclosed, but an official said the Cablevision and TCI stakes are equal, and that CBS reduced its share to accommodate the third partner. Malone described the TCI-AMC alliance as a "passive equity investment" that facilitates the roll-out of the all-movies service in as many TCI systems as possible. TCI already owns slices of Black Entertainment Television and X*Press Information Services.

The move also is seen as a complicating factor in the bid of HBO Inc. to launch a third pay service, dubbed Festival, which would run classic American movies, more recent material and some original fare to capture a more conservative, family-oriented audience. TCI either owns or has a managing equity interest in some 450 systems representing more than 5 million subscribers; the addition of AMC to TCI systems means one less channel slot available for new programming ventures.

Shopping and local channels. As if all this isn't enough, TCI also recently purchased a 9.9 per cent interest in Close-out Merchandise Buyers Inc. (COMB). The COMB partners plan to launch shop-at-home channel by year's end to compete with the Florida-based Home Shopping Network, which recently launched a second channel devoted to slightly more upscale merchandise than its original channel.

And, Malone shed more details on TCI's ambitious plan to create "mini-independent" local cable channels, programmed on the independent broadcast station model. The goal: new revenues from ad-supported programming—movies, local shows, possibly off-net syndicated fare—that would be shared in a network comprised of TCI systems, which, of course, are solely owned by the cable company.

The concept is "nothing new," Malone noted: "Where cable has enough distribution in a market, and market is underserved by broadcasters, there is an opportunity for a cable operator to expand programming options in the market." TCI will test the concept in Pittsburgh; in yet another novel deal, it has obtained cable rights to a minimum of 50 Pittsburgh Pirates games, mostly home contests, all to be cablecast to TCI's Pittsburgh subscribers at no additional charge on a company-controlled channel. The first contest was slated for April 24. Rights fees for the games were not disclosed; Malone sees local baseball as a possible anchor for the creation of TCI's local station concept.

Interestingly, the Pirates move comes as other teams are testing pay-per-view cable as a way to make additional revenue on local games. Despite growing excitement among cable MSOs over PPV, TCI continues to take a more cautious approach.

"The programming (on MSO-controlled channels) has to be unique to the market, local or sports," Malone remarked. He added that TCI also may program theatricals and off-net fare in markets that lack a strong broadcast syndication outlet.

KTTV copyright controversy. Malone also sought to clarify recent press reports which seemed to indicate that TCI would consider making KTTV(TV) Los Angeles, recently acquired by Rupert Murdoch's Fox Television Stations, a "passive superstation" if Murdoch did not in some way affiliate with TCI. Malone insisted that the MSO only meant to suggest an affiliation, not to threaten any unilateral action.

However, several insiders stated that the KTTV issue was a main reason why the Motion Picture Association of America recently broke off talks with the NCTA aimed at forging a compromise on the issue of copyright. Richard Summers, executive vice president of the National Association of Broadcasters, said the KTTV affair demonstrates the potential abuses of the existing compulsory license, which allows a broadcasters' signal to be transmitted passively and used by cable as a distant signal.

TCI isn't the only major cable firm seeking to increase its stake in programming. Second-largest MSO American Television and Communications Inc. (ATC), a Time Inc. unit and sister company to Home Box Office Inc., has established a task force to study the feasibilty of the "mini-independent" concept. The project is headed by Stephen Ste. Marie, Denver-based senior vice president of marketing.

ATC also is exploring the use of local news as an anchor for a local channel in markets lacking adequate broadcast coverage of local issues. Separately, ATC is using its Ithaca, N.Y., system to develop a prototype local news operation; the MSO may consider similar operations in other systems where market conditions warrant.

Other MSO executives appear more skeptical on local programming. Jack Clifford, chairman of Colony Communications of Providence, R.I., and overseer of three broadcast properties, said his company soon may shut down Movietime, an MSO-produced advertiser-supported movie service that was launched three years ago. The reason: competition from local broadcast stations has proved too formidable, and channel has had a difficult time convincing local advertisers that it draws an audience.

Still, aggressive moves by MSOs into programming are seen by many as a positive, although some programmers express words of caution. "This is something we had thought would happen long before now," stated Beverly O'Malley, senior vice president and director of electronic media at Dancer Fitzgerald Sample. "It's a very healthy sign."

Kay Koplovitz, president of USA Network, warned that the high costs of programming acquisition and development could prove to be a formidable stumbling block to MSOs. "The economics of the marketplace in buying for a few million homes scattered around the country aren't going to work out the same way it's going to for USA Network, delivering to 32 million homes around the country," she said. "There will be some things MSOs will be able to buy, but it's a very different magnitude of business."

PPV hits big at NCTA

The other hot topic at NCTA was pay-per-view, with a half dozen PPV programmers vying for operators' attentions. The early leaders in the PPV race appear to be Jeffrey Reiss' Request Television and Showtime/The Movie Channel's Viewers' Choice. Request, which leases satellite time to studios and helps bring in MSO clients, announced a major roll-out in United Cable TV systems representing some 200,000 addressable subscribers. United is leading the way among MSOs in PPV with the launch of "First View Theater," a multichannel approach that draws on programming from various suppliers to afford the greatest possible choice.

Request also announced affiliate agreements with Valley Cable and Los Angeles and Storer Cable, increasing the service's reach tc 32 affiliates representing about a million addressable homes.

Viewer's Choice, meanwhile, also claimed a reach of one million with the addition of 182,000 addressable homes, the largest number delivered by United's First View effort. Many MSOs, taking a cue from United, are expected to affiliate with two or more PPV providers.

Several PPV distributors said they would be delivering the box-office champ *Rocky IV* in day-and-date simultaneous release with home video in May. But Request's Reiss said it would take another year or two for PPV to capture the earlier window from home video. When that happens, he says, PPV could prove to be a competitive threat to home video. Right now, he maintains the two media coexist, along with monthly pay TV, and that PPV does not appear to be "cannabalizing" other pay television.

Biotech's 'Learning' buy

Look for Financial News Network (FNN) and The Learning Channel (TLC) to share some programming ventures and engage in cross-promotion of programming. The moves are the result of the purchase of 47.5 per cent of TLC by Biotech Capital Corp., a major partner (wtih Merrill Lynch and some others) in FNN. The amount was not disclosed, but it is understood to be in the several millions of dollars.

Biotech has an option to acquire up to 51 per cent of TLC, a service that specializes in programming concerning "lifelong learning." The service takes mostly institutional and image advertising.

Dr. Earl Brian, chairman of Biotech, notes that the investment is allowing expansion of TLC's broadcast day to 20 hours starting September 1. He also says FNN and TLC may offer cable operators a combination per-subscriber rate for operators who take both services.

Dr. Brian said FNN is researching whether to expand its business news offerings into primetime, perhaps delaying the start of its nighttime "Score" sports offerings by a couple of hours. While he describes Scorce as a success, he wants to determine whether professional workers who return home too late to catch FNN would watch business programming in the after-dinner hours.

Nielsen's new CAP ratings

A.C. Nielsen has launched its new cable ratings tool, the Cable Audience Profile (CAP), giving its first-ever first local ratings of individual cable programming services for 500 cable systems and interconnects around the country (*see TV/RADIO AGE, October 28, 1985*).

According to David Harkness, Nielsen senior vice president, CAP will compare local viewing levels of cable satellite-delivered networks to national viewing levels. The results will be reported in the form of an index, to allow easy comparison of viewing levels from market to market. Index numbers will be produced by averaging diary information from the four sweep periods in 1985, with national cable network meter data factored in. Both household ratings and average week cumulative rating will receive an index number. Viewing information is complemented by demographic profiles for the cable system service area, the designated market area (DMA), and the total United States.

World Radio History

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Radio Report

Nine Metromedia stations acquired for $285 million

What's believed to be the biggest acquisition of a radio group has landed nine Metromedia stations and the Texas State Networks in the hands of an investor group headed by Carl C. Brazell, Jr., president of Metromedia Radio, and Morgan Stanley & Co., Inc. The latter is also acting as organizer of the leveraged buyout, with investors including a number of Metromedia Radio management people. The agreement in principle set a price of about $285 million.

The nine stations are in six of the top 10 markets, according to the announcement by Metromedia, Inc. Included are WNEW-AM-FM New York, KMET(FM) Los Angeles, WIP/WMMR(FM) Philadelphia, WASH(FM) Washington, WOMC(FM) Detroit, KRLD Dallas-Fort Worth and WWBA(FM) Tampa-St. Petersburg. The Texas State Networks provide news, sports and information to more than 200 stations in English and Spanish.

Brazell, 45, has worked for Metromedia for 17 years and has been in radio for 30. He stated that "We don't anticipate any changes in station operations." Metromedia chairman and president John W. Kluge declared: "It is difficult to leave radio after more than 30 years, but we have decided to concentrate on Metromedia's substantial telecommunications businesses." The acquisition is subject to "negotiation of definitive documents, obtaining financing, regulatory approval and other customary conditions."

Katz stations sold

In another major radio group sale (see above), Katz Communications has agreed to sell its 11 stations for $68.3 million cash to an employee group headed by Katz Broadcasting president Dick Ferguson. The stations were acquired by Katz between 1981 and 1985 and the company estimates that the selling price was about double what it paid for the stations.

In addition to the attraction of the profit opportunity, the rationale given for the sale was that it would permit both companies to grow as independent organizations without having to choose between investing in either the rep or broadcast divisions. Besides Ferguson and the station general managers, the principal investors were James T. Morley, Michael R. Weinstein, Richard Reis, Robert Longwell and Steven Marx. The stations involved are WEZN(FM) Bridgeport, WAAF(FM) Worcester-Boston, WFTQ Worcester, WZZK-AM-FM Birmingham, WSYR/WYYY(FM) Syracuse, WYAY(FM) Gainesville-Atlanta, WDBO/WWKA(FM) Orlando and KWEN(FM) Tulsa.

Also part of the broadcasting company and which was included in the sale is the American Comedy Network, described as the country's leading syndicator of comedy material for radio.

Top 10 network radio advertisers—February 1986

Parent company	February expenditures	Year-to-date expenditures
Sears Roebuck	$3,372,423	$6,192,878
Warner-Lambert	2,122,870	4,954,625
Greyhound Corp.	2,007,992	3,296,644
AT&T	1,810,761	5,115,930
A. G. Bayer	1,418,705	3,736,659
Goodyear Tire & Rubber	1,267,561	2,464,356
Sterling Drug	892,530	1,720,050
George A. Hormel	761,660	1,264,496
Schering-Plough	710,370	1,589,670
Cotter & Co.	599,866	1,301,969

Source: Broadcast Advertisers Reports

Spot radio revenues

Spot radio revenues reached $1.4 billion in 1985, 8.3 per cent ahead of 1984, according to latest estimates by the Radio Advertising Bureau. Major radio rep companies reported $900,954,900 for spot radio last year to Radio Expenditure Reports. The $901 million reps reported to RER was 11.4 per cent ahead of 1984's rep total, adjusted for an extra 53rd week in 1984.

In a letter to members, RAB president Bill Stakelin reports that that $1.4 billion spot total, on top of radio network growth of 14 per cent and local growth of 11.4 per cent, added up to a total of almost $6.6 billion for all radio, 11.5 per cent ahead of 1984. That, says Stakelin, is a growth rate for radio "twice the rate of retail sales, and three times the rate of the gross national product. Radio outpaced television growth of 7.5 per cent, newspaper growth of 8.5 per cent, and a magazine increase of 5 percent. . . . More clients are spending more money in radio advertising than ever before."

Among categories leading spot's gains, jewelry and jewelry stores, with an investment of $23.9 million, brought their radio spot expenditures 27.6 per cent ahead of 1985, and financial services were up 26.7 per cent with a spot radio outlay of $101 million. The building supply, hardware and paint category put $22.6 million into spot radio last year, for an increase of 26.1 per cent.

Largest dollar total, $275.4 million, came to the spot radio from the food category, up 17.6 per cent, followed by $146.5 million from the car and truck group (up 19.5 per cent), $120.4 million from the airlines, or 15.9 per cent more than they invested in spot radio in 1984, and the $100.6 million invested by financial services.

Kenneth J. Costa, RAB vice president for marketing information, reports that spot radio's strongest growth periods coincided with television's strongest viewing seasons last year. Spot radio investment grew 16.5 per cent during the January–March winter period, he says, and 9.9 per cent during the October–December fall season.

More people listen to BMI than to their mothers.

And more moms listen to BMI, too. Over the past ten years, most of the music played on radio has been licensed by BMI. If anyone tries to tell you differently, don't listen.

So remember, keep your feet off the furniture, don't play with your food, and keep playing plenty of BMI music.

Wherever there's music, there's BMI.

Top category increases, 1985 spot radio expenditures ($000)

	1985	% Change
All categories	$1,440,220	+8.3
Jewelry & jewelry stores	$23,860	+27.6
Financial services	100,663	+26.7
Building, hardware, paint	22,590	+26.1
Apparel	53,836	+20.0
Home furnishings, appliances	19,214	+18.3
Food	275,366	+17.6
Automotive—total	146,511	+17.4
(Cars and trucks)	89,653	+19.5
Airlines	120,403	+15.9
Soft drinks	35,341	+10.9

Among the car and truck advertisers who RAB reports raised their spot radio ante 19.5 per cent to $89.7 million last year, Chrysler Corp. led the way with $23.5 million, up 25.9 per cent over 1984. General Motors' $20.6 million was 2.9 per cent higher than its 1984 expenditure and Ford's outlay of $11.5 million was 21.9 per cent above its 1984 investment.

Leading foreign spenders in the car and truck derby were Nissan, whose $11.7 million in spot radio last year was 53.8 per cent ahead of the previous year, Volvo, up 37.4 per cent to $4 million, BMW up 49.6 per cent to $2.9 million, American Honda, up 10.4 per cent to $2.7 million, and Saab, whose $2.3 million was a 760 per cent increase over 1984.

The airlines put $120 million into spot radio last year, 15.9 per cent more than in '84. Biggest investor was Delta, whose $19.9 million was 3 per cent more than its 1984 investment, Eastern Airlines, recently acquired by Texas Air, with a 162 per cent increase in spot radio to $14.9 million, American, up 19 per cent to 14.2 million, United with a 56 per cent increase to $10.6 million, and regional carrier Piedmont, up 14 per cent to $6.8 million.

Back on the ground, restaurant chains wooing the eating out crowd were led last year by Taco Bell, with a 1985 investment of $11.3 million, up 29 per cent from 1984, followed by Saga Corp.'s restaurant chains, at $9 million, or 180.9 per cent over 1984, Pillsbury's Bennigan Steak & Ale chain, up 5.6 per cent to $8.4 million, and McDonald's, up 41.4 per cent to $5.4 million.

Local radio up 11.4%

Local radio revenues for 1985 climbed 11.4 per cent over 1984, says the Radio Advertising Bureau, based on figures from the 57 markets included in the Bureau's Composite Billing Pool, adjusted to compare months of unequal length. RAB says the 57 metro areas represent 36 per cent of U.S. population.

For last year's last two months, Bob Galen, RAB senior vice president for research, reports that local radio advertising revenues climbed 10.5 per cent in November over the same 1984 month, and in December showed a 9 per cent increase over the previous December.

Birch bites back

Round two of the "We count listeners better" contest between Arbitron and Birch (TV/RADIO AGE, February 17) finds Birch repeating claims of superior methodology and countering points made by Arbitron's Ken Wollenberg about Birch research techniques.

However, Birch senior vice president Bill Livek, an ex-Arbitron man himself, agrees with Wollenberg that because Birch bases its ratings on only one respondent per household, Birch should weight its sample by household size: "He's right," says Livek. "He just didn't realize that we're already doing this." We started in January but neglected to inform Arbitron."

But by the same token, adds Livek, "Arbitron should also weight by household size. That's because not everyone in every Arbitron household will take time to complete a diary. They should weight to compensate for those noncooperators."

Livek also concedes that RADAR achieves higher response rates than Birch, because RADAR interviewers offer monetary premiums and will call the same household more than once. But the way Livek sees it, "RADAR's excellent response rate using the telephone takes nothing away from the higher response rates Birch's telephone methodology racks up compared to Arbitron's diary method. RADAR's success only underlines our point about the obvious superiority of telephones over diaries."

Multi-station packages?

The FCC's abandonment of its ban on joint advertising sales is expected to bring little change in the way reps do business, in the view of Jerome Feniger, managing director of the Station Representative's Association. He says he expects little change "because while the commission has stepped aside, the ways in which our members conduct their business is still subject to inspection by the Justice Department. When Chairman Fowler was talking about clearing away the FCC's part of "the underbrush," he also pointed out that if anyone has problems with joint advertising sales they could always take those problems to Justice. I'm sure our members will continue to conduct their business as they always have, with complete honor and in full observance of the law."

Ralph Guild, president of Interep, agrees. He doubts that the FCC move will make any difference to the business and "knows it won't to us. The basic rule is still that two people can't gang up on a third, much less seven or eight ganging up on one party."

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Radio Business Barometer

Network radio up 14% in February

Network radio's pace slowed down somewhat in February, after a hot '86 start.

But February still generated a double-digit percentage increase, and the '86 pace for the first two months remains a little better than that of '85.

Web revenues were up 14 per cent during the second month of the year, compared with the hefty 21 per cent rise in January. For the first two months of the year, the increase comes to 17 per cent, and that's better than the first two months of '85, which registered a revenue increase of 10 per cent.

In '85 the Feburary percentage increase was also less than that of January, but then network business picked up again in March. As a matter of fact, this same "hammock" phenomenon occurred again in the second and third quarters. Thus, the percentage figures for each month during the first three quarters of '85 looked like this: first quarter—up 13, 7 and 28 per cent; second quarter—up 11, 7 and 16 per cent; third quarter—up 16, 6 and 18 per cent. The last quarter, however, showed another pattern, a constantly rising set of increases, viz., October, up 9 per cent; November, up 16 per cent, and December, up 25 per cent.

The year ended with a network radio revenue increase of 14 per cent.

Revenues for this past February came to $22,986,582 for nine networks. That compares with $20,126,280 in February of '85. The cumulative figure was $44,367,933 this year vs. $37,834,205 for the first two months of '85.

It was the New York and Los Angeles sales territories which dragged down the overall increase. New York could only manage a 3 per cent increase, while the West Coast eked out 5 per cent. But Chicago had a slam-bang increase of 45 per cent and Detroit, with half that rate of increase, still looked good with a 22 per cent hike.

In contrast to this picture, the only sales territory that didn't show a percentage increase in the 20s in January was Chicago, which rose 10 per cent. New York was up 26 per cent; Detroit, 24 per cent, and Los Angeles, 23 per cent.

February revenues for the four network sales territories were as follows: New York, $13,027,105; Chicago, $6,826,727; Detroit, $1,704,283, and Los Angeles, $1,428,467.

A 'running start'

A major factor in the year-to-year growth of network radio in '86, according to Robert Lobdell, president of the Radio Network Association, is strong upfront buying in recent months. "Significant commitments made some time ago, and extending through the calendar year, have given the networks a running start on this year." He added that, "The level of business on the books for future months is much greater than in prior years, not just in dollars, but in units of time sold."

This is evidence, said Lobdell, that clients are planning and buying network radio "as an integral part of the marketing plan, not just out of flexible funds."

Network +14%

(millions) **1985: $20.1** **1986: $23.0**

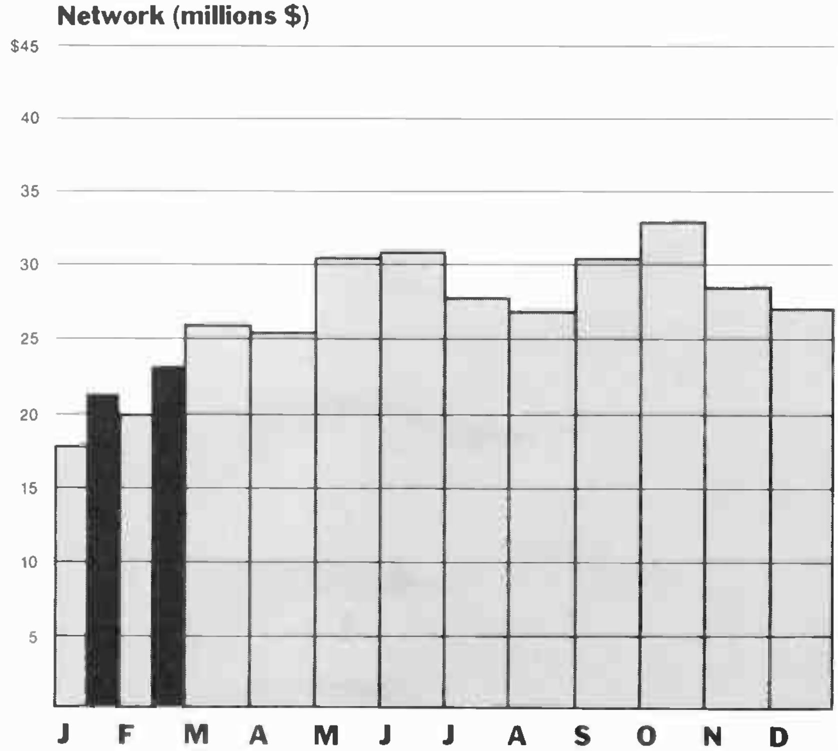
Changes by territories

Territory	*Billings (000)*	*% chg. 86–85*
New York	$13,027,105	+ 3%
Chicago	6,806,727	+45
Detroit	1,704,283	+22
Los Angeles	1,428,467	+ 5

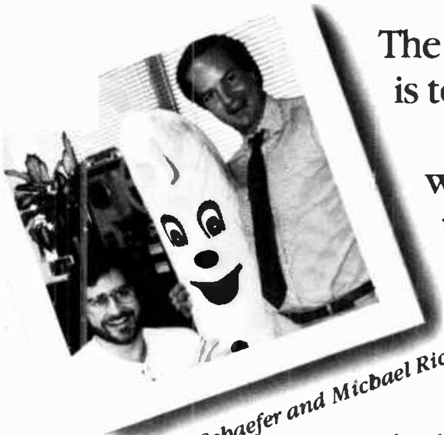
Source: Radio Network Association

February

Network (millions $)



Michael Rich will work harder for KIIS, Los Angeles because he's been there.


PD, Michael Schaefer and Michael Rich

The best way for a national rep to sell beyond the numbers is to have good, firsthand station and market knowledge.

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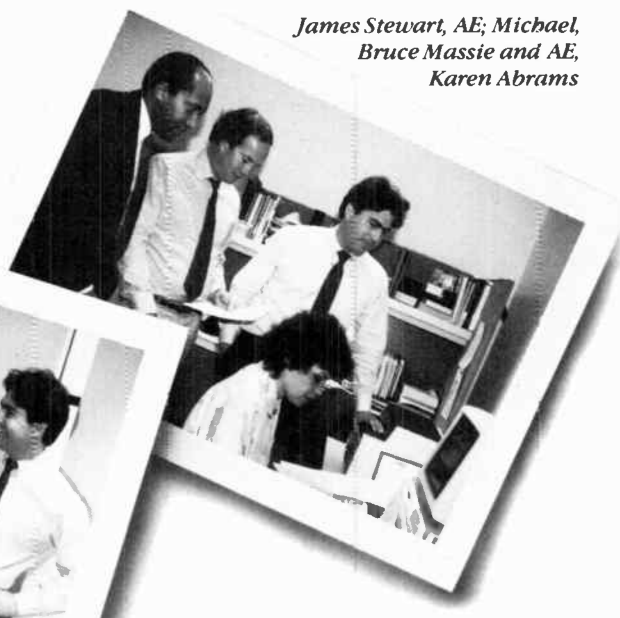
That's why Michael Rich, Vice President/Sales from our New York office, recently traveled to Los Angeles to work at KIIS.

"KIIS has a personality all it's own. By being with the people at the station I know why they are a top-rated station and how they got there. That's more important in helping me represent them, than the numbers."

Michael, like other McGavren Guild Radio salespeople, will spend up to two weeks this year working at our client stations.

We feel that this type of firsthand information is why McGavren Guild Radio salespeople know their markets, stations and the radio industry better than any other rep.


James Stewart, AE; Michael, Bruce Massie and AE, Karen Abrams


Michael with President/GM, Wally Clark


DJ, Paul Freeman with Michael


Michael and National Sales Manager, Bruce Massie

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SM4RT[1]

4 Rating, 11 Share, KCOP Los Angeles, M-F, 10:30 A.M.

SM5RTER[2]

5 Rating, 16 Share, KRIV Houston, Monday-Friday, 11:30 P.M.

SMARTE6T[3]

6 Rating, 16 Share, WFLD Chicago, Monday-Friday, 1:30 P.M.

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Television/RadioAge

March 31, 1986

Roundtable discussion probes variety of topics, including shorter spots, zapping

Media execs tout barter, question 4th network viability

Although spot television revenues have taken off in the first quarter, it is not the most optimistic of broadcast years. Advertising budgets are being held in check by many clients, network business has been soft and the lower inflation rate is making higher rates harder to swallow.

Against that background, TV/RADIO AGE assembled media executives from six major advertising agencies (representing more than $4 billion in annual broadcast billings) not only to discuss the state of the business, but to examine a whole host of factors impacting on broadcast advertising—from barter syndication to network erosion to the possibility of a fourth network.

Among the major points that surfaced:

- Despite its relatively small (compared to network) dollar amount, barter syndication is, and will remain, an important national TV advertising alternative.
- There is little possibility a fourth TV network can be mounted in the traditional sense, but the opportunities for ad hoc program services are wide open.
- Network erosion will continue, but the webs will remain the dominant mass medium.
- Advertisers are concerned about clutter caused by the proliferation of 15-second commercials, but, nevertheless, plan to capitalize on the opportunities presented by the shorter spots.

The agency executives participating in the discussion were: Stephen Fajen, senior vice president, media director, Saatchi & Saatchi Compton Inc.; Alec Gerster, executive vice president, media and programming services, Grey Advertising Inc.; Richard J. Kostyra, executive vice president, U.S. director of media services, J. Walter Thompson U.S.A.; J. Walter Reed, senior vice president, director of media, Foote, Cone & Belding/New York; Arnie Semsky, executive vice president, director, media & programming services, BBDO; and Page Thompson, senior vice president, media director, Needham Harper Worldwide Inc. Moderator of the discussion was Alfred J. Jaffe, vice president and editor of TV/RADIO AGE. The verbal exchange begins on the following page.

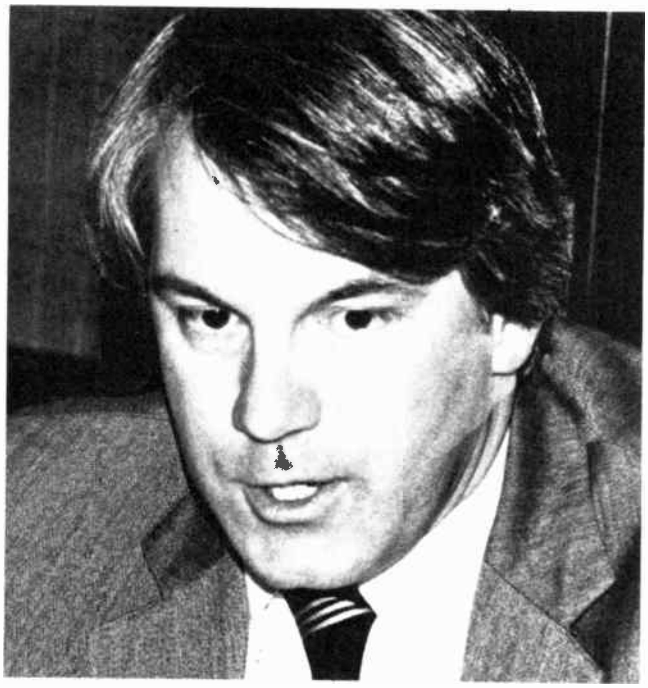
Ad budgets are being held in check by many clients; broadcasters seen sharing smaller piece of same pie.

Reed Thompson Kostyra

TV/Radio Age: *It isn't easy to decide where to begin because there are so many developments going on, but we'll start with a controversial area that's occupied our attention recently—barter syndication. Has barter syndication been attractive to clients, primarily because of its efficiency, or are there other reasons for its growth?*

Semsky: Efficiency, I think, has been the primary reason, but target audience selectivity, I think, has been also a valid reason. In our case, we found the youth audience is very available for syndication, much more easily than it was in network, and that opportunity, plus some creative synergy opportunities in terms of promotion for certain clients, make syndication very worthwhile.

Kostyra: Syndication also allows you an opportunity to get an association with a program. Its earliest benefits were, I think, association in getting after two targets, namely the older Geritol-type programs with Lawrence Welk and also the teen audience programs. The teens still remain. Now I think it's moving 90 per cent efficiency, 10 per cent targeting. They're competing rather directly for the network dollars and made some serious inroads, probably more in the last year than ever before, with a promise for '86–'87 for them to reach a billion dollars. There's a tremendous efficiency opportunity there.



Grey's Alec Gerster: "These ad hoc networks or cable networks put the pressure on the [TV] networks to deliver their audiences more efficiently..."

TV/RA: *Regarding the question of targeting audiences, you can target the audiences that you're talking about in other media, so why would you prefer barter syndication?*

Gerster: It is an additional option. The more options you have with a buyer the better off you're going to be. You just have to look at the spot market price between a large market where you've got multiple station opportunities and a small market where you have few station options and add the cost of that. They are going to be higher in those places where you have fewer options.

Fajen: When you mention other media, it's tantamount to saying you're moving out of television to something else. If there's a strong belief in television on the agency's part and the advertiser's part, and they want to find an outlet for targets, syndication is the route to go.

TV/RA: *Do you see cable as competing with syndication for that targeting function: Or do you include cable as part of television?*

Thompson: I don't see cable really competing with syndication. It is really a bottom line efficiency medium that is going after the bread and butter of the networks.

Semsky: I think distribution is also a factor here. Satellite transmission has been the key for both syndication and for cable. In syndication, I don't think that a show like *Entertainment Tonight* would exist if it wasn't for satellite delivery. Also, syndicators tend to clear the top markets so it balances off your audience well because network programming tends to skew toward smaller markets. We look at cable and syndication and network as part of a national television arena and look to see what opportunities exist in each of those for clients.

TV/RA: *Cable doesn't seem to have grown as fast as some people figured it would. Why is that?*

Kostyra: The biggest problem has been twofold, I think. First of all, its promise half a dozen years ago—the promise of targeting programming at an efficient level—has not come to pass. Cable operators are all moving more and more towards mass programming and, therefore, compete with existing channels. And the second point is distribution. They have been unable to wire the major cities as quickly and as fast as had been anticipated half a dozen years ago. New York, Chicago, other major cities are still way behind earlier projections. Those two factors just put a damper on cable's growth.

Thompson: I think there's a third one. I think agencies are somewhat at fault. Creatively, we haven't answered the challenge of the cable industry. We are treating it like other media and running commercials that typically run in network and syndication. We are not tailoring creative to fit that specific audience in a vertical market that any cable network can bring. And I think that's a challenge that we sort of let slip by.

Kostyra: We've let it slip by for the same reasons that the cable operator is unable to come forward with new programming. There's the efficiency of amortizing production costs with a program or a commercial that reaches over 1 per cent of the audience. You just have too small a base to work with, and we've been unable to create sufficient commercials that such a small target audience would justify.

Reed: I think to some extent the cable operators benefited from the fact that they were tied to what was called the new electronic media and, therefore, got greater focus than perhaps, at the time, the value merited; and now they're being evaluated competitively with other alternatives. There is very slow growth, if any growth at all, in terms of the distribution or redistribution of cable. So now I think they're facing reality, as opposed to being a new entry in the media world.

Semsky: I'll offer a minority opinion. I think that there have been problems in programming and certainly in wiring the major markets but, on the other hand, there are 20 active cable networks selling advertising time. Subscriptions do go up each month. Their ratings have gone up each year in total. So while I think some of the early expectations were out of line, and so there's been some disappointment, I think, overall, cable is probably doing fairly well.

TV/RA: *Talking about the new electronic media, other options have been appearing such as sponsored videocassettes, college satellite networks, and so forth. Do you see these or any other new forms becoming important advertising media?*

BBDO's Arnie Semsky: "Given the proliferation of viewing choices, I think the people meter right now really makes sense..."

Gerster: Again, there is some danger of the promise being sometimes higher than the actual potential. If you look at what is a hit sellthrough on a videocassette in the videocassette market, it is a very, very small number compared to, in some cases, even a relatively decent rated cable program. We're talking about a good VCR sellthrough that might be worth 500,000 units or something like that. On top of that, you have even a greater creative issue of how do you incorporate a message unit that doesn't get edited out by the viewer? I think, in some cases, somebody's going to figure out what is the right formula for VCRs, use it and use it extremely effectively. I don't think it's going to be something that you can move in and out of day in, day out, like you can some of the conventional broadcast media, at least not for the time being. The other options, the targeted options, whether it's college satellite, or whatever, have their individual opportunities and probably are more client or product/creative specific than they are across the board.

Semsky: We're investigating video as an advertising opportunity. Right now, home video, videocassettes, in particular, have only 30 per cent penetration and sort of a faltering distribution method. I don't think all the Mom and Pop stores that are selling home videos today will all be in operation [in the future]. Given those circumstances, home video is more, I think, a promotional vehicle and a tie-in vehicle than it is strictly an advertising vehicle. There are a lot of creative questions, research questions. How do you measure that kind of audience, before it can be an advertising vehicle? I think it's all part of a trend that's called greater choices to the viewer and the advertiser. And as was pointed out, I think we have to evaluate each of those specifically on a brand or client basis to see which of them fit and where they make sense. We've had some great successful things like Ski-View and Screenvision and campus network, where other people have had blimps or whatever, that they found successful. So I think we are dealing with all the major media we're going to see right now, and all these others are kind of offshoots I don't think yet are serious media.

Kostyra: I think the tremendous success we've had in the last half dozen years in terms of advertising revenue growth has spawned a lot of these new media. And our choices now as Arnie says are greater than ever before. The problem is that the budget is now starting to tighten up a little bit and our ability to go into some of these new ventures is limited by available dollars.

TV/RA: *When you say budgets are tightening up, are you talking about economic conditions?*

Kostyra: Yes. Basically we're currently in a really flat year at best and are anxiously looking for optimistic signs that may suggest it's going to go up, and there are some of those, but it hasn't translated to the media level yet.

Thompson: We have a tendency to say home videos are real hot. And there are dealer tie-ins that are absolutely natural for home video. But we have to really start changing the way we think about the media and the approaches we take if something like this is going to happen. Two hundred thousand videocassettes distributed to Honda dealers or Honda customers could be absolutely the most targeting effective way to do it. It's a lot like cable was when it started out, everyone saying it's going to be the biggest thing. Well now it's matured, and you know what cable is. This is the same thing.

Kostyra: The thing with the videocassettes and video programs is that whatever media does that's going to be effective is going to involve more than a disconcerting commercial. It has to become the whole program, you have to get involved with the distribution of the product, possibly a promotion around it, sales force involvement. There has to be a tremendous amount of ancillary involvement in order for it to really work well. And I think that's where we're going to see a lot of these programs become very successful as opposed to just including a commercial into a VCR.

TV/RA: *Where would the advertising come from anyway? These new electronic media would siphon off from what area?*

Kostyra: It has to come from existing media. There is a pie of advertising dollars, and it's going to be spread among existing media. If there happen to be 50 media vehicles or 150 vehicles, they can only draw from that existing pie. I don't see too many dollars being created for an individual vehicle.

Reed: There's a possibility that some of the kinds of uses that Page has mentioned would come out of promotional budgets which are not customarily media-driven in terms of our responsibilities. But otherwise it will not be newfound money. I mean, very few clients decide that if there is a new medium around they're going to ante up some money from some other hidden agenda. So it comes from someplace; it could come from promotion, it could come from what we would consider the general mass media.

Fajen: That's a major point because the cassette market hasn't marketed itself that way yet. It probably won't for awhile. Most agencies and advertisers are going to look at it and say, rather than go out and invent a way ourselves to use it, let's go and reinvent other media that have been around a long time, and do very much the same things except perhaps they're not as visual.

TV/RA: *Does the opportunity exist for a fourth network in the real sense of the term?*

Semsky: No.

Kostyra: No.

Gerster: No. Chances are very remote you're going to have somebody who can supply the day-in, day-out X number of hours a day, the tremendous diversity and quality of programming the current three guys do. That is a tremendous accomplishment when you think about it, what the three line networks put out. Now then you come on the issue, what is the definition of network? It could be something less than a conventional line network and more than an individual syndicated program. I'm sure there could be something in between that. I think what you really should look at is just the proliferation of national vendors in the broadcast marketplace and not worry about whether you call it a fourth network, call it syndication or call it whatever. You can go to more people now to buy national advertising, and that's what's probably more important that what to call it.

TV/RA: *What does that say to Rupert Murdoch?*

Gerster: He'll be successful to the extent that he has the right people and the right station lineups and everything else. If you listen to what they are saying, they are saying they doubt that they [Murdoch] will be supplying 18 hours a day. They'll be supplying ongoing X amount of programming just like a number of other very successful syndicated vendors.

Semsky: I think we're going to be in the era of the ad hoc networks. To do successful networking you need three basic ingredients: programming, distribution and promotion, where you can get the audience to the programming. We're seeing the major studios now—in Murdoch's 20th Century Fox and Metromedia deals—take over both the programming, distribution and promotion benefits. We've seen MCA purchase WOR-TV, and we're going to see more and more of that, where the people producing are also going to own part of the distribution, and that way allow themselves to network occasionally. But, as Alex said, it won't be the current definition of the three networks as we know them. We will see a continuing attempts at ad hoc networks.

TV/RA: *For the first three quarters of '85 we saw the networks' share continuing to erode, but there seemed to be a recovery in the last quarter. Was the first three quarters of last year, an anomaly? If indeed the audience is eroding, isn't that changing the structure of the three-network system?*

Kostyra: The question is whether we have enough audience for three networks, let alone four networks. They're certainly fighting for it and the more successful, either syndicators or cable operators or an ad hoc independent station lineup become, the greater the erosion's going to be on the networks. It's near impossible for the networks to hold on to the giant share they have with all this other oncoming competition. They're going to have to lose share. They've seen that they can reduce the amount of loss by better programming, becoming more aggressive, and I think we'll see more activity on their part, on the networks' part in trying to fight back that erosion. But it has to continue.

S&S Compton's Steve Fajen: "We're going to continue to see erosion, and the networks will be hurt because of it."

Reed: It's not a phenomenon of just these three quarters. The erosion has been going on for quite a while. The fact that there's been a little trip up is perhaps an anomaly, but there are more alternatives, and people choose those things. So there's going to be slippage, and as long as there's an expansion of alternate programming it will continue.

Kostyra: Why the flip up? I think you can look at NBC. That's going to tell you a lot because the programming is there.

Semsky: Grant Tinker said it the other day, cable and syndication, and now home video, have forced the networks to be more competitive. I think we've seen the results of it in the last year, and we'd love to see the networks halt share erosion, but every piece of data we see says that when people have choice they tend to view that choice more at the expense of the existing choices; and so as long as homes continue to be cabled and have more independent stations who are linked to that home, and home video continues to grow, I think you'll see that erosion continue, although we're hopeful that it will slow as well.

Gerster: I don't think the issue is as much reduced share of network television as it is what is that doing to their business? Are they managing it, are they able to maintain their profit margins as that audience declines?

If you think about it, these ad hoc networks or cable networks or whatever, put the pressure on the networks to deliver their audience more efficiently to compete, and that means reduced programming costs or more efficient programming. Not that they're doing it badly now, I don't mean to imply that. But the marketplace will force them to do it even better because they're going to have to manage their businesses to be more aggressive on the sales side certainly but also to be able to deliver their product in competition with these other options. And as that begins to happen it's not necessarily a bad thing. And, I keep going back to it, we deal with it already in some areas. You look at a New York or a Chicago marketplace. They are not dealing with three outlets, they are dealing with a lot more than three outlets. I think to concentrate on the roles of just the three without looking at the opportunities on the other side is not all gloom and doom; there's some up side to this.

JWT's Richard Kostyra: "It's near impossible for the networks to hold on to the giant share they have, with all this other oncoming competition."

Fajen: The erosion on the three networks won't stop. Start there. We have a number of major cities that have yet to be anywhere near fully wired, like New York, Philadelphia, Los Angeles, Chicago. If you're in the network business, you pray every year that a team from one of those cities makes the finals or the playoffs so you're guaranteed a large audience. If you're a network executive, you pray that those cities aren't wired fully; but they're going to be sooner or later in the next five years. So we'll continue to see erosion. We haven't even alluded to the explosion we're going to see on VCRs, maybe some time shifting going on or simultaneous viewing while taping or something like that. But obviously we're going to continue to see erosion, and the networks will be hurt because of it.

Kostyra: I don't know of anyone that is predicting that the erosion will continue to the point where the networks are not going to continue to dominate the mass media.

Fajen: Right. They'll still be the major broadcast source to deal with.

TV/RA: *Do you see the networks continuing to be in their present form over the next five, 10, 20 years? Or do you see happening to network television what happened to network radio?*

Semsky: In my view a lot depends on DBS. If DBS really became a factor, I think that could threaten the network affiliate viewer system. If it doesn't, I suspect the networks will continue to be the dominant factor in broadcasting, at least for the next 10, 15 years.

Kostyra: I don't know what the changes are going to be. But because of the activities that have occurred at CBS and the takeover and recent merger of ABC, I have to believe that at least those two networks are going to be reexamining ways of doing business in the next couple of years—three to five at the outside—and we could see some major changes. I couldn't for the life of me tell you what they might be, but I have to believe that they are zero basing a lot of decision making, trying to figure out a better way of doing business.

TV/RA: *How do clients feel about the possibility of a wide proliferation of 15-second commercials? Are they concerned about clutter?*

Kostyra: Yes, clients are quite concerned about clutter as a result of the 15-second commercial, and, at the same time they're concerned about it, they recognize that there is no option, that they have to move towards the 15-second. That's a broad generalization when I talk about clients, but certainly a good number of them are packaged goods advertisers in highly competitive low-margin markets where the marketplace is dictating that in order to maintain a reasonable level of frequency and coverage of the target audience, you just have to go to a smaller and smaller unit. We've been unable to seriously hold prices down to inflation or even GNP growth [levels] over the last few years and, therefore, smaller units seems like the best way to take a short term advantage, recognizing that in the long term there are some strong disadvantages.

Needham Harper's Page Thompson: "I don't see a lot of new money coming into the marketplace in '86. On the whole, I'm cautious."

Thompson: Clients have a business. They have products to sell and services to sell. And while there is a concern about the interruption and the noise factor, they see the 15 as an advantage. This is the time to do it before it gets too big. So they're jumping on it. But yes, there's a concern.

TV/RA: *As we understand it now the 15 is really costing roughly half of the 30. Do you see this efficiency eroding over a period of time, as 15's become more common?*

Thompson: I think it's going to depend on the marketplace.

Kostyra: The question of premium is quite debatable. When we went to 30s from 60s, very quickly the 30 become the price of the 60. Well, that is going to happen with the 15. But a page black-and-white rate is going to eventually be the cost of a page four-color. It's just a matter of inflation setting in and enough increases to offset it.

As soon as the demand for the airtime exceeds the supply, whether it be 15s or 30s, there's going to be a rate increase above the norm or above average or above what we consider acceptable. Right now we're holding those increases down dramatically. And the 15 is very attractive. But at some point, as the economy picks up and more and more advertisers move into the marketplace, the cost of television is going to get more and more expensive, whether it's for 30s, 60s or 15s.

Gerster: I think the basic issue is, do the 15s alter the marketplace by bringing in new revenue, or are we just translating our 30s down to 15s? And to the extent the 15s do bring in new categories, new advertisers, upgrade current advertisers and move spot into network, stuff like that, by definition maybe the whole marketplace will move up. I think the concensus at the moment seems pretty close to 50 per cent, 15 priced to the 30. If a lot of new revenue does come up and that ratio does hold, the entire floor of the marketplace comes up, and new revenue comes in. But the marketplace is going to decide this issue in the next two or three years.

Fajen: The 15s are a marvelous tactic for the networks to affect their own profit margins in the long run. It's a hell of a lot easier to lay a 10 per cent increase on $50,000 than a 10 per cent increase on $100,000. But if a 30 is at $100,000 and a 15 is at $50,000 currently, it's more palatable to an advertiser to take a jump of $5,000 instead of $10,000. So now that's kind of a creeping insidious thing that will happen over time, when you accumulate the aggregate of all of what happens with 15s that will affect the bottom line of the networks. It's a marvelous way for them to bring money down for the profit margin, which they're going to need. Smart advertisers are going to see that and do everything they possibly can to avoid that situation.

Reed: There's a general dissatisfaction among clients with the fact that media costs more than the CPI [Consumer Price Index]—the fact that there's an inflation rate that's been going on for quite sometime. I happened to look recently at some data that would suggest that if you used constant dollars, national advertising is actually going down, not growing, so that the inflation of media costs has caused what looks like budget increases but in reality is actually dollar decline. I think that the 15 serves a purpose now, but if it becomes a matter of concentration of 15s, then the loop will be, will they be as effective, will the viewer accept it, will they go full cycle with the fact that there'll be less effective commercials and, as a result of that, advertisers looking for other alternatives? So we're into a cycle, we don't know where it's taking us.

TV/RA: *Relating the question to whether the viewer will tolerate the clutter or alleged clutter, how about this issue of zapping and zipping? Does your research show that the proliferation of 15s has resulted in increased zapping? If so, how are you coping with it?*

Reed: The viewer doesn't know what's coming up, so it's a phenomenon of whether or not they'll accept modest changes in what they see or perceive to be the commercial part, okay? But the viewer is either going to zap or not zap. He's not going to sit there and say, 'I wonder if these guys are going to throw 10 15s at me or whether they're going to throw five 30s.' That's not a relevant thing. I think what you're going to see, though, is if more and more 15s hit the marketplace, people might then say, 'I just can't tolerate all of these different commercials.'

TV/RA: *To what extent do you take zapping into account when you buy time now? Is it a factor at all?*

Gerster: I think numerical research is available as an indicator that the problem at this point in time, numerically, is relatively small. It is not clobbering an individual program or an individual network. That's what the numerical research says. I think everybody's gut judgment is that it might be a bigger problem than the numerical information suggests, and if it isn't, it will be. What we do about it at this point in time is something else again. It is something that's beyond putting your commercial in a particular program.

Reed: The question really is, is that as the VCR proliferates and, therefore, the ease of zapping, then people have the mechanical capabilities of doing these things, if, in fact, that's what they're doing. The other side of it, though, is that reading a magazine, people zap and zip all along.

So the question really becomes [one of] advertising media and the intrusiveness of the commercial versus an audience that has always had less interest in commercials than the program material, and whether or not we can captivate them. Then the problem is in all media the same way. People tuning in, tuning out to radio or reading your magazine. Do we look at every single ad? Do we study every single ad? We zap.

Kostyra: I think it's fair to say that all the agencies are watching carefully the trending information that's being provided, and they're probably conducting focus groups and planning some research of their own in terms of keeping abreast of what is going to happen with zapping and how we can cope with it. As Alec [Gerster] said, it's not a major problem right now. We want to make sure it doesn't become one. We have not seriously negotiated with the networks, in terms of the cost-per-1,000, eliminating the zappers as a proportion. I anticipate some discussion of that will occur this year, and, as we get further down the road with people meters and things like that, I'm sure that they'll become more and more a factor. In the area of zapping and zipping, where we have given it some consideration, more so than any other area, is in the area of sports where the networks have put sport program opposite sport program, literally forcing the average viewer to zap if he has the facility, not because he wants to avoid the commercials but because he's anxious to find out what the score is on that other sports program.

And I think the area of 15s and zapping and zipping puts a lot on the shoulders of the networks for the future in terms of their taking that first step in trying to resolve it. It's pod configuration, how you keep that viewer in the show longer. I think they have to get away from that last pod of commercials, for example, that's so close to the first pod and the local break that it looks like one long, long commercial. On the hourly program breaks it doesn't appear that way.

Thompson: We have always had the ability to zap anything we want. It goes far beyond just having the technology. The viewer's always had the opportunity to leave the room, to do something else while watching television.

Fajen: It's a hell of a lot easier to turn around and have a conversation and zap the commercials than to pick up a mechanical device, which maybe is next to my chair or maybe is sitting over with another member of my family, and grabbing it and checking out some other channels.

If I'm checking out some other channels I'm not going to check out other channels to check out other commercials, I'm going to see what else is on in the way of programming matter, and if I like it, I'm going to wonder why I'm not watching it, but I'm already involved in another story. So where am I? I'm nowhere, I have to return full circle, you see, unless it's like compatible sports programming. So really, I don't think that much has changed in mechanical devices at all.

FCB's J. Walter Reed: "If spot is seeing an upsurge in the first quarter, it may very well be a function of the softness of network. . ."

Semsky: I think the biggest implication of all we've covered is that media mix, I think, becomes much more important, because the viewer has always had the opportunity to zip and zap, but now he has television through a VCR and through remote control that's so different.

We have to take that into account. So media mix will help us. The second is the creative; it makes the creator have even more responsibility than they have in the past because in the past you were fairly well sure that the right people would see the creative. Now you're not as sure, so the creative has to work even a little harder.

Fajen: The tough part—I mean I agree with you, Arnie, but the problem is that if you're not first in the pod, if you're fourth in the pod, and you're strung out with 13 non-programming breaks, it's difficult to be the most captivating thing in the world. They may have already left you, and it's difficult to negotiate to be first in the pod at the same price.

Semsky: Advertising is net impressions, so one of those times you're going to be one of those 13, other times maybe you'll be first or second in the pod, and you can make up for it somewhere else.

TV/RA: *A related question. The ARF is among those who have brought up the question of regular measurement of commercial audiences, rather than, or in addition to, program audiences. What do you think the prospects or the outlook is for that kind of measurement now?*

Kostyra: Clearly the networks aren't going to be too anxious to move in that direction, but I can't imagine any advertiser or any agency not wanting commercial

(continued on page 86)

Digital VTRs for sale, big HDTV display to accompany 'cart,' graphics equipment

Future technology to vie with present needs at NAB show

By JOSEPH ROIZEN

Nostalgia and novelty will be the twin keynotes of the 64th National Association of Broadcasters convention in Dallas next week. Old timers who want to meander down memory lane will quickly discover that 1986 is the 30th anniversary of the first quad VTR, a fact that both Ampex and 3M will no doubt commemorate adequately. By coincidence, it is also the 35th anniversary of the development of compatible NTSC, which eventually triumphed over the FCC-approved CBS spinning wheel system, and became America's all electronic national color system in 1953.

Unfortunately, the company that did the most to develop and promote NTSC, the Radio Corp. of America (as it was known then), is no longer in the broadcast equipment business, and the large perennial RCA booth that demonstrated such industry firsts as the TK-40 studio camera, the TCR-100 multi-cart quad machine, the TK-76 Hawkeye portable camera and the CCD-1 solid state camera, to mention a few, has had its space parcelled out to other eager exhibitors in the already over crowded Dallas Convention Center.

While reminiscences may be good for the soul, NAB's physical being is nurtured by new technology, and propelled by innovative hardware. There will be plenty of that on the exhibition floor, if the exhibitors' pre-show statements are to be taken at face value. Some new VTR formats will surface for serious consideration by potential users, and, for the first time ever, digital VTRs will be on *sale*.

The battle of the "carts" will heat up with a few new entries, and a few variations on the old ones. Better signal processing, both in basic (composite) NTSC and in component form, will be evident at many booths, while smaller, highly flexible computer graphics system will sprout everywhere.

As much as ever, NAB '86 will be the open marketplace for the tested hardware that keeps broadcast television on the air and the confrontational arena where new technologies compete for future acceptance, in the hope of becoming the "de facto" standards of this industry. In a complete contradiction to the consumer electronics field, the professional Beta (L) half-inch tape format is winning handily over its arch rival VHS (M), but other developments are looming.

The fledgling formats, such as M-II half-inch tape, SuperBeta, 8mm, digital D-1 (the international component standard) and digital composite, will each take its crack at the brass ring of industry acceptance, though it is much too early to tell which ones, if any, will emerge victorious. Both the Science & Technology section of the NAB and a consortium of HDTV equipment manufacturers are planning special displays to show delegates the potential of new technologies for better television images in the future. It promises to be an exciting NAB.

Equipment innovations

The range of hardware NAB delegates will be exposed to in Dallas will be greater than ever, with a significant segment converted to the rapidly growing digital technology. Foremost among these will be at least two all-digital video tape recorders: one intended for high quality program production and post-production applications, the other as a replacement for the older studio cart machines, or for greater station automation of daily programming.

The all-digital VTR, identified as the D-1 format, and adopted as a universal DTTR under CCIR Recommendation 601 (the CCIR—International Radio Consultative Committee—is an organ of the International Telecommunication Union), will appear for the first time on the exhibition floor in the Sony booth. According to William Connolly, president of Sony Broadcast Products, this is the dawning of the digital VTR era, and the machine will not only meet all of the 4:2:2 (the sampling frequency ratios for luminance picture detail and chrominance color signals) specifications and features designated by the DTTR standards committee, but will be available for delivery in early '87. The price will be close to 20 per cent over a fully loaded type C machine. Sony expects that broadcasters will be enamored by a professional VTR that creates what's described as flawless 10th generation video, and has four channels of high-quality digital audio built into its basic 19mm cassette.

Moreover, Ampex will introduce at NAB a new digital cart machine called the ACR-225 that uses the D-1 (19mm/¾-inch) cassette as the recording medium, but employs a composite (i.e., combining all signal elements into one) rather than a component (i.e., separate luminance and chrominance signals) approach. Ampex's decision to go composite has created some controversy in the industry because of the feeling in some quarters that it will get in the way of or slow down the eventual use of the D-1 international digital standard.

However, it is argued by Charles Steinberg, executive vice president of Ampex, that while Ampex has pioneered and supported VTR standards starting with its first VTR introduced in 1956, it also feels that customer needs can best be catered to now by the composite digital tack. Ampex has offered its digital VTR technology to other manufacturers under a licensing agreement to foster future compatibility with its system (see *Tele-Scope*, March 17).

William Connolly *of Sony sees digital era dawning as his company prepares to show digital VTR for sale at NAB show.*

Yozo Ono *of NHK, which will show MUSE, band-compressed HDTV transmission system, in Dallas.*

Steinberg also stated that Ampex had carefully interrogated TV networks and other potential clients and had found that cost effectiveness was a major factor in near-term equipment purchases. He pointed to statements by Mike Sherlock, NBC executive vice president for operations and technical services, at a recent SMPTE conference, referring to the transition toward all-digital equipment in the broadcast industry via affordable intermediate steps that do not fully adhere to the digital standards mandated by the CCIR.

NAB '86 will also be the first exposure of an 8mm ENG camcorder made by Hitachi, the CCV-1, and shown only in Japan up to now. This device uses the same techniques already employed in current camcorders using half-inch or quarter-inch tape cassettes to achieve broadcast quality, namely, faster tape and head writing speeds, coupled with component recording methods. Since many VCR manufacturers in Japan already have extensive 8mm fabrication experience, there may, in fact, be more than one brand of such an ENG camera/VCR combo on display in Dallas.

With all the talk about fundamental improvements to NTSC encoded images, another NAB 86 first will be the unveiling of a new type of encoder developed by Faroudja Laboratories, which will be demonstrated not only at their own booth, but at a number of others (Ampex, Aurora, Rank Cintel, UltiMatte), who will use them to enhance their own NTSC output.

As to products that are already familiar, but which will be shown with either substantially upgraded performance or improved features, the four most prominent ones are also broadcast VTRs. Sony's Betacam devices, while successful, have been criticized in the past for limited multi-generation performance and limited playing time. Sony's Connolly was not sure even at this late stage if a fully demonstrable "Super Beta" system would be in their booth, but he was sure that they would have some form of display showing improvements in the Beta signal performance, its multi-generation capability, and greatly extended playing time.

Sony will also add life expectancy to the U-matic format by showing their latest S.P. versions of the ¾-inch workhorse of the industry. Improvements in both the tape and the internal signal systems has made the S.P. U-matic machines capable of producing third generation dubs that are still good enough for on-air use.

Panasonic will be back again with an improved version of the half-inch M-II format VCR that attracted such interest last year, when it was shown privately in a hotel suite. Panasonic has already delivered about 150 units to the Japanese national network, NHK. In the meantime, U.S. networks, particularly NBC, have expressed strong interest in the M-II machine, but only if some changes were engineered by the original developer, Matsushita Corp., Osaka. Panasonic has already shown an improved M-II machine with dual high quality audio channels at SMPTE in Chicago last month, and no doubt this VCR will be at their booth in Dallas as well. M-II could become a significant format if other VTR manufacturers also decide to fabricate and market it. However, it is not compatible with the original "M" format, nor the Beta format, and complicates the question of a standard for half-inch broadcast videocassette systems.

Cassette machines are not the only ones whose performances are being improved. Some one-inch, type C machines are also in for some image face-lifting. A prime example here is the new Zeus digital video processor developed by Ampex, which can be used with the VPR series recorders to greatly improve slow- and stop-motion images. While Zeus has had two or three other show exposures, this will be its first NAB, and it is likely to attract considerable attention because of its very noticeable positive effect on non-real time images coming from one-inch tape. Perhaps Zeus will even work with other than Ampex brand VTRs.

Kerns Powers *of RCA believes HDTV was the best thing to happen to NTSC, since it's spurring improvement in existing system.*

Charles Steinberg *of Ampex defends composite digital recorder as meeting the immediate needs of broadcasters.*

Still another step in the digital direction is being taken by Thomson Broadcast with the introduction at NAB '86 of a CCD line array slide scanner, with 2,048 elements and operating on the 4:2:2 digital world standard. According to Stan Basara, president, this unit has both analog and digital outputs to interface with either kind of equipment in old or new TV studios. Basara pointed out that this was but one of the products that parent Thomson Video in France had developed for the all-digital TV studio now in operation in Rennes.

A new approach to composite NTSC downstream precision matting, even from a video tape source, will be exhibited for the first time by UltiMatte, a company well established in this field. Paul Vlahos, vice president, claims that this will greatly simplify many chroma key operations that studios currently use to enhance their daily news and other live program productions.

The "cart" caper

Just why they are called "cart" machines, when they all use cassettes, has

(continued on page 97)

NAB PREVIEW

With prices coming down, market could be greater than originally envisioned

SNG trucks to roll in Dallas, spurred by network plans

In the early 1980s, the outside exhibit space at the National Association of Broadcasters conventions was notable for the proliferation of satellite dishes.

As broadcasters converge on Dallas for this year's NAB, they will find the parking lot filled with vehicles —satellite news gathering (SNG) trucks and vans of varying size and capability.

Officially, an NAB spokesman says much of the outside space is still in the process of being assigned, "and we would be hard pressed to say how much of it may be given over to trucks," but a spot check of suppliers indicates the SNG vehicles will be there in force to capitalize on the growing market for such equipment.

At present, it is estimated that fewer than 50 Ku-band SNG-equipped vehicles are owned by television stations. But a number of developments have meshed that could speed the acquisition of such products and expand the market potential from what was originally thought to be a maximum of 200 units to possibly as many as 600. Why the sudden interest and activity? There are two main reasons:

1) Plans—either announced or pending—by the TV networks to subsidize a portion of affiliate purchases.

2) Anticipated introduction of lower priced trucks, almost half the cost of those already on the market.

NBC plans

NBC, which has said it would subsidize 50 per cent of an affiliate's purchase of a Ku-band truck (up to $150,000) and another $30,000 for the communications package, initially assembled a group of "eight to 10 truck manufacturers to outline the specifications needed for them to operate within the NBC Ku system," according to Art Kent, vice president of news operations. Kent can't reveal the names of any of the vendors because no contracts have been signed, but he says, half jokingly, "every truck manufacturer in the country" will be at NAB.

On April 12, the day prior to the official opening of the convention, NBC will meet with affiliates in Dallas "to go over the financial and technical specifics." Then, adds Kent, "we'll be moving very rapidly. Well before the end of the year, trucks will be coming on-line, and, by the end of June, we'll have all 50 of our portable uplinks (PUPs) in place." The PUPs, which the network began installing at stations last November, are attached to existing permanent downlinks, converting them to uplinks.

ABC had originally said it would reimburse stations up to $180,000 for half of a Ku-band satellite truck purchase, but restricted its offer to the top 35 markets, plus 15 others yet to be determined.

George Newi, vice president in charge of affiliate relations, says, "We have not designated which 50 stations" are eligible, and "we are working on the order of payment." Pointing out that the payment is to be spread out over a five-year period, Newi now emphasizes that "it's not necessarily the top 35 markets. Our priorities are based on our geographic needs for that type of satellite news gathering ability. There may be one or two or three markets in the top 35 where we don't need it."

ABC has sent out truck specifications to its affiliates that would meet the network's requirements, "so they will have them when they go to NAB."

CBS decision

CBS hopes to announce a decision this week regarding its policy on providing financial support for affiliate purchases of Ku-band SNG trucks. The decision, says Bob Horner, vice president, news services, CBS News, will be based on a poll taken by a special affiliate committee that met with CBS News executives in February (TV/RADIO AGE, March 3). The network, Horner adds, has had "extensive meet-

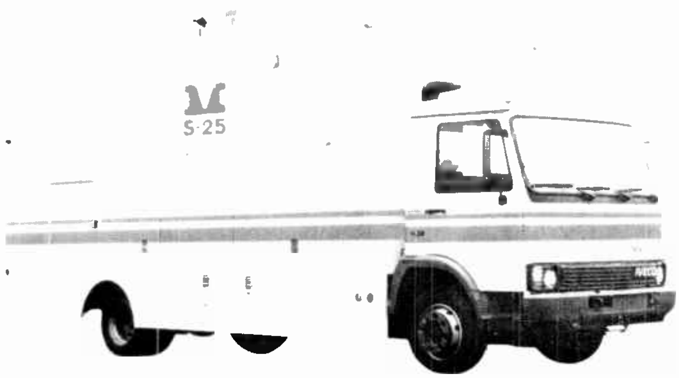
Hubcom's Lo-Boy

A number of companies will be introducing lower priced trucks, almost half the cost of those currently on the market.

Dalsat's SNG-25

At present, it's estimated that fewer than 50 Ku-band SNG-equipped vehicles are owned by local TV stations.

Midwest's S-25



ings with one [truck] manufacturer and visits and meetings with several others.

"Historically," he continues, "CBS Television does not normally endorse equipment from one manufacturer, but we are finding with this situation a possible advantage to a high percentage of affiliates using the same producers."

CNN package

Cable News Network, which is offering its affiliates an SNG support service called Newsbeam, has signed contracts with Midwest Communications Group of Edgewood, Ky., and Dalsat, Inc. of Plano, Texas, to provide trucks in the $175,000 price range, according to Paul Amos, CNN vice president.

CNN's package includes the following: unrestricted access to transponder time, evaluation of equipment prior to purchase, "preferred customer relationships with SNG vendors," training and day-to-day operational advice.

The cable web expects to be active at NAB, Amos says, "working in conjunction with manufacturers in talking to our affiliates."

There is pretty general agreement that fewer than 50 Ku-band SNG trucks are now in operation. Of those, about 30 are products of Hubcom, a division of Hubbard Communications, which also is partial owner of Conus Communications, a Ku-band-fed SNG partnership of 34 TV stations. Hubcom customers include 26 Conus affiliates; two NBC-owned stations, WMAQ-TV Chicago and WRC-TV Washington; Capital Cities/ABC-owned WLS-TV Chicago; and ABC News, which has one truck.

About a dozen of the existing trucks are products of Dalsat, which counts among its customers, Capital Cities/ABC-owned KTRK-TV Houston, Bonneville's KSL-TV Salt Lake City, WWL-TV New Orleans, KCTV(TV) Kansas City and members of the Florida News Network.

CNN's Amos, who believes the truck potential "could easily be 150 within the next two years," says not all the stations are using them for news purposes only. "They're using them for sports programming, music programming, videoconferencing."

At Comsat General, which provides communications packages for SNG trucks, Arthur Hill, assistant director of broadcast sales, believes that "as prices come down, you could see between 400 and 600 trucks."

Agreeing with that assessment is Jack Moore, vice president, business development at Dalsat, who says, "it's reasonable to assume there will [eventually] be 500 to 600 trucks."

On display at NAB

At the NAB, Dalsat will be taking 900 square feet outside to display two of its trucks—its new, smaller SNV-6 and its SNG-10, which has been out about a year.

The SNV-6, says Moore, weighs less than 10,400 pounds, which eliminates the need for a special operator's license. The basic truck is a Ford Econoline 350 van, 20 feet in length, standard width with a popup antenna, which can be concealed when the vehicle is traveling. Ranging in price from $150,000 to $250,000, the new model, according to Moore, has "the same standard electronics that are in the big truck." Dalsat has another small truck model, the SNV-8, which is identical to the SNV-6 except for the antenna size. The SNV-6–8 are part of the CNN package.

The "big truck" is Dalsat's SNG-10 (or 12, 15 or 25, depending on antenna size). It's a Volvo with gross vehicle weight of 27,900 pounds. Price range is $250,000–$400,000. Electronics package on both trucks includes eight Ku-band channels and on-truck editing.

Hubcom, according to Tom Kidd, marketing manager, will have two trucks outside the NAB convention hall—its established Iveco (Italian turbo diesel) model and its new, smaller truck, called the Lo-Boy, a Ford Econoline 350 chassis that, says Kidd, "can fly on a C-130 or larger cargo plane, even though it seats four people."

That truck, adds Kidd, will be delivered to Conus member, KSNW-TV Wichita-Hutchinson, after the convention. The Iveco truck on display will be delivered to NBC-owned WKYC-TV Cleveland after the show.

Midwest Communications will have "four or five different systems" at the

(continued on page 91)

HBO backing dual transmission system; some operators still resisting change

Hearing the call: Cable comes around on MTS stereo

By VICTOR LIVINGSTON

The cable industry long has maintained that so-called "heavy users," high-tech TV junkies who've got to have the most, the best and the latest in video software and hardware, comprise its most valuable customer group. Thus, it is with much irony and chagrin that cable subscribers lured into purchasing the hottest ticket in video electronics—stereo television sets—are discovering that in many cases, their expensive new gear doesn't work with cable, or can't process stereo on cable channels where stereo sound is heavily promoted, as on the video music channel MTV.

Some of these high-end cable customers are finding that some cable plants can pass the so-called Multichannel Television Sound (MTS) stereo signal transmitted by a growing number of broadcasters. But the quality of the audio transmission of "passively" transmitted MTS can vary from very good to buzz-ridden when received over cable. In some cases, the stereo portion of the signal may get through, but not the Second Audio Program, or SAP, the part of the signal designed for simultaneous foreign language broadcasting. Even the experts don't know how often this occurs, since SAP is not in widespread use at present. In systems passively delivering poor-quality broadcast MTS, operators may not even realize they are passing broadcast stereo—and that their lack of attention to the quality of the signal could result in degraded service to owners of stereo TVs. There have been reports that some systems incapable of passing good MTS are stripping the signal from their head-ends; but most operators say that if MTS is getting through, they'd just as soon let it.

The good news is that the bad news about cable's alleged incompatibility with MTS stereo doesn't look quite as insurmountable as initial reports had suggested. True, major segments of the cable industry, citing questions of compatibility and sound quality, still are holding out against adoption of MTS stereo in favor of the out-of-band FM simulcast system. Ironically, it was that system, which generally requires separate tuning on an FM stereo receiver-amplifier, that the cable industry first employed in the early '80s to premiere stereo television to American TV audiences.

Some converts

But forward-thinking cable system operators and programmers are beginning to embrace the broadcast stereo format, even though they are under no regulatory requirement to carry MTS. (The Federal Communications Commission last year declined broadcasters' requests to consider adding MTS to its must-carry rules, which were later tossed out by a federal court).

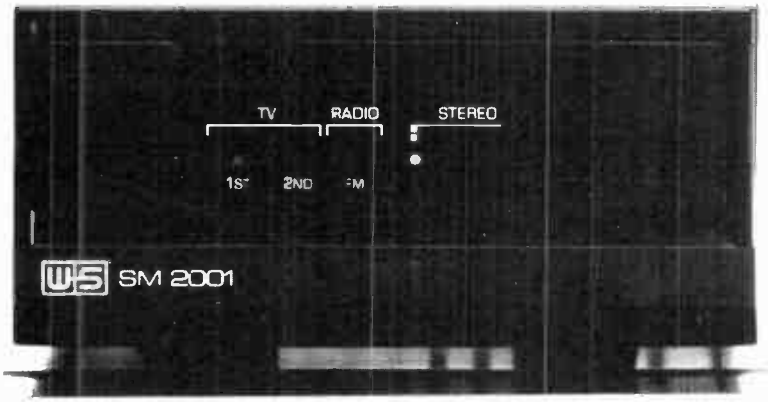
Indeed, some go so far as to say that the FM simulcast method is doomed to extinction as cable subscribers demand the kind of stereo sound that lets them use all the features of their fancy new stereo TVs—and not a technology that requires extra equipment and, typically, extra service charges.

According to Charles Jablonski, director of strategic and technical facilities planning for the NBC Television Network, 21 of the top 25 cable multiple system operators "are committed to carrying MTS stereo in some form or other, and in fact are carrying it in some of their systems already." Broadcasters need cable to make MTS a big hit, since cable penetrates nearly half of all U.S. TV households.

Brian James, director of engineering at the National Cable Television Association, declares that "most of the MSOs are receptive to MTS and are will-

With stereo TVs driving new set sales, consumers expect cable to deliver the kind of stereo their equipment can receive.

Recoton's add-on MTS decoder



Westinghouse-Sanyo FM stereo box

Westinghouse-Sanyo bets on existing FM stereo with a device that "tracks" channels changed on a converter.

ing to provide the MTS signal. If it's something the subscribers want, they'll provide it."

Marketing realities

The growing acceptance of MTS stereo by the cable industry stems more from marketing realities than any enthusiastic appreciation of the technology itself. Indeed, even broadcast proponents acknowledge that according to the "specs," FM-band simulcast stereo provides higher-quality stereo in certain respects, such as channel separation and frequency response (although the signal-to-noise ratio is ostensibly better with MTS).

But the fact remains that the MTS format (officially termed BTSC stereo after the Broadcast Television Standards Committee which adopted it) is, for better or worse, the government-authorized technology adopted by set manufacturers and broadcasters. Its most visible backer is RCA, whose NBC Television Network is the first commercial network to aggressively promote stereo. (The Public Broadcasting Service deserves credit for pioneering MTS broadcasting) but, for some inexplicable reason, does not visually identify stereo broadcasts, as does NBC. More than 200 broadcast stations stations are now transmitting in stereo, and that number is expected to reach 500 by year's end, as more and more primetime programming goes stereo—not only on NBC, but soon on ABC and, bringing up the rear, CBS.

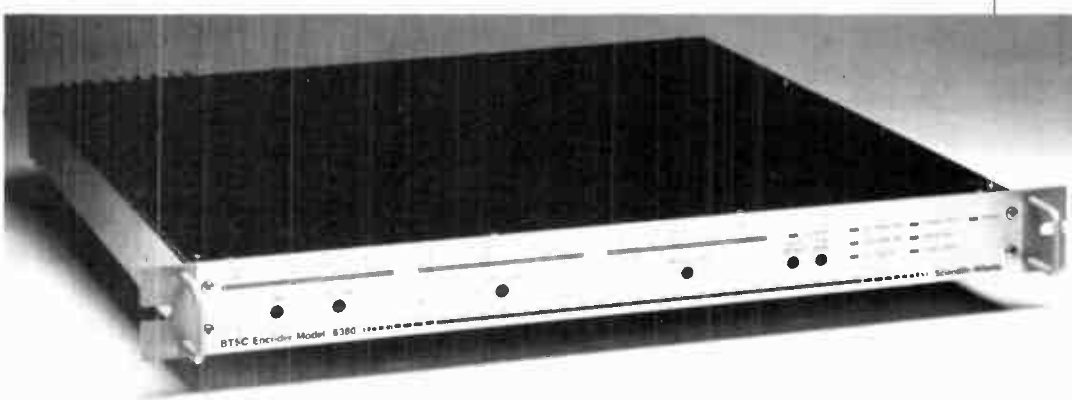
Consumer appeal

American consumers, again displaying their never-ending appetite for new electronic gagetry, are taking to MTS-equipped stereo TV sets at a fire sale pace. This year, nearly 3 million stereo TVs are expected to be sold, nearly double last year's figure and about 20 per cent of the 16.7 million color sets expected to be sold, according to the Electronic Industries Association. That doesn't include so-called "stereo capable" models that can be upgraded to MTS stereo through the use of a plug-in module. RCA predicts that more half of all new color sets sold this year will be stereo capable; both RCA and Zenith, whose stereo system was adopted by the industry following FCC authorization, are introducing smaller-screen (19- and 20- inch) MTS-equipped color sets that bring stereo TV down from the high end. Enthused Stephen Stepnes, vice president for marketing of RCA Consumer Electronics, at a recent press briefing, "the new dimension of stereo sound is now sweeping the multi-billion video industry, just as it dominates the audio business."

Also, "outboard" add-on boxes that can convert any existing TV to stereo sound—something aficionados describe as comparable to turning a black-and-white set into color—are finding favor among highly critical audio-video enthusiasts. Tandy-Radio Shack makets an MTS decoder that can hook up to any TV, and is compatible with cable converters capable of passing the MTS signal. The retail price: $149. Recoton, a Long Island, N.Y. accessories firm, is selling for about the same retail price an ingenious outboard decoder that doesn't even require a hard connection to the TV. Instead, a unique "probe" picks up radiation from any set's audio circuits and splits the signal into true MTS stereo. Both of these outboard units, as well as models made by Zenith and Sony for their own sets, containing circuits that simulate stereo on non-MTS channels and help clean up noise (dbx noise reduction is incorporated into the BTSC standard). Most important to cable subscribers, these MTS boxes allow simultaneous

(continued on page 87)

Scientific-Atlanta's BTSC head-end encoder



Cable satellite services must be "encoded" at the cable head-end to work with new BTSC-equipped sets.

Nielsen HUT level grows, Arbitron's shrinks; sample sizes, procedures eyed

Disparity between metered TV ratings firms hits fan again

By EDMOND M. ROSENTHAL

Perennially beleaguered with complaints of disparity between their two metered services for local TV, A. C. Nielsen and Arbitron Ratings have been experiencing more grumbling than usual over the past several weeks. The shouting has been coming primarily from New York and Los Angeles, but those doing the shouting also imply that a quiet market is an ignorant market. And, with the encouragement of the ratings services, these two markets may soon be taking the lead in organizing a "supra" committee to address the problem for all 12 metered markets.

The major current concern has been that, where NSI had previously had a slightly lower HUT level than Arbitron, over the past year the situation has reversed, with NSI's continuing to grow and Arbitron's continuing to decline. Other concerns have been with adequacy of the sample sizes, variance between the two in sampling procedures and Nielsen's faster movement in accounting for the changed viewing patterns resulting from cable, VCRs and multiple sets—with Arbitron close to rectifying the latter condition.

With no one claiming to be certain of the cause of the variances within the current metered markets, the problem extends itself into other methodologies—both old and new. Independent stations are looking into their lower rating levels in diary-only compared with metered markets and are preparing for a study that they hope will lead to "calibration" of the two types of measurement—meaning, in effect, adjusting diary figures upward. Meanwhile, those looking ahead to the people meter observe that the current NSI and Arbitron HUT levels are much closer to one another than they are to AGB's, suggesting future controversies if Nielsen and AGB both mount national people meter services.

There are still many broadcasters, though, who agree with the ratings services that the differences between them are "statistically insignificant" and carry no bias over a period of time. And least concerned are agencies, about equally split in their usage of the two services and insistent on using the numbers of the service they subscribe to—perhaps taking results from the second service somewhat under consideration in negotiations.

But it's a "statistically insignificant" two rating points that can set off the emergency alarm for a given station—particularly when it shifts a station from first to last place among affiliates in an all-important news daypart. One of the more dramatic examples of late was in New York during the February sweep this year. WNBC-TV, first in NSI in the 5 p.m. early news period with a 9.6/19, was last among affiliates in the Arbitrons with a 7.6/15. Meanwhile, WCBS-TV topped the Arbitrons with an 8.6/18 and was bottom affiliate in the NSI book with a 6.6/13.

In Los Angeles, it's not so much a fight between stations as it is with overall HUT levels, which are said to have reached an extreme enough proportion in that market to prompt visits by representatives of the ratings services.

Getting organized

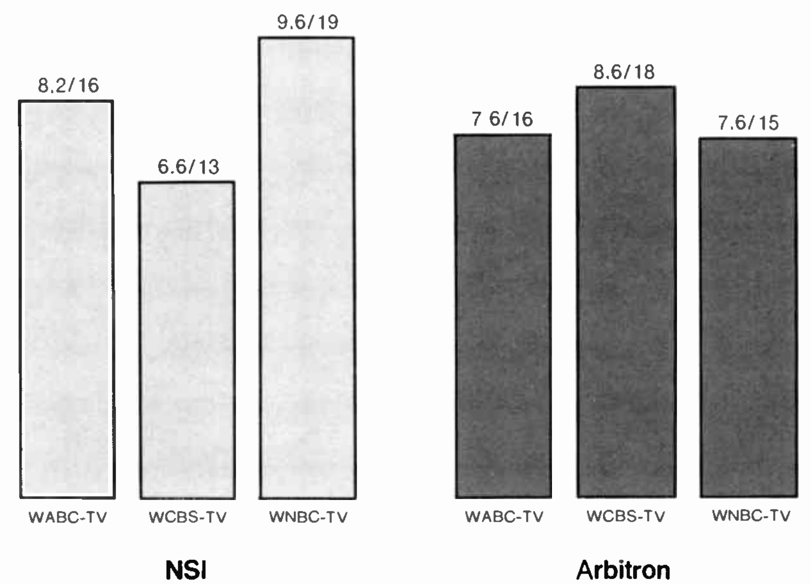
Diane Sass, president of the New York Television Stations Ratings Committee and vice president, research, Fox Television Stations, was marooned in another city and champing at the bit when a couple members of her committee appeared in Los Angeles for a meeting between the Los Angeles Television Stations Research Committee and representatives from Arbitron—which made the trip to reconcile the high crime of low newscast ratings in a heavy rain.

Sass gives the ratings services more credit for response rate than they give their own samples. She says, "Our committee has made quite impressive progress in monitoring both the methodology and technology of the ratings services. Within a few months, we'll put out a white paper based on their findings, and they've been very cooperative in providing in depth data."

Sass and her committee have sassed Arbitron enough already that they feel they've gotten meaningful results: "Arbitron a year ago did not have a single set capable of monitoring VCRs. Now they have it about 75 per cent nationwide. Arbitron originally had three different kinds of meters relative to cable—and the meter predominant in New York was only capable of measuring 20 channels. Arbitron is now installing all-

Not so vive la difference

Nielsen vs. Arbitron—February sweeps, 5 p.m. news, New York



David Traylor

Pete Megroz

Nielsen's Traylor and Arbitron's Megroz both acknowledge that the heat from stations on disparity between their two services is intensifying.

channel meters." She also notes Arbitron, two or three years ago, was behind Nielsen in monitoring all sets in multiset households but has also caught up in that area.

But Sass, facing the problem of growing differences even when these hardware problems are being resolved, has to point to an older difference between the services—the fact that Nielsen concentrates on making its sample a real-life demonstration of what a sample is supposed to be—i.e., trying to get all initially-designated homes into the sample—and that Arbitron achieves its demographic composition through weighting for whatever demographics are disproportionate. (For a comprehensive story on the differing Arbitron and Nielsen philosophies on this subject, see TV/RADIO AGE, July 9, 1984.)

Sass and her committee have approached both services on this key issue and says both have refused to budge on the matter. Her own feeling and that of her committee is that weighting is the less preferable alternative. She reports, "Both services have done major analyses, and Nielsen decided not to weight. Arbitron also did a huge study and decided to continue to weight because it couldn't get a clear-cut decision from the marketplace." The fact that other markets don't agree with her committee's anti-weighting attitude, she indicates, could be resolved through education.

Referring to Arbitron's lower HUT levels, Sass says, "Most broadcasters feel usage is up because there are more reasons to watch TV. To see declining homes is strange. There isn't any more of a problem in L.A., but it seems to be happening more suddenly."

In Sass' frame of reference, the disparity in ratings goes well beyond New York and Los Angeles. With her company operating stations in six markets, she sees problems in five—New York, Chicago, Los Angeles, Dallas and Washington: "The only market where they are fairly similar is Houston. Nielsen installed there in April-May, 1985 and Arbitron a year earlier. The only reason I can point to in their similarity is that they both went in initially with all-channel cable equipment."

Station managers in markets like Chicago, San Francisco and Philadelphia appear to be at peace with the ratings services, but Sass holds, "The reason there is less disparity stated in the other markets is that they have less research and haven't identified the problem. It could be there is the same trend in other markets but that it shows up the most in New York and Los Angeles because of something like having the highest VCR penetration or just being as basic as sampling procedures."

L.A.'s rainy day

Los Angeles is reaching some conclusions of its own, just having come out of a visit by Arbitron representatives and soon expecting one from Nielsen—with no resolution yet offered. Bill Johnson, chairman of the Los Angeles Television Stations Research Committee and director of research and sales development for KABC-TV Los Angeles, asserts, "It's strange that Arbitron's HUT level is down when everything else points to television viewing being on the rise.

"In Los Angeles, weather has always been a big factor. When it rains, there has been a big jump in HUT levels, particularly in early news. But this year there was severe weather in February, and Nielsen still was up and Arbitron still was down." He indicates this was particularly noticeable in the local newscasts, with HUT levels going pretty much in the same direction across the board, with the only major cries of alarm coming from independents, whose viewing overall was off more than others during that time.

While early and late news tend to draw the most fire when there are discrepancies, because of their economic importance to the stations, Johnson just the same points out strange things are happening in other dayparts. He notes that, in the February sweeps, the ABC miniseries, *Crossings*, averaged 10 rating points higher in Los Angeles with Nielsen than it did with Arbitron.

Such discrepancies, says Johnson, are enough of a "sales problem" that his station dropped Arbitron last spring, and he hears two other stations in the market are considering doing the same. But the Los Angeles problem apparently doesn't manifest itself the same way as that in New York: "In February, we were first in all newcasts in Arbitron, and we were first in three out of four in Nielsen."

Compared with Sass in New York, Johnson sounds a little softer in his feelings about a need for a "supra" committee, noting his group has been in occasional contact with its equivalents in New York and Washington and with individual stations in Chicago (where a dormant group is talking about revitalization). But he considers a "supra" group a possibility—in terms of coming up with a universal sugges-

(*continued on page 92*)

Reps report greater market fluctuations, with NBC affiliates generally strong

Spot TV 2nd quarter outlook is mixed

Latest TV/RADIO AGE *Business Barometer* figures (page 30) back rep reports of a strong January showing for spot television and while sales chiefs at some of the television rep firms are equally optimistic for a strong second quarter to follow, others report a mid-March slowdown that some believe to be only temporary, but that others worry could lead in to a longer range slide.

Meanwhile, ups and downs between markets appear to be steeper than ever before, with little or no regional pattern observable; and NBC affiliates are reported doing brisker business than ABC affiliates, CBS affiliates and independents, with each of the latter three categories of stations faring about the same.

The new *Business Barometer* figures show January national spot TV up 16.4 per cent, over the comparable month of '85.

Peter Goulazian, president, Katz Television, says that, looking at stations Katz represented both last year and this, first quarter should finish with a 10 per cent or slightly better increase, "with our independent stations leading the way." He reports a particularly strong quarter for New York, Los Angeles and Chicago, and says most markets in the Far West and Midwest also did well.

Walter A. Schwartz, *president, Blair Television: "Based on a good first quarter showing, our projections for '86 may have been too conservative."*

Walter A. Schwartz, president, Blair Television, recalls that going into 1986, based on past trends, "We assumed the new year would be back-loaded, with more activity during third and fourth quarters, rather than front-loaded with heavier first quarter volume. We still do. So based on a good first quarter showing that turned out better than anyone had expected, and unless some kind of disaster hits us later in the year, our projections for '86 may have been too conservative."

AT MMT Sales, Roger Goldhamer, senior vice president, sales, describes a first quarter that "came out okay," and says he's looking for a 9 to 11 per cent increase for second quarter. He adds that second quarter will be helped by primary election contests in those states that are holding them this year.

Harry Stecker, senior vice president, marketing at Petry Television, reports spot showing "good strength during all three months of first quarter, which should finish 10 to 12 per cent ahead of last year. We're also now seeing good indications that second quarter should continue healthy." At Seltel, executive vice president Ray Johns describes first quarter "coming out of the chute stronger this year, bringing us a double-digit increase, and now April avail requests are pacing well ahead of last year, so we're projecting a strong second quarter, too."

Stronger than estimates

Peter Ryan, executive vice president at Harrington, Righter & Parsons, says first quarter "has proven even stronger than our earlier optimistic estimates. We had been projecting a 10 per cent increase, and now it looks like it could wind up in the 11 or 12 per cent range, though March has started to tail off a little, and so has upfront pacing for second quarter, as buyers wait for the new rating books to come in. Now that they are beginning to arrive, we're expecting activity to resume in full swing for the last half of March."

Ryan recalls that last year produced a 10 per cent first quarter gain, "the strongest of 1985. In spite of that, we now have enough pending activity to expect an eight to 10 per cent second quarter this year."

At TeleRep, Tom Tilson, vice president, director of sales, agrees that this year got off to a good start with "January healthy, compared to a flat January, 1985. But the reverse of that coin is that February and March grew stronger last year, and now, compared to that strength, this February and March are showing smaller gains, only in the 5 to 7 per cent range."

Bob Somerville, executive vice president at Independent Television Sales, reports "some enormous first quarter increases" and says he's "looking for more of the same for second quarter. No station was under 25 per cent and some almost doubled. But all of this doesn't mean much for comparison purposes because we're new, and we've been working for many of our stations for only a year, with many of them starting from a pretty low base. But a lot of them have matured rapidly in just one year."

Station improvements

Somerville points to the example of Boston, "where Bill Knight upgraded his programming on WXNE-TV, backed up those new programs with strong promotion, and surpassed the Storer and Gannett independents in the new February book."

He adds that similar improvements in some of ITS' other markets have brought its stations "demographic ratings of 3s, 4s, 5s, and 6s in the new books. The result is second quarter pacing in the 30 to 50 per cent range. As these stations mature, they're now able

(continued on page 102)

Peter Goulazian, *president, Katz Television: "As we move into second quarter, it wouldn't surprise me to see some stations in oversell situations."*

ELECTRONIC INVOICING
MPI to test system with Grey and Campbell-Ewald/67

BUYER'S OPINION
Keeping VCR impact on TV ads in perspective/69

MEDIA PRO
Old computer hand 'in no hurry' for micro systems/71

TELEVISION/RADIO AGE

Spot Report

March 31, 1986

Spot Report

March 31, 1986

MPI in electronic invoicing test with agencies

The MPI (Mini-Pak) division of Data Communications Corp. of Memphis plans to start testing electronic invoicing with Grey Advertising in April, and soon thereafter with Campbell-Ewald Co. C-E is MPI's newest major agency customer for its Media-Line agency computer systems including its SpotLine spot broadcast paperwork system. The electronic invoicing link from these two agencies will eventually be to the 208 stations using DCC's BIAS traffic system through MPI's New York computers to DCC's Burroughs mainframes in Memphis.

MPI president Don Crabtree says the 208 BIAS customer stations represent over half the invoices that major agencies deal with.

Other agencies on MPI's Media-Line customer list include HBM/Creamer, Dailey & Associates, Los Angeles; Cole & Weber, Seattle, and Robert L. Cohn, Chicago.

MPI's media service clientele include Century Media Corp., Independent Media Services, Vitt Media. International, Media General, International Communications Group, Los Angeles, and Cooper Square, the house agency for Hartz Mountain Corp. And Kentucky Fried chicken sends its invoices to MPI for post-buy checking.

Next new product out of MPI, says Crabtree, will be the "electronic letter," flashing copy, traffic and commercial rotation instructions from agencies to stations, again from the agency to MPI, New York, thence through DCC's Memphis main frames to the stations.

Meanwhile, for station-to-rep linkage, MPI's electronic contract, which first tied WDVM-TV Washington to MMT Sales last July, now has over 20 stations hooked in to their reps.

Indie counters affiliates

WFFT-TV, the only independent in Fort Wayne, Ind., has found several dayparts where its counterprogramming has been effective in achieving higher ratings than the three affiliates. It reports that, between 3:30 and 7 p.m., it reached more households than any of the three Monday–Friday in the Arbitron February sweep with its local programming and syndication against soapers, syndication and news on the affiliates.

Arbitron also shows the station outpulled all three affiliates together on Sundays from 8 a.m. to noon, counterprogramming their religious shows with off-network syndication and an action movie. Monday–Friday at noon, against network newscasts, WFFT-TV's *Andy Griffith* got a 9 rating against a total of 9 for the three affiliates in the 12–34 demographic and outpulled any one of them in women 18–49.

Indies get over half of spot

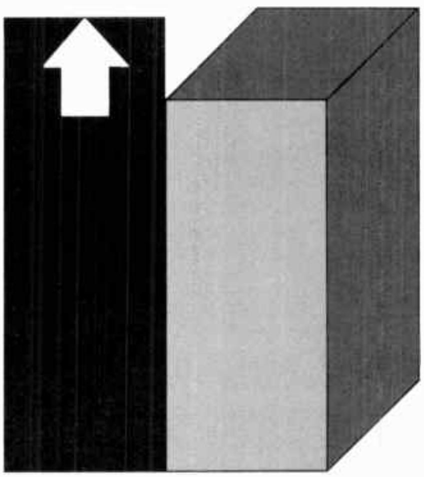
The top 25 national spot advertisers spent 54 per cent of their spot dollars with independent stations in 1985, according to an analysis by the Association of Independent Television Stations based on Broadcast Advertisers Reports. To estimate independent shares, 15 markets were selected out of BAR's 75-market universe, representing 42 per cent of the TV homes in the top 75 markets.

Proctor & Gamble, spending 64 per cent of its spot expenditures on indies, headed the indie-spending list. While decreasing its share on indies by two percentage points, it increased its spending on them by 14 per cent in absolute dollars over 1984. Following P&G in indie usage were, Philip Morris, General Mills, Pepsico, Toyota Motor Sales, Coca-Cola and Anheuser-Busch. Overall, the top 25 spot spenders increased their billings on independents by 19 per cent over the previous year. Those allocating the bulk of their spot spending to indies included General Mills and Warner Lambert, 80 per cent; Anheuser-Busch, 76 per cent; Hasbro, 96 per cent; Mars, 82 per cent (see table, page 98).

January

National spot business

+16.4%



1986: $345.0 **1985: $296.4**

Complete TV Business Barometer details p. 30

Spot Report

Campaigns

Alaska Seafood Marketing Institute, RADIO
Evans/Kraft, Inc./Seattle
SALMON will be advertised for four weeks starting in early April in a select but nationwide spread of radio markets. Media group placed schedules to appeal to both men and women 35 and up.

Albertson's Inc., RADIO
Foote, Cone & Belding/Los Angeles
FOOD CHAIN is using eight to 12 weeks of spot air time that started on various February air dates, or is set to commence in May, in numerous western and southeastern radio markets. Target demographic is women 25-plus.

Anheuser-Busch, TV
Needham Harper Worldwide/Chicago
BUSCH THEME PARKS are set for eight to 13 weeks of spot appearances scheduled to start on various March and April air dates in a long and widespread lineup of television markets. Media worked with news, primetime and fringe inventory to reach adults 25 and up.

Champion Laboratories, RADIO
Keller-Crescent Co./Evansville, Ind.
LEE AUTO FILTERS will be pitched for three weeks starting in early April in a select but nationwide list of larger radio markets. Negotiators placed schedules to persuade men 18 and up.

Delta Air Lines, TV
BDA/BBDO/Atlanta
FLYING is being promoted for 26 weeks that started in late February or is scheduled to commence in April in a good many larger air destinations across the country. Media targeted adults 25-plus with the full arsenal of daypart exposure.

Frito-Lay, Inc., RADIO
Tracy-Locke/Dallas
PARTY DIP is being advertised for 13 weeks that started in late February in a select list of southwestern radio markets. Buyers set sights on both men and women 18 and up.

G. Heileman Brewing Co., TV
Robert L. Cohn/Northfield, Ill.
OLD STYLE BEER is scheduled for 13 weeks of second quarter spot action in a select but widespread lineup of television markets. Negotiators used a full range of dayparts to reach men 18-plus.

Household Finance Corp., RADIO
Needham Harper Worldwide/Chicago
LOANS are being offered for 10 weeks starting in late March in some markets and in early April is others, nationwide. Target demographic is adults, 25-plus.

Pennzoil Co., RADIO
Eisaman, Johns & Laws Advertising/Houston
MOTOR OIL is being pitched for 13 or more weeks during second quarter in a long and nationwide spread of radio markets. Buyers worked to reach both men and women 18 and up.

Sears, Roebuck, TV
Ogilvy & Mather/Chicago
SELECTED ITEMS will be featured for 13 weeks during second quarter in a long and coast-to-coast lineup of television markets. Negotiators employed a full range of daypart inventory to attract adults in various age brackets, depending on item or service.

Mrs. Smith's Food, TV
Leo Burnett/Chicago
PIES and OTHER FOOD ITEMS will be offered for three to 10 weeks that started in late March or early April in a long and nationwide spread of television markets. Media placed daytime, fringe, primetime and kid inventory to reach women, children and teenagers.

Southern Bell, RADIO
Tucker Wayne & Co./Atlanta
TELEPHONE SERVICE is being advertised for nine weeks that started in late February in numerous southeastern radio markets. Buyers set schedules to reach business decision makers 25-plus.

New category

Minnetonka, Inc.'s new Check-Up, Gum, "the first chewing gum that removes plaque while being chewed," is currently in three test markets, where television and print ads created by Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis broke March 10. The three humorous spots were directed by Joe Sedalmaier, widely celebrated for his Federal Express and "Where's the Beef?" commercials.

Minnetonka is a 12-year-old company known as a new product innovator that has brought out new liquid soaps, Check-Up plaque-fighting toothpaste, and pump dispensers for toothpaste. The company now manufactures almost 900 products, accounting for approximately $88 million in sales.

Appointments

Agencies

Ira Carlin, media director of McCann-Erickson/New York, has been elected an executive vice president of the agency. The former executive vice president/media for Kornhauser & Calene and vice president, media manager at The Marschalk Co., joined McCann in 1982 to head media planning for the agency's Coca-Cola USA account and now steps up from senior vice president.

Loretta Volpe and **Alan Jurmain**, vice presidents at SSC&B: Lintas USA, have been named to the new post of group director, media planning and operations, reporting to **Robert Lilley**, senior vice president, director of media and network operations for the

Salad roll

Salad Singles out of Orval Kent Food Co., and currently on radio and television in 10 major markets adding up to 15 per cent of the country, is now "poised for a national roll-out," says Media General Broadcast Services, Chicago, which is handling media for the expansion for Pierson & Co., Chicago, agency for the product. Budgeted at $3 to $4 million for 1986, plans call for the campaign to be extended to cover 60 per cent of the U.S. with spot broadcast buys in 20 to 24 additional markets by year's end.

Salad Singles are freshly made, preportioned salads with ham, chicken, tuna or crabmeat. They're said to have 'several weeks' shelf life under refrigeration, and are being marketed through supermarkets, grocery stores and convenience stores.

agency. Both executives joined SSC&B in 1981 and now step up from associate media director.

Roddy Freeman has been elected a vice president of Cunningham & Walsh in New York. An assistant group media director, Freeman came to C&W following posts with Ted Bates and with W.B. Doner & Co.

Representatives

Philip J. Sweenie has been promoted to the new post of vice president, ABC Television Spot Sales, reporting to **John B. Watkins**, president. Sweenie joined ABC in 1974 as an account executive for the spot sales arm in New York, and he now steps up from director of sales and marketing, ABC Owned Television Stations.

Marsha Peterson has transferred from Dallas to become sales manager of the new Houston sales office opened by CBS Radio Representatives. She came to CBS 10 years ago and had most recently been Dallas sales manager. New Houston phone number is (713) 782-0911.

Dennis Leonard has been promoted to manager of the Cleveland sales office of TeleRep. He joined the firm two years ago and now transfers from the Atlanta office where he had been an account executive.

Linda Ferrara has been appointed manager of the Boston sales office of Major Market Radio. She moves in from the manager's desk at Selcom's Boston office, and before that she had been sales manager for Republic/RKO Radio Sales, also in Boston.

One Buyer's Opinion

Triolo

VCRs no cause for panic, says Esty media director

One of the hottest selling durable goods items in America today, the VCR, has sent shivers down the spine of every media director and client marketing manager. Change is one thing; but change that could ultimately and irreversibly alter the world of delivering advertising is quite another. Some even fear that VCR's could literally take over the viewing public's viewing, and thereby zip and zap all of our jobs into oblivion.

But hold on a second. Exactly what has the growth of VCR ownership done so far? To begin with, it has taken $200 to $800 from about one fourth of all the families in the U.S. It has spawned a new industry, composed of some of the tackiest stores in the country, all renting videocassettes. And it has created an outcry from people in the media business for real program ratings, instead of VCR plus real program ratings. The theory here is that recorded network independent station or cable viewing doesn't count because the shows are not played back, or, if they are, the commercials are seen only on fast forward. As far as I can see, the jury is still out on this one. Nielsen shows one number, agencies show another, then the three conventional networks produce an "independent" report which shows a third set of figures. The only thing all have in common is that they all say the impact of VCRs is fairly small.

Granted, the effect of VCR viewing and playback is potentially significant, particularly since penetration of these instruments is predicted to reach 60 per cent by the end of this decade. But we should keep the potential impact on advertising vehicles in perspective. After all, if current patterns persist, ratings of network primetime programs will be impacted by only two or three points. There is also the chance that some value from speeded up commercials can be garnered. And finally, possibly people will tire of using these machines, as they already have in my household.

Certainly we are concerned about VCR growth and the ways in which they are used. But we see little reason to panic. Rather, what seems called for is considered judgement of all the known facts, and continued observance of future changes. We spend a lot of time at Esty doing just that.

There have been changes in all media, and there will be more to come. That is why it is so important—if I may put in a plug for the full-service agency—to keep marketing, creative and media under one roof. The marrying of the needs and goals of each of these with each other is crucial to the chances of successfully selling a product.

A key part of this process is being on top of changes, particularly in the world of media, with stress on the electronic media. But please let us not overreact. Let's not seek to make headlines at the expense of talking reality. Being realistic will serve our clients and ourselves far better.

It will also be more fun. After all, it's not easy to explain to a savvy client why subscription television didn't take the country by storm, as some predicted several years ago. And pay TV? What happened to those who foresaw pay comprising the bulk of TV viewing by 1990? I suggest that some of these folks might have become video store owners.—**Peter Triolo,** *senior vice president, media director, William Esty Co., before the Association of National Advertisers Television Workshop.*

Aleyne Larner and **Judy Murphy** have joined the new MMT Marketing Division as regional sales managers. Murphy moves in from Blair to head the San Francisco sales office and Larner, now in charge of MMT Marketing's Chicago office, had been with Katz Independent Television in Chicago.

Stations

G. Alan Nesbitt has been promoted to president and general manager of WTVD-TV Raleigh-Durham. Nesbitt had been news director of WPVI-TV Philadelphia, also a Capital Cities/ABC station, and now succeeds **Paul Bures** who leaves WTVD-TV to take over as president and general manager of KTRK-TV Houston.

Dudley S. Taft, president of Taft Broadcasting Co., has assumed temporary responsibility for the operation of Taft's Television Group until a replacement is found for **Ro Grignon** who has resigned as executive vice president television.

Ted Wolfe has been promoted to general manager of Century Broadcasting's WLFF Tampa-St. Petersburg. He steps up from general sales manager for the radio station.

NAB growth

Membership of the National Association of Broadcasters has grown over the past two years, with the number of radio station and radio network members climbing from 4,493 to 4,570 since April 1, 1984. And from January 1, 1984, to March 1 this year, the number of television station and television network members has increased from 708 to 900, for an all time high.

John A. Schneider has been named to the board of R&R Broadcasting, Inc., a subsidiary of Robbins & Ries, Inc. and licensee of WHYN/WHFM(FM) Springfield, Mass. Schneider is former president of the CBS/Broadcast Group and former president of Warner/Amex Satellite Entertainment Co.

Howard Zeiden has been named vice president, sales at WMAR-TV Baltimore. He moves up from general sales manager at the NBC affiliate.

William B. Peterson has been appointed president and general manager of Knight-Ridder Broadcasting's WTKR-TV Norfolk-Portsmouth-Newport News-Hampton. He moves in from San Diego where he had been assistant general manager for KCST-TV.

Laurel T. Smith has been promoted to assistant vice president/general manager of WQDR(FM) Raleigh-Durham. She came to the Durham Life Broadcasting station seven years ago and rose through a series of supervisory posts.

Bill Campbell has been named general manager of WSNE(FM) Providence, R.I., recently acquired by Beck-Ross Communications of Long Island, N.Y. Campbell had been general manager of WMEX/WMJX(FM) Boston.

Bryan F. McIntyre has been promoted to assistant vice president/general manager of Durham Life's WPTF Raleigh, N.C. He joined the station as program/operations manager last March, moving in from WBBY Columbus, Ohio.

Terrence J. Connelly has been appointed general manager of Scripps Howard's WCPO-TV Cincinnati. He moves in from Taft Broadcasting Co. where he had been vice president of television news, and before that he had been executive news producer at WMAQ-TV Chicago and news director of WDAF-TV Kansas City.

Chuck Hobbs is now general manager of WPTT-TT Pittsburgh. He moves up from general sales manager to replace **David Smith** who now returns to CRI's corporate headquarters in Baltimore to concentrate on corporate responsibilities.

Ron Leppig has been named general sales manager of KSCH-TV Sacramento-Stockton, the new Schuyler Communications station scheduled to bow April 5. Leppig had been local sales manager of WATL-TV Atlanta.

Growth company

Two TV commercials for Car-X and two for Speedy Muffler King, the first for Tenneco Automotive Retail created by SSC&B: Lintas USA, broke March 17 in midwestern and northeastern markets. One spot in each set features muffler services, and the other features brake service; and radio and newspaper backup is scheduled to follow.

The same advertising will air in Canada where Speedy Muffler King was founded 30 years ago, but now most new growth is planned for Europe and the United States, where 19 new U.S. shops are scheduled for grand opening advertising this spring. Worldwide, Tenneco Automotive Retail operates 600 retail shops in Canada, the U.S., West Germany, the United Kingdom, France and Belgium.

Media Professionals

Old computer hand "in no hurry" for micro systems

Douglas C. Fernlock, Jr.

Vice president,
Media research director
Ross Roy, Inc.
Detroit

Doug Fernlock, who heads media research at Ross Roy, Inc., says he's as excited about the prospects for desk-top agency capability to run their own data analyses in house, on their own microcomputers, as anyone, adding that, "I'm just as sure it's the wave of the future as the people selling it." But still, he says, "I'm in no hurry to be first to make a mistake, just for the sake of being first. I'm more interested in having and being the best a little later, than being able to claim we're first right now."

For instance, Fernlock says that while he's waiting to see details of the new micro systems MRI and Nielsen are developing (TV/RADIO AGE, March 3), he has had a look at Simmons' new CHOICES, and wonders "if the price in user time and storage requirements is worth the degree of user-friendliness they've built into it."

He concedes that all this user friendliness is a big help to planners and buyers with no prior exposure to computers, but points out that, "The same wave of the future that includes compact disks includes a new generation of media people familiar with computers because they used them most of the way through school. They'll run into the same frustrations I do with systems like CHOICES."

Among these frustrations, explains Fernlock, is that, "It's clumsy for people used to computers. It takes experienced people as long to page through sub-menu after sub-menu to get the combinations of information we want to apply our English-language logic statement to, as it has up until now to input all the five-digit codes for each piece of information we want to pull out of the data base." The storage problem, he adds, is all the additional space required to store the English-language logic statements SMRB has substituted for the numerical codes they've eliminated.

Fernlock's own computer experience came from being in on the ground floor in the early days of those main-frames "that occupied huge rooms that required special air conditioning." He recalls that a lot of expensive mistakes were made then, because not everyone who invested in those early monsters "knew either what these then-new wonder machines could really be expected to do, nor what they could *not* do. The result was a lot of expensive trial and error, even after the initial bugs got worked out of those systems. The last thing we need now is another rerun of all that."

Stephen Schram has been named vice president and general manager of WOWO/WIOE(FM) Fort Wayne. He moves in from Malrite Communications Group in Cleveland, where he was in charge of special projects.

James H. Knight has been named general manager of Scripps Howard's WEWS(TV) Cleveland, succeeding **Edward D. Cervenak** who plans to retire as vice president of the station on June 30. Knight had been assistant general manager at Scripps Howard's WPTV(TV) West Palm Beach. At the same time, **Donald G. Webster**, who is executive assistant to Cervenak, will assume the new post of station manager at WEWS.

New Stations

Under Construction

WLII-TV San Juan, P.R.; Channel 11, and translator WSUR-TV Ponce; Channel 9; ADI San Juan-Ponce; Licensee; Lorimar-Telepictures Corp., TeleOnce Corp., Ave. Condado, 657 San Turce, Puerto Rico, 00907; Call Box 10,000, zip 00907. Telephone (809) 724-1111. Rafael Ruíz, general manager; Eduardo Penedo, sales and marketing manager. Target air date, April 28.

On the Air

W10AZ-TV Woodstock, Va.; Channel 10; ADI Washington, D.C. Licensee, Ruarch Associates, Box 10, Woodstock, Va., 22664 Telephone, Woodstock (703) 459-4210; Washington (202) 536-9002. Dr. Arthur D. Stamler, general partner and general manager. Low power family programming with religious format. Affiliated with Trinity Broadcasting Network and the National Christian Network.

Buyer's Checklist

New Representatives

Blair Radio has been named national sales representative for Medina Broadcast Group's KRAM/KKLZ(FM) Las Vegas and KUDY/KQSP(FM) Spokane. KQSP programs a personality adult contemporary format, and KUDY is a Christian/religious station. KRAM features "classic country" music and KKLZ, formerly KITT, offers "quality rock."

Christal Radio now represents KSRN AM-FM Reno and WRKT and WSSP(FM) Cocoa Beach-Orlando. WSSP plays easy-listening music, and WRKT has a solid gold-rock and roll format. Both Reno stations air a "full service" MOR format.

Hillier, Newmark, Wechsler & Howard has assumed national sales representation of WUPY/WMQT(FM) Ishpeming, Mich. WMQT plays current hits, and WUPY programs an adult contemporary format.

Independent Television Sales has been appointed national sales representative for KDFI-TV Dallas-Fort Worth. John McKay is president and principal owner with Warburg-Pincus Capital Partners of New York and Thoren Schroeck, executive vice president.

Katz Radio is now national sales representative for WHFB AM-FM Benton Harbor, Mich. WHFB programs an MOR format, and its FM sister offers easy listening music.

Katz Continental Television has been named to represent KIEM-TV Eureka, Calif. The NBC affiliate is owned by Precht Television Association, Inc.

Masla Radio has been appointed national sales representative for KCRG(FM) Cedar Rapids and WRJM(FM) Troy, Ala. WRJM is an adult contemporary station, and KCRG carries an MOR format.

Regional Reps Corp. has been named Midwest regional sales representative for WSTV and WRKY(FM) Steubenville, Ohio. WRKY programs an adult contemporary sound, and WSTV has an MOR format.

Republic Radio is the new national sales representative for WJTO/WIGY (FM) Portland, Me., and for KLCL/KHLA(FM) Lake Charles, La. Both KHLA and WJTO carry adult contemporary formats. WIGY plays contemporary hits, and KLCL airs news and talk.

Roslin Radio Sales has been tapped to sell nationally for WHJB/WOKU(FM) Greensburg (Pittsburgh). WHJB presents modern country music and WOKU is an adult contemporary station.

Weiss & Powell has been named national sales representative for KCGL(FM) Salt Lake City and for KYKC and KKRC(FM) Sioux Falls, S.D. KKRC programs a CHR format, KYKC offers country music and KCGL features modern music.

New Affiliates

Mutual Radio Network has signed RKO Radio's WOR New York and KFRC San Francisco as new affiliates, joining WRKO Boston, which has just renewed with Mutual, and WFYR Chicago and WGMS AM-FM Washington.

NBC Television Network will welcome back one-time affiliate WOWT-(TV) Omaha at the conclusion of its current affiliation agreement with CBS-TV. The station is owned by Chronicle Broadcasting Co. of San Francisco.

Transactions

Duffy Broadcasting has agreed to acquire KONO/KITY(FM) San Antonio from **Mission Broadcasting** for $11 million. Principals of Duffy are Robert Duffy and Martin Greenberg. Mission Broadcasting is headed by Jack Roth. Broker in the transaction is Americom Radio Brokers, Washington, D.C.

Viewpoints

James H. Rosenfield

Chairman, Advertising Council and president, JHR Productions, in a speech before the Advertising Research Foundation annual conference in New York.

Public service advertising poised for translation into a worldwide thrust

With [new] media will come the aggregation of vast new audiences worldwide, and these wider audiences will provide important new opportunities for improving the quality of life on a global scale. We will finally be able to reach vast new audiences, with health information, with public service information, much in the way the Advertising Council has done in the United States since World War II. This will be more than an opportunity, it will be an obligation for those of us in the advertising and media industries. Ed Ney, who is vice chairman of the Advertising Council, and chairman of Young & Rubicam, has helped show the way. A few years ago, he spoke to the International Advertising Association's 28th World Congress in Brazil. He addressed very directly those adversaries who argue that the spread of global marketing, will be destructive to national cultures and national identities. As he put it: "If our adversaries will give us no credit for raising the material standard of living in many parts of the world, perhaps, they might view us better if we help to raise the hopes of the world's people, to encourage through advertising, the uplift of spirit throughout the world."

Young & Rubicam has put the meaning of his words quite forcefully into practice. In Copenhagen, they created a campaign to increase safety awareness of children in traffic. In Madrid, the agency did a campaign for blood donors. In San Juan, drug addiction was addressed. In Brussels, campaigns helped two organizations which fight child abuse.

J. Walter Thompson offices all over the world have created moving public service advertising campaigns: rehabilitation centers in Calcutta and Lima, careers information in London, hospices in Australia, and the Salvation Army in Sao Paulo, as well as many other projects.

These campaigns give good examples of how corporations involved in international marketing, manufacturing, and media, can become involved as effectively on an international scale, as they have domestically, through the Advertising Council. The need is enormous, and I believe the need is being recognized as part of the mission of the global corporation.

We're really talking about "social marketing." The idea is to use mass media to educate the public about preventative health measures, and this effort has had impressive results. In a UNICEF report called "State of the World's Children, 1986," some of these successes are detailed. In one of the most remarkable stories, the agency tells how war was stopped in El Salvador so that a public service campaign to encourage vaccination of their children could go forward. Last March, a day had been set aside for thousands of health workers and volunteers to vaccinate children in some 2,000 centers. The campaign was carried out through newpapers, magazines, television, and radio announcements. A three-day truce was worked out between the guerrillas and the Salvadorean government so that plans could be carried out.

The challenge worldwide during the next 25 years is to increase this investment in the public good. New advertiser-supported media will create new opportunities to spread public service messages.

Some might fear that I am describing the world of "Big Brother," where there will be some form of centralized marketing plan with do-good messages delivered from one place to everybody. Obviously, each nation will continue to develop its own social marketing, its own public service campaigns, predicated on the needs of the people in each country, needs that vary tremendously.

Transnational potential

Nonetheless, there does exist some potential for public service campaigns that are transnational. In a new book, *Social Marketing*, Richard Manoff describes what is an embryonic effort by German television networks to deliver public services messages which can be used worldwide. The organization, called Val Transtel, is a non-profit agency that's operated by West German television networks, ARD and ZDF.

They have produced five-minute spots which have been translated into various languages for stations in Africa, Asia, and Latin America. These spots star two characters, Brother Careful, who always does the right thing, and Brother Careless, who never does.

For over 40 years, the Advertising Council has been investing in the public good—an effort that brings together advertisers, advertising agencies, and advertiser supported media. It brings them together to help them energize voluntary action and to bring valuable information to the widest audience. There is remarkable and growing opportunity in the next 25 years to make similar investments pay off worldwide. H. G. Wells warned that human history had become more and more a race between education and catastrophe. I'd like to think that efforts like the Ad Council, redoubled through new worldwide media, can help enormously in tipping the balance away from catastrophe and toward education.

Programming/Production

Blair Entertainment expansion design

Spearheaded by its successful marriage with *Divorce Court* and by the high-riding *The Cisco Kid*, Blair Entertainment, a division of John Blair & Co., did $16 million in billings in 1985, placing it in a firm position to diversify and to broaden its horizons. One of the major thrusts planned at Blair, according to Richard C. Coveny, president, is to move more heavily into the first-run area, heretofore confined to *Court* and to game shows. In addition, Coveny notes in an interview, Blair will step up its acquisitions of film packages, another area in which sales are strong.

Blair Entertainment was started in 1981 as Blair Video Enterprises, and in 1983 Coveny was given a green light by Jack Fritz, president of the parent company, in conjunction with the name change, to get rid of ventures which were questionable and to explore new programming. Coveny recalls that both Blair Pro Rodeo and Starfleet Blair, which he inherited, were dropped under his direction. Rodeo was shut down about six months after Coveny took charge ("it was just something that wasn't going to make us any money"), and Starfleet Blair, a live concert operation for radio, which had just been breaking even, was dropped about six months later.

Got started. Coveny says that Blair Entertainment "really got started" about three years ago when it acquired RPR Productions, a small company based in Pennsylvania, which had the largest sports film library in the world. "The library besides other sports, contained all the original footage of the National Football League starting in the 1940s and into the 1970s. After buying the library, RPR made a deal with the NFL, whereby the league would buy the NFL portion and RPR would produce short-form vignettes within the NFL games, such as *You Make the Call* and *The Right Choice*.

The awareness and recall by the viewers of the commercials structured around the shorts are four times what they are for the normal commercial, says Coveny. "That's why they have been so successful. Right now we have two with each of the networks carrying NFL games. Also, we are doing similar shorts with the Professional Golf Association and the National Basketball Association." Obtaining RPR's library was very critical, notes Coveny, "because it is unique, in that it can't be bought even by companies which have more money to invest in properties."

Soon after, in keeping with his concept of acquiring product which cannot be duplicated, Coveny bought a half-interest in Rhodes Productions, whose properties included the worldwide rights to *The Cisco Kid*, another show which Coveny believed could not be copied, plus the *SCTV Comedy Network* and the *Keystone Comedy Classics*. The success story at this point turned out to be *Kid*, he says. In its first two years the western has ridden out in the sunset with more than $5 million in syndication billings, "proving to the community that we could take something which was classical in nature and market it properly and successfully."

While Blair will look for more perennials, Coveny believes that finding another *Cisco Kid* will be difficult. "They are harder and harder to get your hands on. There aren't too many that will come down where you can generate the same kind of money as we got on *Kid*."

Billings. *SCTV Comedy Network*, points out Coveny, has doubled the billings of *Kid*, but the show has not measured up to Blair's expectations because the show has been relegated to a late-night position by most stations, so the demos have been disappointing. However, individuals starring in the show are doing well in their own right, he says, and SCTV is continuing to be sold.

Richard C. Coveny

In its purchase of Rhodes, in addition to *Kid* and *SCTV*, Blair acquired the distribution rights to old shows such as the original *Divorce Court*. After pitching the episodes without success. Coveny worked out a deal with Storer, which owned *Court*, to update the show. Blair produces, with funding from Storer.

Currently, according to Coveny, the company is attempting to diversify into various program types that Blair is either producing or acquiring, "so that we can have a well-balanced portfolio of product to sell in the marketplace." He continues that this strategy started when *Divorce Court* became an "extremely successful early-fringe vehicle, borne out currently because CBS has just picked up the show for the fall for its owned stations, while it is being carried by indies in major markets as well as by network affiliates outside the major markets in the country.

Divorce Court, which began airing in the fall, 1984, was the company's first major venture into first-run programming, a major direction in which Blair will be going, Coveny says. *Court*, at the time of the interview, did a 7.2 NTI national rating for the week and Coveny is looking for the program to achieve a 9 rating by this fall, mainly because of the CBS stations' pickup. The present lineup on *Court* is 160 TV stations representing 93 per cent of all U.S. TV households, as against the 46 stations representing 45 per cent of the U.S., when Court premiered.

Premiere. Coveny explains that the *Court* premiere clearance started with such a medium-sized lineup because Coveny decided to go the cash route in selling the show and to hold out to get the best stations it could in the best time period. If Blair had retained barter time, Coveny continues, it would have been compelled to have 65 per cent of the country, which in turn would have meant taking on stations which "we didn't necessarily want and in time periods which we knew wouldn't generate a decent rating."

Barter. Barter, in Coveny's mind, is a double-edged sword. "You may make enough money between the licensing fees and the barter to pay for the production. But if you are heavily weighted on the barter time and the show doesn't get your estimated ratings, you are obligated to pay the money back and, unless your company is big, you don't have any programming to give as a makegood. In our case, this was our situation at that point, so we went the cash route on *Court*, because we weren't certain we could get the ratings necessary and clearances." This season, *Court* has a 30-second unit for national sales; next season, Blair will keep two 30s, in addition to its cash-license fee.

The second first-run project entered into by Blair is *Break the Bank*, which is currently cleared in 56 markets, representing 61 per cent of the U.S. households, says Coveny, and is produced in association with Storer Programs Inc. and Hubbard Broadcasting. *Bank* got marginal ratings in its initial outing this season. But the parties are still high on the show and ready to produce *Bank* for a second season. In the case of *Bank*, the title was bought, but the format was changed because it was outdated. At this point *Bank* is hovering just below the NTI rating of 2, he says, and a 3 is necessary to make it successful, so "we are two-thirds of the way there."

New Host. Gene Rayburn was *Bank* host, but because of the new energy thrust of the game plus other factors, Rayburn was replaced in December by Joe Ferraro, and in February the game's format was changed as well. "It's a much more linear game than it was." Coveny notes that most stations are airing *Bank* primarily in the a.m. time period, which he calls probably is the least promoted time period. "But we feel that from indications we have that the show, as it is formatted now, can make it. In New York, it's getting a 4 rating and a 16 share, and we would like to see it get good numbers around the country. But it takes time to build, and a show should be given a chance."

Some syndicators, he notes, do not give a new show an opportunity to grow, especially when it is in the daytime environment. "Networks are now letting their shows run longer than they used to, and we should take a lesson from them. Syndicators, in conjunction with the TV stations, should work on a partnership basis, to give the program a chance to grow and to back it with heavy promotion. If the show is a disaster, that's different."

Strike It Rich, the latest game show endeavor from Blair, which is hosted by Joe Garagiola, will air in the fall, but Coveny, unlike other game-show distributors is not looking to place it in access. As the case with *Bank*, the name of *Rich*, has been retained while the show's original format has been updated. *Rich* is being geared to early-fringe or if need be, to daytime, because of the commanding access position of shows such as *Wheel of Fortune*, *Newlywed Game* and *Entertainment Tonight*.

At some point, should *Rich* succeed, it could be moved to an advantageous daypart similar to the *Divorce Court* case, which started in the daytime and, because of its high numbers, and is now aired in early fringe by many stations.

While Blair will be doing more first-run projects, it is not planning to unveil any first-run game show product for next year, Coveny says. He says that the doesn't want the company to be typecast as a game-show syndicator. "The two game shows we have back-to-back have great potential, but it's very tough to do something that's new and make it work." Instead of game shows down the road, Blair's first-run focus will be in another genre, which will be both women-oriented in daytime or fringe-oriented. "We have a lot of ideas in this regard," notes Coveny.

Game shows. Another area in which Blair has been successful, besides game shows, is in films, Coveny points out. The company this past fall acquired a number of movies under the thematic title of Revenge. Entering the marketplace with the film package in December, Blair has done more than $1 million in sales on the 12 movies. Based on this quick success, Blair will expand its film purchases and use of thematic titles.

At this point, while Blair has more money to spend on film acquisitions than it had last year, the company is looking only to explore film availabilities. "A lot of films we would like to get are tied up under licensing agreements for a long period of time," says Coveny. "When you release a movie package, the window should be available so that the movies can be aired in a relatively current time frame." Regarding funds for acquiring movies, the executive points out that Blair recently made a working arrangement with Fremantle whereby both companies will pool

Programming/Production

(continued)

monies to acquire movies, mostly made-fors. Under the arrangement, Fremantle gets international rights, and Blair obtains the domestic rights.

The problem with domestic, however, Coveny says, is that a made-for-TV movie may not be aired for three or four years in syndication because of the two runs that the networks get. In international, of course, there is no window, and Fremantle can get "some of the money back right away, so our arrangement is working well." Regarding theatricals, Coveny says that because most major producers have their own syndication divisions, "the films you get in theatrical are the next level down, on the B level, so we are seeking out independents for theatricals."

All in all, Coveny sees the movie segment being a very important part of the company down the road. "It's product you can sell 52 weeks a year."

Ultimately, notes Coveny, "the key in any organization is the people, and the strength we have here is that we have outstanding people. They all work for one common goal. The chemistry here is excellent, which is why we have been so successful in such a short period of time. I've been lucky to bring key people aboard such as Guy Mazzeo, Phil Kent, Tony Brown and Alan Berkowitz."

Outlet, Andrews deal

Outlet Productions, a subsidiary of Outlet Communications, has entered a joint venture syndication arrangement with William Andrews and Arthur Zeiger, whereby the veteran distributors will handle sales for Outlet Productions on a non-exclusive basis. Initial program in the deal is *Hennessey*, sitcom consisting of 96 episodes starring Jackie Cooper. The series aired on CBS, where it was consistently among the top 20 shows during its three-year run, starting in 1959.

Hennessey's guest stars included Charles Bronson, Raymond Burr, Don Rickles, Bobby Darin and Sammy Davis Jr. The series ran the gamut of action/suspense and comedy. Outlet will maintain a New York office to facilitate the distribution of *Hennessey* and other product as it becomes available. The office address is 1 East 57th Street, New York, where Outlet has space with The Sy Fischer Co. Phone is 486-0426.

Other Outlet product not handled by the new joint venture is a remake of *Crosswits*, which is being distributed by ABR Entertainment. The game show is a go for the fall, notes David Henderson, president and chief operating officer of Outlet Communications. Also, Outlet has a stake in the color conversion process used by Colorization, Canadian-based firm. The company currently converts several black-and-white films from Hal Roach Studios, such as Laurel and Hardy's *Way Out West* and *Topper*. In an interview, Henderson says that the joint venture with Andrews and Zeiger may involve more than just *Hennessey*, "if they bring in additional projects we are interested in." But, he adds, Outlet's goal is not to just rush in to acquire the rights to syndicated product.

In the case of *Hennessey*, Leo Gutman owned the show and Outlet acquired the rights to the series after it was recommended by Andrews. Outlet is looking for foreign sales pickup on *Hennessey* as well, says Henderson.

Jackie Cooper *in "Hennessey," series of 96 episodes being distributed for Outlet Productions by William Andrews and Arthur Zeiger.*

Syndication shorts

D. L. Taffner/Ltd. has cleared 74 stations for *The Ted Knight Show*, first-run sitcom, for a 70 per cent coverage of the U.S. TV households. The most recent stations cleared include WGNX-TV Atlanta, and WGEE(TV) Paducah-Cape Girardeau-Harrisburg.

Colex Enterprises' *Miracle of the Heart: A Boys Town Story*, starring Art Carney, has been cleared in more than 155 markets, with 92 per cent coverage. Top stations clearing the barter two-hour movie, which has sold out all available national ad units, include WOR-TV New York, KTLA(TV) Los Angeles and WFLD-TV Chicago. Barter split is 11½ minutes for national, 12 minutes, local.

Orbis Communications will distribute the 11-hour rock concert *The Concert That Counts*. The concert will be transmitted live from the Los Angeles Coliseum and telecast from noon to 11 p.m., April 26. Global Media Ltd. is producer of the show, which features performances by 40 top drug-free rock acts. The telecast will also feature celebrity PSAs and pre-taped messages.

Comedy Tonight, distributed by Orbis, will begin its second taping cycle. The late-night strip, hosted by Bill Boggs, is currently in 108 markets, representing 80 per cent of the U.S.

Access Syndication's first-run weekly *Hollywood Close-Up* series has added five markets. Bringing the current total to 47 are WPLG(TV) Miami, KTBY-TV Anchorage, WLFL-TV Raleigh-Durham, WKRN-TV Nashville and WUSV(TV) Albany-Schnectady-Troy. *Close-Up* now airs on all five ABC-owned stations, and the show's lineup represents 67 per cent U.S. coverage. Also at Access, eight stations have been added to *The Exciting World of Speed and Beauty*, barter series. The eight new markets include WQTV(TV) Boston, KYW-TV Philadelphia, WBTV(TV) Charlotte, and KOTV(TV) Tulsa. The current lineup total is 42 stations, with 54 per cent coverage.

Every Second Counts, half-hour game show produced by **Charles Colarusso Productions** in association with **Group W Productions,** has been renewed for a second 16 weeks by the BBC. *Counts* ran for 26 weeks on NBC before being exported to the U.K., where it's a co-production with Fremantle International.

Lionheart Television has moved its Los Angeles office. New address is 1762 Westwood Blvd. Phone is (213) 470-3939.

WOR-TV will air **Paramount Domestic** Television's *Entertainment Tonight* beginning next fall. Show, which had been on WABC-TV New York, is scheduled for the 7:30 p.m. slot, lead-in to WOR-TV's local news program.

WB's 'V' in 34 markets

V, the 10-hour miniseries which becomes available for syndication by Warner Bros Television Distribution in 1987, has been sold in 34 markets. Stations licensed in the top 10 are WNYW-TV New York, KCOP(TV) Los Angeles, WGN-TV Chicago, WPHL-TV Philadelphia, KBHK-TV San Francisco, KRLD-TV Dallas-Ft. Worth, WDCA-TV Washington and KRIV-TV Houston.

Newest stations signed are WUAB(TV) Cleveland, KPLR-TV St. Louis, WVTV(TV) Milwaukee, KCTV(TV) Kansas City, WHO-TV Des Moines, KDTU(TV) Tucson and WEVV-TV Evansville.

Taffner PBS sales unit

D. L. Taffner Ltd. will open a division for selling to Public Broadcasting System stations. The new division, DLT/PBS Syndication, will be supervised by a Taffner vice president, Christina Thomas, and will begin operations April 15. Initial offerings, to be drawn from producers such as Thames Television, HTV and RTE, will include *Callan*, *Van der Valk*, *Minder*, *Love Stories From Major Irish Authors*, *Thames Comedy Originals*, *Fresh Fields*, *Take 12 Cooks*, *Human Rights* and children's stories of wildlife and adventure programming.

In an unrelated development at Taffner, the company will be the sole distributor of Radio Televis Eireann product in the U.S. Among the initial RTE offerings under the new agreement are *Summer Lightning*, a special; *Glenroe*, series of 52 half-hours and *Spring Cleaning*. The tie between both companies will also involve co-productions. Two are in development, according to Taffner.

Bocass package hot

Bocass Communications has sold its advertiser-supported package to more than 60 stations in the first 45 days of sales. The package consists of four science-fiction features, four Mr. Magoo features, and four Mr. Magoo specials, including *Mr. Magoo's Christams Carol*. Bocass has received major commitments from key national advertisers, according to spokesperson. In the barter arrangement, Bocass retains 45 per cent of the commercials inventory for national sale.

Stations cleared represent more than 60 per cent of the U.S. TV households. including 35 of the top 40 markets. Leading stations cleared represent Fox Television Stations, United Television. Taft Television and Gaylord Broadcasting. In addition to the ad-supported package, Bocass is open to discussing cash/time bank arrangements on films from its library. These include *Sounder* and *What's Up, Tiger Lilly?* Being planned for development is first-run-children's programming, the spokesperson says.

Phoenix in expansion

Phoenix Entertainment Group has formed a distribution division, Phoenix Entertainment Distribution, and has named the Silverbach-Lazarus Group to be its rep in international markets for TV movies. Among the Phoenix productions to be syndicated under its own division are *Execution of Raymond Graham*, which aired on ABC; and three movies for CBS, *Child's Cry*, *Thompson's Last Run* and *A Time for Triumph*. Silverbach-Lazarus will be overseas agent in all foreign markets except for Canada and Australia, which will be retained by Phoenix Entertainment Distribution.

Fox/Lorber sold

Prism Entertainment Corp. has completed the purchase Fox/Lorber Associates for an exchange rate of 137,609 common shares and 110,000 warrants exercisable at $15.50. Fox/Lorber sells product to both the commercial broadcast marketplace and to cable TV networks, and is a home licensing company. Among its properties are *Young Duke*, 15 early John Wayne westerns; *King: Montgomery to Memphis*; and off-network comedy specials with Steve Martin. Fox/Lorber, in addition, develops original programming for first-run syndication including *The Best of You*, a joint venture with All American Television. Prism is a home-entertainment corporation.

Montreux U.S. entries

The number of American entries at the 26th Golden Rose of Montreux, to be held May 7–14, has exceeded 25, an record. For the first time, all networks have entered the competition: *Foley Square*, CBS; *Moonlighting*, ABC; *The David Letterman Show*, NBC; and *Penn and Teller Go Public*, CPB/PBS. Other entries include *Newhart*, MTM Enterprises; *Family Ties*, UBU-/Paramount; *Kate & Allie*, Reeves; *Fame*, MGM/UA; *Throb*, Worldivision; and *Golden Girls*, Disney.

LIU/Polk winners

NBC Radio News, ABC New's *Nightline* and KRON-TV San Francisco won awards in their respective categories on the broadcast end, among the 13 winners of the annual LIU/George Polk competition in journalism. NBC Radio News' Peter Laufer won for *Nightmare Abroad*, an examination of the imprisonment of American citizens in 21 nations, in the radio reporting award. In network television reporting, Ted Koppel and Richard N. Kaplan of ABC News *Nightline* won for their week-long series of telecasts from South Africa.

WRON-TV took the local television reporting award for *Clean Rooms, Dirty Secrets*, an investigative series on health hazards in the microchip industry. Other award were presented in print categories including local reporting, criticism, international reporting and national reporting.

RTNDA move

The Radio-Television News Directors Association's Washington headquarters will move to new offices April 1. The RTNDA has signed a five-year lease for office space at 1717 K Street, NW, Suite 615. Also, the Association will have a new phone number: (202) 659-6510. According to RTNDA vice president, Ernie Schultz, the Washington staff, which consists of five, needs more elbow room, outgrowing the five-room suite the Association had occupied. The Association plans to add a seventh staff member as the move is completed.

The staff increase is because the Association's board is seeking to increase its visibility and influence of the RTNDA by increasing the role of the executive vice president as spokesperson and by the increase in members and member services. Down the line, the goal is to make the office of the president a full-time position and to make the Association's top elected official the chairman of the board, a change which must be approved by the Association members.

Zaretsky forms firm

Alan Zaretsky, a former partner and president of On the Air, has formed Program Partners Corp., to distribute, develop and produce original first-run programming for syndication. First programming by the new company will be *Hitmakers of '86* and *Sizzling Summer Countdown*, produced by Hunt-Jaffe Productions. *Hitmakers* will consist of four two-hour specials and will combine music videos highlighting this

Programming/Production

(*continued*)

year's top hits with nostalgic rock videos.

Each special is scheduled for airing from April to December, with each having a specific theme: *Hitmakers Salutes Spring*, for April; *Hitmakers Mid-Year Review*, a look at the rising stars of the first half year, for June; *Hitmakers Presents Summer*, a profile of the best of summer music, present and past, for August/September; and *Hitmakers Salutes 1986*, which offers an overview of the year's leading artists and music, for December. *Hitmakers* will be offered via barter, with 14 minutes for local stations and 10 ad minutes for PPC in each show.

Countdown will be a 13-week series, available to stations from June through September. Also being offered via barter, the hour music series will feature a countdown of the top videos with music news and gossip.

Besides music shows, PPC will be involved in other areas as well. It will distribute Actors Playhouse, a series of four plays produced and directed by Victor Stoloff, for the fall. The first special and pilot is *The Interview*, starring Eli Wallach. PPC plans to add a sales and marketing executive shortly.

Zooming in on people

Donald L. Hacker has been named executive vice president at the **Tribune Entertainment Co.** For the past year, Hacker was vice president, development. He joined Tribune Co. as financial analyst in 1979 and was manager of financial planning and analysis at the Tribune Co. when he joined Tribune Broadcasting in 1982.

Donald L. Hacker

Mitchell Praver has been named vice president, director of programming at **Katz Continental Television**. Praver joined Katz as a station specialist for the continental division in 1984 and was promoted later that year to associate director of programming, becoming programming director in 1985.

Lisa Tumbelson has joined **Grey Advertising** as a director of programming. Prior to joining Grey, Tumbleson was director of advertising and promotion at Warner Bros. Television/East Coast. Before that, she spent six years at Home Box Office.

Keith M. Swinehart has been appointed vice president, programming/syndication at **Vitt Media International**. He most recently was executive vice president at Bridgeways Communications, which owns WBCT-TV Bridgeport, Conn. He was vice president and general manager at ABC affiliates, KESQ/KECY-TV Palm Springs-El Centro.

Regina Dantas has joined **Hal Roach Studios** in the new post of senior vice president, international marketing and acquisitions. For the past three years, Dantas was vice president, program acquisitions, at Metromedia Producers Corp. Before that, she was vice president and managing director at CBS Cable.

Bryan Hambleton, director, sales and administration, Europe, Middle East and Africa, at **Warner Bros. Television Distribution** for the past two years, has been promoted to vice president. Hambleton joined WBTD 11 years ago as assistant director under Jack Cook, vice president. Before coming to WB, Hambleton was with Rank Film Distribution for seven years.

Bryan Hambleton

Jack Donahue has joined **Orbis Communications** as western regional sales manager. He has been western division sales manager at Tribune Entertainment since 1984. Other positions he has held include vice president, western division at Colbert Television Sales; and vice president, western sales at Lionhart Television International.

Nancy Colligan has been promoted to research analyst at **MCA TV.** She joined MCA TV in 1985 upon graduation from Long Island University.

Wendy Clancy Zackon has joined **All American Television** as director of national advertiser sales. Previously, she was midwest director of sales at the CBN Cable Network and account executive for RKO Radio Networks, covering Chicago and a five-state territory. She also represented NBC Radio Networks and their programming including The Source and NBC Sports.

Chris Lancey and **Helen Clinco** have been named sales research analysts at **Group W Productions.** Lancey recently joined Group W, and Clinco has been associated with Group W Productions for two years.

Radio syndication

Country Calendar has begun its fourth year in syndication and is currently airing on more than 350 stations. Stations include WHN New York, KIKF(FM) Los Angeles, WSUN Tampa-St. Petersburg, WWWW(FM) Detroit, WCMS-FM Norfolk-Newport News and WIXZ Pittsburgh. Also, **Clayton Webster,** St. Louis, syndicator, has introduced the *Comedy Show*, hosted by Dick Cavett. Stations signed include WABC New York, WCAU Philadelphia and WXYT Detroit.

The dates for the **Burkhart/Abrams/Douglas/Elliot & Associates** two-day programming conference have been set for June 26–27 in Atlanta. The focus of the confab, The Atlanta Radio Forum '86, will be on programming CHR, A/C and country formats, as well as research, marketing and advertising for radio stations. Charge for the conference is $250 for clients, and $350 for non-clients.

Wagontrain Enterprises, parent company of Drake-Chenault, has agreed in principle to buy the assets of TM Programming, Inc., radio format subsidiary of TMCI. Agreement is expected to be completed by March 31 and calls for $3.8 million to be paid by Wagontrain for the programming services of TMCI. This includes a provision for Wagontrain to use TMCI programming personnel and facilities.

Joseph Connolly has been appointed managing editor of news for **The United Stations Radio Networks.** Connolly was assistant director of news and programming and afternoon drive anchor at WTOP Washington.

Stevens & Grdnick have completed their fourth comedy series for **All Star Radio.** The series, *Party Drop Ins*, is available for cash. It has already cleared 21 markets, including CHFM Calgary and KITS San Francisco.

Ampex names Gray

Mark C. Gray has been named assistant general manager at Ampex Corp. audio-video systems division. Gray has been business manager of the division's video systems unit since joining Ampex in 1984.

Commercials

Black spots losing self-consciousness

Commercials directed to a black audience are losing the self-consciousness that the genre was born with in the '60s and are becoming more universal in appeal, according to one of the pioneers of the medium, Carolyn Jones, executive vice president and creative director of the Mingo-Jones agency in New York.

Not that some of this self-consciousness doesn't remain, she notes, describing herself as "almost embarrassed for the client" when she sees a "forced black commercial like that McDonald's handslapping, high fives spot that uses semi-black music and semi-white people trying to slap hands in a totally unnatural and self-conscious way."

Aside from instances like this, she holds, black-oriented commercials have come a long way from the days when a client might ask, "What's the current expression blacks are using this week?" This would result in a commercial in which an automobile would be described as "A sweet, ice cream, tangerine-flake streamlined baby." She says, "We used to call that 'slangwidge' or 'right-on advertising.'"

Initial advertising to blacks, Jones recalls, "was usually an obviously self-conscious attempt to reach all black people with the same message, usually geared to the low end of the income scale. But today more clients are sophisticated enough to realize that, like the general market, black consumers also exhibit a wide variety of lifestyles, life experiences and income levels—that our black population is no more one big monolithic group with exactly the same product needs than our Caucasian population."

She asserts that there are commercials that work well, regardless of the segment of the market they are directed to, simply because they are realistic: "There's one for a pain reliever that shows a woman concerned about her husband's cold symptoms as he lies there on his bed sniffling. This couple happens to be black, but it would be the same realistic slice of life whether they were black or white."

Despite this, she adds, there are still some general market advertisers using black actors who "urge these actors to 'act black'—which makes them sound maybe one cut above Amos and Andy, but not very far above." And while there's little trouble with radio or print directed to blacks, "which clients assume no one except black people will hear or see," some advertisers still worry that TV commercials with blacks in them might offend white viewers, she says.

"When this comes up," Jones reports, "I always ask the client, 'Does this offend you?'. And they always say, 'No.' And we have research showing that it doesn't offend anyone if it's done in a natural way, in a natural setting with black people mixed in with everyone else, just as we are in many real-life situations these days."

Jones also feels that some advertisers tend to over-use music when they try commercials aimed at blacks. "We use music in commercials, too," she continues, "but at some point the announcer breaks in to talk about the product. Music all by itself doesn't have much of a chance to increase the product's sales. We also need demonstration and explanation and description of the product's benefits."

Carolyn Jones, *executive vice president and creative director of Mingo-Jones, asserts that a realistic commercial transcends ethnic barriers in the marketplace.*

She recalls one instance when she encountered a client veto "because the music was too good." She explains that she's worked with "some of the finest composers, arrangers and artists in the business" and that, in this particular case, "The music turned out so well that I knew instinctively that it had universal appeal.

"My mistake was to tell the client that 'Everybody will like this.' But his attitude was that our job was to do something that only black people would like. He had another agency that was supposed to sell to everybody else, so I should go back and do it over—for the black listeners only."

Oranges and wrestlers

Representations of orange juice and wrestling toys on TV recently came to the attention of the National Advertising Division of the Council of Better Business Bureaus, with Procter & Gamble's Citrus Hill orange juice passing the acid test and Hasbro/Milton Bradley agreeing to address the safety aspect in advertising WWF Wrestling Superstars Game to children

The Cunningham & Walsh campaign for Citrus Hill came under attack from a competing juice company because of a commercial that stated, "Citrus Hill Select takes only the best, then they squeeze it from the heart, that's the very best part." The competitor demonstrated that the Citrus Hill frozen concentrate and chilled juice were typical of all Florida orange juices. But P&G was off the hook, proving its claims were accurate—and because no competitive claims were made.

Meanwhile, Griffin Bacal's commercial for the wrestling game came under fire on two counts. It intermixed shots of the board game with live action footage of wrestlers in actual matches, executing kicks, holds, throws and punches. The advertiser convinced the Children's Advertising Review Unit that the live action, rather than being misleading, was merely a depiction of children's own fantasies. But, warned that children could harm themselves by personally imitating the live action, Hasbro/Bradley agreed to modify the advertising because of the safety issue.

Getting more for less

Anyone wishing to drive home the value of creativity can take a look at the top 25 ranking for 1985 as presented by Video Storyboard Tests. The company, which rates commercials—totally apart from the programming they are carried within—based on consumer recall, makes a case for dollars spent vs. value received.

Comparing its own recall values against Broadcast Advertisers Reports expenditure figures, VST has Pepsi-Cola spending \$38 million through BBDO to return as best-recalled advertiser, but with a relatively low cost efficiency of \$9.72 in commercial-only cost-per-1,000. Meanwhile, Purina Cat Chow spent \$11.9 million through Avrett Free & Ginsberg and reportedly received a \$27.24 cost efficiency. The annual ranking is based on more than 25,000 interviews asking respondents to name the most outstanding commercial seen in the past four weeks.

David Vadehra, VST president, points out that the art of ignoring commercials is well on the rise, due both to

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Selling Commercials

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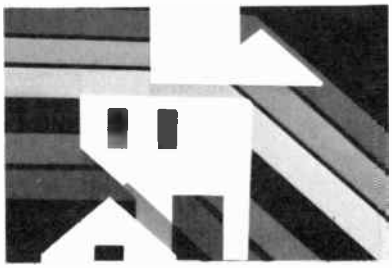


DOLPHIN PRODS., NY, COMPUTER ANIMATION

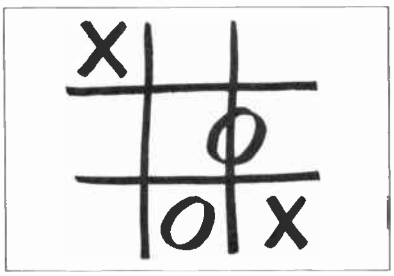
Disney Home Video • Young & Rubicam

KCMP PRODUCTIONS LTD., NY

Honeynut Cheerios • Dancer, Fitzgerald, Sample

KCMP PRODUCTIONS LTD., NY

NYNEX-Tic, Tac, Toe • H.H.C&C



GIFFORD ANIMATION, INC., New York

Commercials *(continued)*

consumer sophistication and the opportunities for technological avoidance. He reports that, between 1983 and 1984, the number of people claiming to pay no attention to commercials rose from 13 to 20 per cent. He adds, "What's worse, this loss was the heaviest among younger and more affluent viewers. For them the commercial break has become the break from commercials." He says that, when respondents currently are asked to list all the commercials they have seen in the past seven days, they can remember only 2¼ commercials out of 500.

Of the top 25 campaigns as measured by VST in '85 (see table below), nine were newcomers. Acutrim, Bartles and Jaymes, California Wine Cooler, Miller beer, New Trails and Pizza Hut appeared on the list for the first time. Returning after an absence of several years were French's mustard (once again the lowest spending brand to appear within the top 25), Budweiser and

Cutting the mustard *with a small knife is the feat these two executives are congratulating themselves on. Don Hewitt, l., president and CEO of R. T. French Co., celebrates with Burt Manning, chairman and CEO of J. Walter Thompson/USA. With $2.2 million, the mustard brand was the lowest spender to make the top-25 list of Video Storyboard Tests. Other low spenders to make the list included New Trail Granola Bars (Ogilvy & Mather) and Acutrim (Ally & Gargano).*

America's best-remembered advertisers

	1985 TV spending (millions)**	1985 Cost efficiency
1. Pepsi-Cola (BBD&O)	$ 38.0	$ 9.72
2. Miller Lite (Backer & Spielvogel)	66.9	51.88
3. McDonald's (Leo Burnett)	302.7	84.86
4. Coca-Cola (McCann Erickson)	54.1	12.33
5. Burger King (J. Walter Thompson)	155.0	58.22
6. Wendy's (Dancer Fitzgerald Sample)	83.6	48.57
7. Bud Light (Needham Harper)	43.4	52.49
8. Jell-O (Young & Rubicam)	40.8	N.A.
9. Pizza Hut (Chiat/Day)	63.3	57.97
10. Kibbles 'n Bits (J. Walter Thompson)	10.2	24.52
11. Stroh's (Lowe Marschalk)	22.4	51.90
12. Miller High Life (J. Walter Thompson)	54.5	81.25
13. Ford (J. Walter Thompson)	206.4	65.39
14. Bartles & Jaymes (Hal Riney & Partners)	17.2	N.A.
15. Snuggle (SSC&B)	18.5	N.A.
16. Acutrim (Ally & Gargano)	9.7	N.A.
17. Huggies (Ogilvy & Mather)	25.5	N.A.
18. Kodak (J. Walter Thompson)	49.8	27.05
19. Budweiser (DMB&B)	62.4	55.81
20. Wheaties (Needham Harper Worldwide)	13.3	23.25
21. California Cooler (Chiat/Day)	11.0	N.A.
22. Purina Cat Chow (Avrett Free & Ginsberg)	11.9	27.24
23. French's Mustard (J. Walter Thompson)	2.2	N.A.
24. Apple Computers (Chiat/Day	26.2	32.30
25. New Trail Granola Bars (Ogilvy & Mather)	4.8	N.A.

Sources: Broadcast Advertisers Reports (expenditures); Video Storyboards (cost efficiency based on consumer recall tests).

Purina. Nine advertisers not appearing from the previous year's listing are AT&T, British Airways, Dr. Pepper, Federal Express, Friskies, Honda scooters, Levi's, Purina Dog Chow and Vlassic pickles.

Commenting on the use of celebrities, Vadehra says they often obscure the advertiser, but both Burger King and Pizza Hut have exploited celebrity appeal without being overshadowed by it—using a string of celebrities instead of just one.

Radio award winners

The New York Market Radio Broadcasters Association has announced its winners of the 1986 Big Apple Radio Awards. First, second and third place winners in each category, by title, advertiser and advertising agency are as follows:

Local open/talk: "Travel Log," Friends of Ken Lipper, Serino, Coyne & Nappi; "Afraid," Patrolmen's Benevolent Association, New Sounds, Inc.; "Gay Kids," WNBC-TV New York, Lord, Geller, Federico & Einstein.

National open/talk: "Eurythmics," Tower Advertising, RCA Records; "Super Club," British Airways, Saatchi & Saatchi/Compton/British Airways; "Barrel" (tie), Miller Brewing Co., Chiat/Day; "Heavenly Hash" (tie), Kraft, N W Ayer.

Local musical: "You're Gonna Love Us," New York City Technical College, Kaprielian O'Leary/Crushing Enterprises; "Your Best Shot," Shop Rite Supermarkets, Gianettino & Meredith; "Window Shopping," Nassau/Suffolk Chevrolet, Gianettino & Meredith.

National musical: "Country Western Anthem," Miller Brewing, J. Walter Thompson; "Hark Rock/Friends," Miller Brewing, J. Walter Thompson; "Twist Rev. 1" (tie), Perrier, Waring & La Rosa/Tom Anthony Studios; "PF-80-60-9" (tie) Peak Freans cookies, Geer, Dubois.

Local new advertisers: "Boy George," Apricot Inc. computers, Levine, Huntley, Schmidt & Beaver; "Demonstration," Miele vacuum cleaners, Keyes Martin Advertising; "First Family" (tie), Food Emporium Supermarkets, Ric Katz & Associates; "Edsel" (tie), Apricot Inc., Levine, Huntley, Schmidt & Beaver.

National new advertisers: "Senate Investigation," Miller Brewing, (Meister Brau beer), Back & Spielvogel: "Marjorie Goff," Phobia Society, New Sounds; "Genowefa Fiuk," Phobia Society, New Sounds.

Local public service: "Cost," WMCA New York anti-smoking campaign, New Sounds; "Jet Crash," WMCA anti-smoking campaign, New Sounds; "Rudolph" (tie), WNEW-FM New York; "#4 NYS 0430," We Care About New York Inc. (tie), Backer & Spielvogel.

National public service: "Warnings," American Cancer Society, New Sounds; "Father & Son," Ad Council/ United Negro College Fund, Young & Rubicam/David Horowitz Music Associates; "Any Good Reason," Kaiser Medical Foundation, New Sounds.

Local humorous: "Dear Jerry Herman," *La Cage Aux Folles*, Joy Radio/ Fisher & Co.; "Dear Van Johnson," *La Cage Aux Folles*, Joy Radio/Fisher & Co.; "They Found Him," *Adweek* magazine, Docsi Corp.

National humorous: "Valley Girl II," Fromageries Bel, Joy Radio/TBWA Advertising; "Cheapskate," Granada TV Rental, Joy Radio/TBWA Advertising; "Hot Tub" (tie), Fromageries Bel; Joy Radio/TBWA Advertising; "Help England Back" (tie), Callard & Bowser candy, Century Media/John Cleese Productions.

Local station produced: "Wedding Band," Nathan Jewelry, WICC Bridgeport, Conn.; "Big Green Pickle" (tie), Fickle Pickle Restaurant, WHWH Princeton, N.J.; "Survey; (tie), Fidelco. mobile phones, WLTW (FM) New York.

International awards

Pepsi Cola, with a 60-second spot titled "Archaeology," from BBDO International, won the television sweepstakes as the best video commercial of 1985 in the 26th International Broadcasting Awards sponsored by the Hollywood Radio and Television Society. The radio sweepstakes went to AT&T and Ogilvy & Mather, New York, for a series of three commercials.

Other winners in TV, advertisers and agencies are:

Live action, 60 seconds, non-English language: "Downhill Racer," Volkswagen of South Africa, Ogilvy & Mather; live action, 30 seconds, produced outside U.S.: " Junior Fish Fillets," Edgell-Birdseye, John Clemenger; live action, 30 seconds, non-English language: "Sanyo Duck," Sanyo Espana, Tandem DDB Campany Guasch; animation: "Brilliance," National Food Processors Association, Ketchum Communications.

Combination: "The Swimmer," Matsushita Electric, Hakuhodo Inc.; humorous: "Naughty Boy," G.M.S.P.O. U.K., Lowe Marschalk Worldwide; IDs, 10 seconds or less: "I Won, I Won," Michigan State Lottery, W. B. Doner; public service: "The More I See You," Church of Jesus Christ of the Latter Day Saints, Bonneville Media Communications; local (one market): "People Encounter," Sea World, Cole & Weber; series, three commercials: "Carpen-

Commercials *(continued)*

ter/The More I See You/Street Song," Church of Jesus Christ of the Latter Day Saints, Bonneveille Media Communications.

The following were additional radio winners:

Musical, 60 seconds: "One More Reason," California Cooler, Chiat-Day Advertising; musical, 30 seconds: "Piano Bar," Anheuser-Busch, Needham Harper Worldwide; humorous, 60 seconds: "Valley Girl," Fromageries Bel, TBWA Advertising; humorous, 30 seconds: "Ready Already," Wendy's International, Dancer Fitzgerald Sample; open, 60 seconds: "Earthquake," KNBC-TV New York, Chuck Blore & Don Richman; open, 30 seconds: "Birthday," Wendy's International, Dancer Fitzgerald Sample; local, one market: "Lie Detector," *People* magazine, Bert, Barz & Kirby; public service: "A Mother's Story," Campaign to Stop Drunken Drivers, WSTC Stamford, Conn.

Appelman appointed

William H. Appelman has been named executive vice president, executive creative director at Bozell, Jacobs, Kenyon & Eckhardt/New York. He was senior vice president, group creative director at Young & Rubicam.

Appelman and his group at Y&R had worked on such accounts as Oil of Olay, Johnson & Johnson Band-Aids, Canada Dry, Lipton soup, New York Telephone, Certs, Tang and Dr Pepper.

William H. Appelman

Campaign against coke

Real people with real problems are the focus of a PSA campaign, "Cocaine: The Big Lie," created for the Advertising Council by volunteer agency Needham Harper Worldwide, New York. The TV portion of the campaign, to break shortly, consists of eight 30s featuring people from all walks of life who have been addicted to cocaine.

Among those detailing their own past problems caused by the drug are Mercury Morris, ex-Dolphin running back; Richard Smart, lawyer and author and Bill O'Donnell, a top Fortune 500 executive. Aimed at younger teens and young adults, the campaign delivers the message that cocaine is extremely addictive and can cause severe social, medical and psychiatric problems.

The spots are dramatically lit with close-cropped headshots, and an 800-number directs users to treatment facilities at the end of the message. Print and radio ties in directly with the TV commercials.

Heading creative were Tony Vanderwarker, executive vice president, director of creative services; Suellen Gelman, vice president, associate creative director (copy) and Bob McDonald, vice president, associate creative director (art).

Noble, Mackall up

John Noble, executive vice president, creative director of DDB/New York, has been named executive creative director. At the same time, Robert Mackall, a former senior vice president, associate creative director at the agency is returning as executive vice president, creative director, succeeding Noble as group head.

John Noble

Robert Mackall

Mackall most recently had been at the Lowe Marschalk agency, where for the last year he had been a senior vice president, associate creative director on the Stroh's beer account. These moves follow the return of Charles Piccirillo as an executive vice president, creative director and the formation of three creative groups (TV/RADIO AGE, March 17).

Award winners tape

The Advertising Club of New York has produced a video tape of all "Excellence" winners of the 21st annual Andy Awards in the TV and radio categories. The tape includes such commercials as BBDO's "Spaceship" and "Beach" Pepsi-Cola spots and Needham Harper Worldwide's "Olympics" spots for

Budweiser Light.

The winners are contained on one 20-minute video tape, packaged in a presentation case along with a list of the winners' credits. The tape is available in ¾-inch professional format at $90 for members and $110 for nonmembers. The Ad Club is at 155 East 55th Street, Suite 202, New York, N.Y. 10022, (212) 750-5112.

Commercials Circuit

Stark black-and-white graphics used exclusively until the last six seconds of the commercial was the approach used by Gifford Animation, New York in a Nynex campaign produced by **Hill, Holliday, Connors, Cosmopulos** of Boston. In the eight commercials—30s, 15s and 10s—the finale was a live-action hand punching a telephone keypad, bringing on the Nynex logo and phone number. Lead-ins to this climax included a game of tic tac toe with tennis match sound effects and a giant computer keyboard seen as a marching band. Animation was directed by **Lew Gifford,** and the agency team included **Doug Houston,** vice president and associate creative head of copy; and **Don Easdon,** vice president and associate creative head of art.

Director **Nat B. Eisenberg** of **N.B.E. Productions,** New York worked with actors portraying an Army nurse at Beth Abraham Hospital in the Bronx and a senator in front of the New York Supreme Court building. They were on display for Dentu-Creme in a series of 30s, 15s, and 10s for **Grey Advertising** and client Block Drug. Among those representing Grey were producer **Catherine Land** and creative supervisor **John Leonardi.**

With three of its stages occupied with an Italian TV production for satellite telecast to Europe, **Silvercup Studios,** Long Island City, N.Y., still had plenty of room for commercials shoots. **DuRona Productions,** meanwhile, was doing an Aqua Fresh spot for **Grey Advertising** with **John Anderson** as producer and **John Sturner** as director/cameraman. **Macy's Broadcasting** was doing a spring fashion spot produced by **Lisa Fields** and directed by **Albert Watson.** With sets consisting of a man's apartment and a bank, **Pfeifer, Story, Piccolo** shot a Connecticut Bank spot for **H.C.M. Advertising** with **Barbara Gold** producing and **Paul Guliner** directing. A Big Boy Hamburgers restaurant was created for **Levinson, Israelson & Bell** and agency **Earle, Palmer, Brown. Mayhew Productions** shot boxes being wrapped for quick delivery by Emery Air Freight for **J. Walter Thompson. XYZ Productions** did a spot for Travelers Insurance and **Wil-**

Commercials *(continued)*

liam Esty. A living room, bedroom and kitchen set was used by **N. Lee Lacy** for **Young & Rubicam's** New York Telephone spot.

Steve Minor. In charge of the project for Hutchins/Young & Rubicam were **Bob Haefner,** vice president/creative director and **Bob Wisner,** creative group supervisor/art director.

Live action, simulated neon, video effects and distinctive lighting techniques were blended to create "Sheer Energy" for L'Eggs. In "Neon," a 30 created by **Colossal Pictures,** San Francisco for **Dancer Fitzgerald Sample,** New York, a young woman walks past a L'Eggs neon billboard and is transformed into the woman on the billboard. With both rotoscope and green screen, Colossal director/designer **Tim Boxell** merged the live action footage with neon effects by fabricating neon via a number of animation camera passes as well as shooting bottom-lit animation to simulate neon. Kodaliths created from line art were used in multiple exposures to produce the visual characteristics of neon. Representing DFS were associate creative director **Sherry Nemmers,** producer **Steven Friedman,** art director **Warren Lieberman** and copywriter **Scott Daube.**

The commercials still rolled *at Silvercup Studios despite devotion of extensive facilities to the 3½-hour RAI (Italy) production of "Buonasera Raffaella," a variety show. Among those featured in the production, l. to r.: Robert Wagner, Raffaella Carra and Ginger Rogers.*

Cine Rent West, San Francisco, in the grip and lighting area, recently outfitted three large commercials jobs. **Paisley Productions,** Los Angeles, took a full, five-ton package north to Bodega Bay on a two-day shot for Toyota. **Robert Abel & Associates,** another visitor from Los Angeles, rented a similar five-ton grip and lighting order and took it on a three-day shoot to Oakdale, Calif. on a campaign for Minute Maid. Rounding out the commercials work was **Coggeshall Productions,** which took out a full lighting, grip and dolly package for three weeks, during which it shot a half dozen spots for Imperial Leather bath soap and four commercials for Heileman's beer and the Oregon Dairy Board.

Robert J. Doris has resigned as president of **The Droid Works,** an affiliate of **Lucasfilm** and **Convergence Corp.** He had been with Lucasfilm for three years and became president of The Droid Works when it was formed as a separate company last May. **Doug Johnson,** chairman, will be acting president pending a new appointment to that post. Also **Donald Stults** has been named vice president of sales. He comes from **Pioneer Technology Corp.,** a motion picture equipment company he founded 11 years ago.

Lighting played an understandably important role in the most recent 30 shot for Rochester Gas and Electric by **AFI Productions,** Miami. The spot created by Rochester-based **Hutchins/Young & Rubicam** was titled "Night Light" and featured specially lit interiors that illustrate that, with Rochester G&E, "energy is what you want it to be." AFI director/cameraman was

Agencies have been calling on **Archive Film Productions,** New York for a wide range of footage for use in commercials. **Griffin Bacal** found eight hours of old train footage from which to select supporting material for a Franklin Mint commercial advertising the company's miniature replicas of locomotives. **W. B. Doner,** for Eckerd Drugs, wanted footage for a campaign showing children and adults passing out from an imaginary flu bug. It ultimately superimposed a green flu bug over scenes lifted from horror movies and the like. Slaps and punches from westerns and silent movies were used by **Marschalk** in a series of Gillette Commercials depicting the abuse a man's face can take.

Director/cameraman **Larry Hutson** traveled to Boca Raton, Fla. to shoot pro Kathy Rinaldi on a tennis court in a spot for Pringle's Light Potato Chips conveying "the light, fresh aspects of the product." **Wells, Rich, Greene** creative director was **Bill Mullen. Jeffrey Altshuler** was executive producer for Hutson, in association with **EUE/Screen Gems.**

MJA Advertising recently came to **Devlin Productions** to edit a series of 30s for Jack Kahn Pianos featuring pianos made by Samick, a South Korea-based company which is now the third largest piano manufacturer in the world. The footage was shot at the Piano Show in southern California and brought back to edit in Devlin's CMX 3400 editing suite. Three generic spots were made for Samick dealers across the country and three were cut for Jack Kahn.

Editel/NY recently edited and conformed a 10-spot campaign employing such celebrities as Vincent Price and Donna Mills dressed as bears and emerging from the bearskin at the end of the commercial. The spots for Sun Country wine coolers were created by **Towne, Silverstein, Rotter.**

Editel/Chicago combined rotoscoping, frame-by-frame animation and a hybrid of the Paint Box and Bosch FGS 4000 computer to produce futuristic video and audio effects in a fully animated 30 for 3M. The commercial from MARS Advertising, Southfield, Mich. is for Scotch-brand magnetic media products. Says MARS producer Mitch Jacobs, "We pooled the artistic talents of Editel's Paint Box operator **Scott Harris** and computer animator **Catherine DeJong** to create a highly stylized, visually striking commercial." The spot opens on a three-dimensional ball and grid which DeJong positioned in an outer space setting. The Bosch work merges with Paint Box coloration to produce an explosion of energy. The graphic transforms a group of divergent spheres into the recently-launched Scotch "orb" logo now in use worldwide.

Cross-cutting shots of the Ford Taurus with abstract shots of distinctively American people turning to the camera as if sharing a secret, **Tim Newman** of **Jenkins Covington Newman Rath** directed two 60s and two 30s out of **J. Walter Thompson/Detroit.** The "For Us" campaign was filmed in the Sierras and at Lake Tahoe. JWT copywriter was **Tim Cronin,** and art director was **Bill Morden.**

Effects and animation producer **Tim Bloch** has become the new executive producer at **R&B Efx,** Glendale, Calif. He succeeds **Michael Morreale,** who has joined **York Alpern/DDB** as vice president/director of creative services. Bloch most recently was executive producer for **Bo Gehring & Associates.**

Wall Street Report

CBS '86 results seen rebounding with gains in all three of its groups

CBS is expected to rebound strongly from its fiscally painful 1985 results. With chairman Thomas H. Wyman having apparently accepted earlier Wall Street estimates for first quarter earnings of a loss of 50 cents a share, recent estimates are for per-share earnings to be plus 25–50 cents. Wall Streeters are pretty much in concert with this projection. For one, John Reidy, vice president and media analyst at Drexel Burnham Lambert, agrees, noting, "There are some nonrecurring items involved, but this seems plausible, particularly with the strides CBS is making in recorded music."

Wyman recently told securities analysts that long-term debt has been reduced by $200 million as a result of the sale of such properties as CBS Toys and the company's one-third interest in Tri-Star. The company also has sold KMOX-TV St. Louis to Viacom as part of its recapitalization program in which it has repurchased 21 per cent of its outstanding common stock for $954.8 million in cash and notes, effective August 1, 1985. This was part of the price paid to thwart takeover attempts threatened by Jesse Helms, Ivan Boesky and Ted Turner. At presstime, there were reports that Marvin Davis, former owner of 20th Century Fox Film Corp., had made an offer to buy CBS.

Nevertheless, CBS hasn't ceased to make acquisitions. Purchase of the 12-title consumer magazine business of Ziff-Davis last year is the largest acquisition for CBS to date. It also acquired five radio stations from Taft Broadcasting Co.

Wyman told the analysts, "Even today, we do not feel that we are limited in any important way in any of the kinds of things we would be looking at and are looking at." Fred J. Meyer, senior vice president finance, added that the company has current borrowing capability of "just short of $400 million."

CBS, Inc.

Revenues and operating profits by business segment (millions $)

Revenues 1985	Revenues 1984 (a)		Profits 1985	Profits 1984 (a)
$2,785.4	$2,720.9	CBS/Broadcast Group	$360.6	$408.6
1,229.7	1,265.1	CBS/Records Group (b)	87.2	123.5
710.7	619.2	CBS/Publishing Group	41.1	59.0
32.6	37.5	Other (c)	(10.3)	8.8
(2.8)	(2.6)	Elimination of intergroup revenues		
		Operating profits	478.6	599.9
		General corporate expenses	(63.1)	(58.2)
		Corporate interest, net (d)	(83.3)	(13.8)
		Foreign exchange losses	(6.2)	(6.8)
		Joint ventures, net of taxes	17.1	22.8
		Income from continuing operations before unusual items and income taxes	343.1	543.9
		Unusual items	11.2	
		Income from continuing operations before income taxes	354.3	543.9
		Income taxes	(151.7)	(245.5)
$4,755.6	**$4,640.1**	Revenues/income from continuing operations	**$202.6**	**$298.4**

(a) Operating results and segment information for 1984 have been restated to reflect the discontinuance of certain operations as described in the notes to the primary financial statements. (b) Includes income, net of taxes, from an equity-basis investment in Japan. Amounts for 1985 and 1984 were $9.2 and $8.6, respectively. (c) Consists of various other smaller operations. Other revenues also include Corporate interest income and income from joint ventures, net of taxes. (d) Excludes interest income and expense of foreign subsidiaries which are included within operating segments.

In fact, his investment firm is estimating a net profit of $8.25 per share for 1986, and Reidy says he suspects this could be low. This would compare with 81 cents per share ($27.4 million) in '85 and $7.25 ($212.4 million) in '84. Reidy anticipates CBS' broadcast business will have an up year, particularly in the owned stations area, and "publishing looks good, with the decline of amortization and depreciation surrounding the Ziff-Davis acquisition."

Gene Jankowski, president of CBS/Broadcast Group, said the network's revenues are expected to be up "a few percentage points" in the first half of the year. He expects to keep the Broadcast Group's cost increases down to 4 per cent for the year, compared with about 5.2 per cent last year.

From l., *TV/RADIO AGE editorial director Sanford Josephson, Fajen, Reed, Thompson (partially hidden), Kostyra, Jaffe, Gerster, Semsky, TV/RADIO AGE associate editor Robert Sobel and cable editor Victor Livingston*

Media *(from page 55)*

information. I think that's the direction that we're going to have to go towards in order for us to better validate what we're actually getting because of all of this taping for later recording. Most of it is not viewed. How they deal with it is totally up to speculation. We don't want those numbers—any of them —included in our audience data.

TV/RA: *From what's been released so far by AGB and Nielsen, can you tell whether people meters will measure individual viewing adequately?*

Semsky: Given the proliferation of viewing choices, I think the people meter right now really makes sense,and the initial Boston figures have been good.

TV/RA: *What have they told you, those initial results that you got so far?*

Semsky: Well, they told us there is more shifting going on than we can measure currently. We are seeing that more in terms of viewing towards independent and cable rather than network affiliates, and we're seeing a little bit in the way of different demographic patterns in terms of certain dayparts than we might have expected.

TV/RA: *How much different?*

Semsky: At this point enough so that we have some suspicions about Boston.

TV/RA: *So is it Boston, or is it the people meter?*

Semsky: That's a good question. I mean Boston is a very unusual market in very many ways. It's a Northeast market, it's an older, more traditional market, yet it's a college student market. It's white collar, yet it's blue collar, so we don't know if Boston viewing is typical. We feel that people meters have been able to capture a market like Boston viewing very adequately.

Fajen: Here's the essential question. If the people meter is right, and let's grant that it's right, and if audience levels are slightly lower—it's problematical but let's say they are and they vary by daypart—reality hasn't changed an iota. Things were always like this. It's just that our measurement technique has changed, and maybe we're measuring it a little more accurately. So now you've got an emotional problem over at the agency and the advertiser because now we have a better picture of reality. Even though we always got that little bit less, now we know about it. So are we going to spend our money differently is the question.

TV/RA: *One final question. What do you think '86 is going to look like for the broadcast business from a revenue standpoint? We've made a prediction that the business will be up about 8 per cent.*

Semsky: We're very cautious about '86. There are so many conflicting factors in the economy. One month housing starts are up and interest rates are down; the next week the stock market takes off; the next week unemployment hits new lows. On the one hand, advertising budgets are not going up dramatically, so overall we don't see a really boom kind of time that you would normally see with all these other factors going. We're still taking a very conservative look at the year.

Gerster: I do understand that spot did take off in the first quarter, [see story, page 64] but that was after a fair number of months where a number of people were not very happy with the business that they were writing. The last time I talked to any reps they were still a little suspicious about the first quarter numbers being indicative of anything more consistent down the road. I guess I've got to be pretty much the same as Arnie. Outside of all the exterior evidence, such as the stock market and unemployment, you look within the media business—both broadcast and non-broadcast—and things are somewhat soft. I'm not seeing a vigorous spending of money where people are rushing to get on the air or rushing to get into print. I haven't seen much of that in the last six to eight months and am not seeing much change. When things are happening, they're happening in a short time frame.

Kostyra: I would think 8 per cent is optimistic. We're well into the year now, and I like to think of print as being a good barometer.Their data are two months ahead. Right now they're sitting flat. I think that's a good indication of what we're going to see for the rest of the year. For broadcasters—I think if the same amount of money goes in, it will mean a reduction for individual broadcasters, because there are so many more individual outlets, from more independent TV stations in the marketplace, to more syndication, stronger cable outlets to a more competitive situation on the network front. All of these mean sharing a smaller piece of the pie, and I don't see growth anywhere over 5 per cent.

Thompson: I would second that. I don't see a lot of new money coming into the marketplace in '86. On the whole, I'm very cautious.

Reed: If, in fact, spot is seeing an upsurge in the first quarter, it may very well be a function of the softness of network and the decision not to make commitments to network on the part of advertisers.

But if I could predict what the second half would be, I wouldn't be in this business, actually.

Fajen: I think you're on the button in spot. I think it's pretty high for network. Network, I would be much more cautious on, 4 or 5 per cent. So I'd net out about $6\frac{1}{2}$ to 7 per cent.

TV/RA: Thank you, gentlemen. The meeting is adjourned.

Stereo *(from page 61)*

audio and video tuning. (Owners of the Radio Shack box who do not use cable converters, however, have to tune the audio manually on a separate tuner, a major inconvenience).

Redesigned converters

Not surprisingly, most major cable converter manufacturers are offering redesigned baseband converters that are compatible with BTSC, along with prototypes of all-in-one converters incorporating MTS decoding circuitry. All this is an indication that while some cable companies are holding out against MTS, it's expected they'll have to come along eventually. By obviating the need for separate tuning, MTS has a major leg up on most FM stereo cable hookups maketed as an add-on service by cable companies. But that assumes the cable operator provides both broadcast and cable stereo programming via the MTS-BTSC format. Although several cable companies plan to do just that, the hardware to convert FM cable stereo to BTSC is just now rolling off production lines. In short, the cable industry appears to have waited until market demand materialized before really gearing up for MTS stereo.

Therein lies the dilemma. With MTS receiving capability already within the means of the owners of both new and existing sets, cable operators still are deciding whether to make a dedicated effort to pass existing MTS broadcast signals.

Recent surveys by cable hardware companies indicate that more than half of all cable systems, possibly up to 80 per cent, are capable of passing MTS broadcast signals "passively," without major adjustment, and that many of them already are passing MTS (in some cases, unbeknownst to local management). Other systems will require, at the minimum, headend and possibly field adjustments, such as retuning of filters and converters. But some systems won't be able to pass MTS without major equipment changes. Existing baseband converters, which represent about 20 per cent of all cable boxes in use, cannot pass MTS, manufacturers such as Zenith acknowledge. It's still doubtful whether those units can be modified to do so at reasonable expense. (Newer baseband production units from most manufacturers have been adapted to transmit the MTS signals.)

Even after the issue of MTS compatibility is resolved, other key business decisions face cable operators as they finally confront the reality of stereo TV. Assuming their systems can pass MTS signals on both basic and pay tiers, operators must decide whether to provide cable programming transmitted via satellite in stereo in the MTS-BTSC format, thus allowing owners of MTS sets and decoder boxes to receive cable stereo in the same manner as broadcast stereo signals. Because the BTSC format is incompatible with existing technical specifications of satellite transmission, it must be "encoded" onto the videosignal at the station transmitter or cable system headend. Cable encoding gear is just now coming to market; where existing plant accommodates the technology, the cost is now about $1,5000–$2,000 per channel–a potentially significant capital outlay, given the 9,000-plus headends in the U.S. and the growing number of cable programmers transmitting via satellite in stereo (among them MTV, ESPN, USA, Arts & Entertainment, Nashville Network, and most movie services, lead by HBO-Cinemax and Showtime-The Movie Channel). Even if systems opt to encode only the most-watched broadcast networks and a few stereo cable channels, the one-time cost could be substantial at today's pricing, even though competition appears to be bringing prices down.

In systems using the more common RF-type converters, it is widely believed that MTS will work in most cases if adjustments are made in headend and distribution gear. But opinion is divided on whether scrambling of pay channels from headened to the subscribers' home defeats the MTS signal. Because MTS uses the video portion of the signal, it could be interfere with picture quality in some configurations if proper signal levels are not maintained, according to some engineers.

"There is a lot of confusion," allows Ned Mountain, marketing manager of Wegener Communications, which was first on the market with BTSC encoders for cable headends. "If it's a nonscrambled channel using RF converters, we don't see any problems. If it's a scrambled channel or a system with baseband converters, we have to examine each situation on a case-by-case situation and try to work out any bugs we find."

Scientific-Atlanta, the other maker of BTSC stereo encoders for the cable industry, stresses that 80 per cent of headend equipment—accounting for the majority of such gear in the industry— can pass BTSC stereo "without much modification," according to Stephen Havey, headend earth station market manager. Even then, all that is

William Quinn *of Cablevision says his MSO plans to encode BTSC onto existing FM stereo transmitted by cable programming services such as MTV. It will still offer FM stereo.*

required in most cases is simple retuning of electronic filters, he says. In the case of scrambled channels, he says BTSC encoding is possible but that scrambling modulators could require modification to accomodate MTS. As for baseband converters, Scientific-Atlanta is doubtful that they can be modified to accept MTS. In such cases, replacement with newer, compatible models is necessary, he says.

Despite lingering questions as to the compatibility of MTS with existing cable plant, at least one trendsetter in the cable programming business, pay-TV leader Home Box Office Inc., is urging cable operators to provide BTSC stereo, while still supplying FM band simulcast service for the vast majority of subscribers not equipped with MTS decoders or sets.

"Given, there are some problems with delivering BTSC," concedes Bob Zitter, HBO's vice president of network operations. "But regardless of the problems, consumers are accepting stereo BTSC receivers, and we happen to think they are going to grow more rapidly than VCRs or cable ready TVs. We're encouraging affiliates to carry our signal in BTSC so as the number of stereo sets grow, our subscribers can receive signals in that form."

Transmitting cable programming in the traditional FM stereo mode "is not enough," Zitter maintains, noting that the operators who fail to provide BTSC stereo risk alienating the growing number of stereo set owners. But he adds that "the cable industry must make the economic decision on when to spend the money on BTSC, based on proliferation of the sets."

To help them along, HBO says it has arranged for affiliates to receive 10 to 15 per cent discounts on BTSC encoders from major manufacturers.

The timing of HBO's decision to back BTSC stereo comes in the wake of its switch to signal scrambling via the M/A-Com Videocipher II technology, which delivers high-quality digital audio transmission to cable headends.

MTV, the cable service which would appear to have the biggest stake in stereo—since virtually all music videos are recorded in stereo—is taking a much less aggressive position on BTSC than HBO. Indeed, it has declined to follow HBO in recommending to affiliates that they transmit to subscribers in both BTSC and out-of-band FM. Interestingly, it was MTV's aggressive promotion of FM stereo hookups that was responsible for the proliferation of FM stereo on cable systems. It has transmitted in stereo to affiliates since its inception in 1981, and its affiliate agreements are said to specify that the service be supplied in stereo.

"We're not going to recommend one (stereo) system over another," said MTS spokesman Barry Kluger. "Our only advice to affiliates is to make the best decision for their system, the one that makes the best sense for them financially."

Gillcable's commitment

And several cable operations already have begun plotting BTSC stereo plans. Perhaps the most ambitious effort to date comes from Gillcable of San Jose. That 100,000-household system plans to supply virtually all of its stereo channels, basic and pay, in BTSC stereo by this fall, at no extra charge.

It has made this commitment to BTSC even though some 30,000 of its addressable decoders in the field are older-model baseband units incapable of passing the BTSC signal without modification or replacement. The system will continue to serve those with FM simulcast hookups. David Large, vice president for engineering, explains the marketing advantages he sees in offering BTSC:

"I'm faced with three stations going stereo in this [San Francisco] market. Then I looked at our own list of cable programming and saw that we have lot more programming in stereo than the broadcasters. So we said, let's do stereo right, BTSC stereo 24 hours a day, a lot more than you can get without cable. We're going to really make stereo happen in this market."

As for those incompatible converters in the field, Gillcable will offer to supply customers with MTS stereo sets with newer models that pass the BTSC signal. It also plans to sell an outboard MTS decoder, probably the Recoton, to customers who don't have a stereo TV. Eventually, the system will offer subscribers a Zenith converter box with a built-in MTS decoder.

Gillcable is making this commitment to BTSC even though technical tests revealed that the format makes some "terrible compromises" on technical specifications. "It's somewhat comparable to FM broadcast stereo, but in today's world of digital compact discs and stereo hi-fi VCRs, that's not so good," Large says. The system tested BTSC along with FM stereo and the Studioline analog cable stereo system, another variant on FM stereo. Instrument tests found that Studioline's quality was comparable to a digital disc; FM stereo was slightly better in stereo separation and frequency response than BTSC and comparable to BTSC in signal-to-noise ratio.

But when real people did a listening test, these differences were largely unnoticeable. BTSC's tuning convenience, and the fact that it's the industry standard, convinced Gillcable to go along with the broadcasters and set makers rather than attempt to establish a foothold for a competing technology.

"MTS is adequate, but barely adequate," Large acknowledges. For that reason, cable operators who use it will

Steve St. Marie *of ATC says his big MSO won't be offering BTSC in the near future, claiming "it will be a long time before you get a critical mass" of subscribers with MTS-equipped sets.*

have to carefully monitor their audio and video levels, since the format utilizes both to deliver stereo. "If they don't they'll get buzz," he warns.

But the NCTA's James notes that while the dynamic range of FM stereo may be greater than BTSC, he has found that "the MTS signal's companding, a method of suppressing noise, gives a signal that, if levels are properly maintained, is a lot quieter than the FM signal."

Given the sizable costs involved, why isn't Gillcable charging for the BTSC stereo service?

"The guy who spends $800 for a stereo set and then is told he's got to buy stereo sound from his cable company is going to be mighty ticked, and that's a big disincentive to subscribe," Large replies. "We see the biggest benefit of BTSC as enhancing the value of our product. Look, we're competing with rental tapes that come in stereo. If we don't provide it, we're selling an inferior product."

Technical adjustments

That enlightened view appears to represent the thinking at Cablevision, the 15th largest multiple system operator, based in Woodbury, N.Y. The MSO has 10 systems in six states, each using hardware from various suppliers. According to William Quinn, vice president of engineering and subscriber services, the firm is likely to soon announce that it will distribute all of its stereo channels now carried via FM simulcast in BTSC as well. The move will require retuning and adjustment of headend equipment, and there may be a problem with some types of converters; initial tests have shown that the BTSC signal may cause false triggering of converter scrambling mechanisms, and certain programmable descramblers may require "slight retuning" of data contained in each set-top unit—requiring visits to customer's homes.

Despite these complications, officials at Cablevision deem it imperative to supply BTSC stereo. And, according to marketing director Henry Ferris, they don't plan to charge for it. Indeed, Ferris believes the sale of FM stereo hookups by cable companies is "an endangered species." First, he notes that because subscribers have to tune the audio separately, it defeats the convenience of remote control (with which the service is presently packaged). Secondly, FM stereo is "so easy to steal" that it doesn't pay to try to secure it. "We're coming to the view that stereo is an enhancement, rather than a revenue stream, something that helps retain subscribers," Ferris says.

Cablevision expects to make a final decision on offering cable channels in BTSC within the next couple months, with implementation taking another couple of months. Vice president Quinn won't estimate the costs involved, but says "it is not an inexpensive program. In some cases, it's a heavy capital hit, and that has to be looked at, too." But, he adds. "It certainly is cleaner and easier for subscribers to go MTS stereo than out-of-band FM."

Like Gillcable, Viacom Cablevision, the 11th largest MSO, also uses a fair share of older baseband converters that won't pass BTSC. The San Francisco-based operation already has begun long-term plans to service MTS set owners. But, acknowledges vice president of engineering Joseph Van Loan, the large number of older baseband units in the field poses logistical and cost problems.

"We've already had some complaints. You can image how ticked off subscribers are who have bought stereo sets. But if it costs me, say, $100 a box, to fix, I don't have any right to have non-stereo users underwrite the cost of modifying the boxes for stereo users."

The most likely scenario calls for gradual modification or upgrading of boxes for subscribers who purchase MTS stereo sets, with eventual encoding of cable programming services in BTSC.

'Standard interface'

Van Loan also notes, with some irritation, that a joint committee of the Electronic Industries Association and the National Cable Television Association has been working for more than two years on the establishment of a "standard interface" to assure compatibility among various brands and types of TV sets, converters, decoders, and the like.

The committee actually has come with a proposed interface that would allow such components to work together, but thus far no segment of the industries involved has made the financial commitment necessary to interface standard issue on all gear, according to documents describing the committee's activities.

But even if the manufacturers decided tomorrow to install interfaces on all gear, it's still up to the cable operator to decide whether to retransmit in BTSC. Despite the early endorsements of BTSC issuing from companies like Gillcable and Cablevision, other major players don't perceive any urgency in servicing MTS set owners. Until a sufficient number of MTS set or decoder owners exists, these companies say they can't justify at this time the costs involved.

One of the skeptics is Steve Ste. Marie, marketing vice president at American Television and Communications, the second-largest multiple system operator and, like HBO, a Time Inc. property. Corporate ties notwithstanding, he is taking a decidedly different view than HBO on MTS stereo. He agrees that "it is very important for cable to be as customer friendly as possible," and that cable must keep up with technological innovations if it is to retain its position in the marketplace. But he believes the time for MTS on cable has not yet come:

"It will be a long time before you get a critical mass (of MTS set owners). I don't anticipate that ATC will be actively marketing MTS in 1986."

Interestingly, Ste. Marie believes that when cable operators do offer MTS, they shouldn't attempt to charge extra for the service, but should consider it an enhancement that maintains the industry's ability to deliver the video services that are expected by its customers. He notes that the sale of FM stereo hookups represents a modest revenue stream at best, and hints that operators might consider giving this service away as a counterthrust to the introduction of MTS.

Until its recent sale, Group W Cable was among the strongest proponents of enhancement of out-of-band FM simulcast as a preferable alternative to BTSC stereo. It's parent form, Westinghouse Electric, entered into a joint venture with the Japanese electronics company Sanyo to market cable-compatible hardware under the same W&S systems. The partnership's main product to date is a unit that receives out-of-band FM simulcast off cable and, through microchip "sidecar" technology, changes channels in sync with the converter box. Thus, the FM simulcast "tracks" channel changes, even though the actual signal is not transmitted along with the video. The partnership is encouraging cable operators to avoid the expense of BTSC encoding of cable services; instead, it suggests operators convert the few BTSC broadcast signals in their markets to FM stereo, which then can be received over their add-on box with other cable stereo offerings. W&S president Romano Salvatore also maintains that BTSC encoding won't work in systems that use RF addressable descramblers, a blanket claim that is disputed by others.

A lingering question: Will subscribers go for an extra box and extra cost?

Group W recently began test-marketing the box, which also serves as an FM receiver, in four of its Florida systems. According to Salvatore, the systems are selling the unit outright for about $129. Since the units have been selling only for a couple months, it's too early to gauge subscriber acceptance. But the technology may face tough going, since it's being rolled out at the very same time that MTS stereo sets are lighting fires in the retail stores.

Henry Ferris of Cablevision believes the Westinghouse-Sanyo concept is "bucking the trend," and is probably doomed to fail. But Eileen Cioe, system manager at Group W of Boca Raton, Fla., (soon to join the Comcast MSO) swears by the W&S system. Her pitch: FM stereo sound quality is superior to BTSC, and the add-on unit operates as an FM radio as well. "We wanted to save our subscribers from buying expensive TVs," she says. "And we have the better product." She says she's sold 45 boxes to date. Her system has 14,000 subscribers. But Cioe acknowledges that if the tide turns and her subscribers demand cable programming in BTSC, she'll reevaluate her position.

Playing both sides

W&S also is covering its bets; at the recent NCTA convention, it displayed a prototype unit that decodes BTSC in addition to tracking FM stereo audio along with converter channel tuning. It also is developing a full-fledged converter that incorporates both FM and BTSC stereo. "Clearly, I wouldn't be a good businessman to bet our company on one technology," he allows. "But if you go with a BTSC box only, isn't that risky? I haven't talked to one operator who's going to put everything in BTSC. . . . Our suggestion is to put a few broadcast stereo signals on FM stereo. Go FM for a while, and if you see BTSC is a threat, buy our new box."

But the question remains: Will subscribers go for an extra box, and extra cost, when the set manufacturers promise stereo TV across the board with their new sets? And can the cable industry's pay services, which experienced static growth last year in the face of competition from VCR tape rentals, afford to alienate their best hi-tech customers if their affiliates don't deliver pay channels in BTSC? Even though officials of Gillcable and Cablevision see no alternative but to join the rest of the industry in providing BTSC at no extra charge, other MSOs see it differently. A typical attitude comes from Calvin Cole, regional field engineer of Continental Cable of New England, in Durham, N.H.:

"I think it will be a long time before stereo TV sets penetrate the market. The MTS format is not a very high fidelity format, and scrambling within our system has the potential to interfere with MTS. . . . We already have the FM signal, and it's higher fidelity.

"The question is, do we want to put MTS stereo on each channel and give it away for free, or put the MTS channels on a secure part of the FM band and sell it? That's the way the whole cable business was built—selling a signal that you otherwise would get for free."

But MTS proponents say that argument ignores the fact that many MTS stereo set owners who subscribe to cable believes they've already paid for that signal—and want the full audio and video signal as the programmer transmitted it, and nothing less. As Ned Mountain of Wegener Communications remarks, "The convenience factor of having this signal delivered with the rest of the TV signal will overwhelm all the other stereo TV technologies." □

SNG *(from page 59)*

NAB, according to Chris Summey, vice president & general manager, systems group. Three key models are: the S-18, its Ford Econoline unit priced at \$175,000; the S-24, "a larger unit with inside editing and other capabilities priced at \$220,000;" and the S-25, "an even larger unit with full production capabilities priced at \$250,000 The S-18 is part of the previously-mentioned CNN package."

Another Ford Econoline model is being offered at NAB by LB Telesystems Inc. of Chantilly, Va., which has joined with Spectra Communications, Aldie, Va.-based RF systems integrator to create an SNG package called "Rover." The Rover van which can also be combined with a portable fly-away unit, offers advanced monitoring and editing packages as options.

"It is much smaller than what you think of as an SNG vehicle," says Paul Bickford, project engineer and LB principal. Base price for the van, says Vince Walisko, Spectra president, is \$260,000.

Another partnership in the manufacture of SNG vehicles is that of Wolf Coach Co., Auburn, Mass., which is subcontracting trucks to be marketed by BAF Communications of Salem, Mass. Available at NAB will be two Iveco models—the 340, which is 25 feet long and the 230, about two feet shorter. Both models have 2.4 meter Andrews antennas, but Richard Wolf, general manager of Wolf Coach, says that "because of the [SNG] expansion, other people are pushing to the surface with antennas and other pieces of equipment." Ken Brown, principal of BAF, says prices are hard to pin down "until a client tells you exactly what he wants." However, a realistic range, he adds, could be from "a low of \$300,000 to \$425,000."

Wolf points out that some of the units will be held back "for lease purposes. It will provide a way for people to get their feet wet without plunging right in."

San Diego-based Centro Corp. will not have a vehicle at NAB but will have literature on its new SNG package it calls the "Networker." It's a Ford Econoline 350 triaxle model, with 2.4 meter antenna. Base price of the 15,000 pound unit, says Rex Reed, director of professional services, is \$250,000.

Harris Corp. will not have an actual truck at NAB, but, according to Jess Hedley, vice president, marketing, the company will have descriptive literature on the trucks it is developing and plans to be a major factor in the SNG truck business.

Virtually all those manufacturers showing trucks or planning to market them will also have portable fly-away units as part of their total package.

Wide price ranges

The wide diversity of truck configurations and even broader range of prices may appear somewhat mindboggling to prospective customers. But, until the market settles down a little, the confusion is expected to continue.

"It's a little like buying a car," says CBS' Horner. "One guy quotes you a loaded model, and the other guy quotes you a stripped down model." However, he feels that around \$225,000 "seems to be the kind of thing that might appeal to a lot of stations."

Phil Jones, vice president and general manager of KCTV Kansas City and president of the CBS Affiliates Board, points out that the Meredith station recently purchased an SNG truck from Dalsat for \$360,000 and says it has already been used, covering the Kansas City Royals spring training in Fort Myers, Fla. But he adds that, "a lot of markets just can't afford that kind of technology."

Aside from the NBC News plan to subsidize its affiliates' SNG purchases, the NBC Television Stations Division is in the midst of outfitting all five of its outlets with SNG trucks from Hubcom. As mentioned, WRC-TV Washington and WMAQ-TV Chicago already have vehicles, and WKYC-TV Cleveland will receive delivery after the NAB. "We wanted to complete this by the end of the year," says Mark BvS Monsky, vice president, news, "but now we're trying to speed it up."

He acknowledges that "Hubbard was first with it; they did a real good job of developing the trend."

At Multimedia Television, Jim Lynagh, president, says his company's four network affiliates (two NBC and two CBS) are looking at the possibility of SNG truck purchases, but he adds, "I don't see it as being something crucial."

What Lynagh *is* enthused about is the stationing by NBC of 50 portable uplinks (PUPs) around the country as part of its Skycom concept.

"With PUPs in Cincinnati [where Multimedia owns WLWT], Cleveland and Columbus, we have an opportunity to develop a statewide network. And since Cincinnati is near Indiana and Kentucky, when the PUPs are rolled out to places like Indianapolis and someplace in Kentucky, it's an opportunity to have some interesting cooperative efforts." The same type of arrangement will be possible, he says, in Missouri where Multimedia's KSDK(TV) St. Louis will be connected by satellite with NBC affiliates in Kansas City and Columbia.

And, "if a week-long story develops somewhere like Wichita where there isn't an uplink, we could pull one out of, say, Little Rock to cover it."

By contrast, he says, "the CBS regional thing comes out of Charlotte [Multimedia's CBS affiliates are in Knoxville, Tenn., and Macon, Ga.], so they feed us everything from Memphis to Miami."

But under the NBC plan, "the stations are able to set the networks they want. There's more flexibility, and you're not involved in getting things you don't want."

In Miami, WSVN(TV) had leased an SNG truck from Hubcom when the NBC affiliate was a member of Conus. The station did not renew its agreement with Conus but went ahead and purchased a truck from Hubcom "right around the \$300,000 mark," says Bob Leider, vice president and general manager. "In South Florida," he explains, "we're out of the footprint, so equipment is a little more expensive because we need more power; we have an 11-meter dish in the backyard."

Shopping for SNG trucks, says CBS' Bob Horner, is "a little like buying a car. One guy quotes you a loaded model, and the other guy quotes you a stripped down model."

Leider expects to see trucks "in all price ranges. It all depends on what a station's needs are and how they plan to use it.

"There are going to be some stations in medium and small markets that can't afford \$300,000," he says. "But \$150,000, divided by two, equals \$75,000."

Of greatest significance to Leider, though, is the fact that all of the NBC affiliate downlinks are Ku. "The other two networks," he says, "won't be in a position to do with Ku what NBC can do." □

Metered *(from page 63)*

tion for resolving the problem and possibly commissioning its own study. He concludes, "We may have to come up with something, because I don't think the ratings services are going to do it themselves."

Technological variables

When Arbitron catches up with Nielsen in accounting for such technological variables as cable, VCRs and remote controls, observers believe, it might become easier to determine whether there are other factors creating differences. According to one report, station people recently obtained information from both services on the number of remote controls involved in the panels of four top markets and the Nielsen panel had a two-to-one ratio of remotes over Arbitron.

Meanwhile, while both services are aware of differences in their sampling procedures and hardware, neither claims to be convinced that there is a serious problem. Says David Traylor, national sales manager, broadcast group at Nielsen, "We don't see the Arbitron figures unless some station shakes them in our face, but we're vaguely aware of the fact that there are differences and that, in HUT levels, we tend to be a little higher. But in general, I suspect that we estimate audiences quite similarly."

One thing that could account for some differences, Traylor notes, is that Nielsen has its own field personnel doing the installing and these are the same people who do the recruiting—vs. Arbitron using two separate contractors. As a result, he speculates, "I believe we have more homes with more viewing options—those which have tough installation problems. And the higher the cooperation rate, the better the in-tab sample is going to be."

Traylor points out that field personnel (who get incentives) work especially hard to get hard-to-recruit homes into the sample. Having watched field people at work, he recalls, "I saw a case where a field man had been trying to get into a Hispanic home for weeks and finally found a brother-in-law who could speak English to help him get in."

He says the sample sizes are fairly comparable between the two services from market to market, with some of the newer markets starting at 300–350 and then building. With the largest markets having 500, Nielsen has more than 400 now in virtually every market, he says.

Traylor contends that increased attention to the disparity between the services is primarily attributed to "increased awareness," some of it generated by the trade press. He adds that it's also a case of stations seeing unsatisfactory results and "shooting the messenger." He asserts, "It's always a situation where the truth to any station is the largest of the two numbers."

"The differences that I hear about," he continues, "appear to be in the news areas and early fringe. A station can be pleased all along until it gets to the 11 p.m. news. If the sample is good for the other dayparts, then why shouldn't it be for late news?"

But he doesn't discount the possibility of Nielsen's sample skewing older than Arbitron's, with older viewers watching more news. And he also alludes to the possibility of chance selection of a panel of viewers that favors one station's newscast over another's. As for age, keeping the same household in the panel for up to five years naturally ages the sample over a period of time.

"We have 20 per cent predesignated turnover every year," he points out, "but that doesn't account for natural attrition, so it really comes to 35–40 per cent a year in total. This means that very few homes remain in the sample for five years. You can figure the total sample will virtually turn over in three years."

Age of the sample

At Arbitron, Pete Megroz, vice president, television sales and marketing, agrees that age of the sample can have a bearing on news ratings: "If you have too many older people in the sample, you tend to overweight news viewing." He implies that stations across the board may be getting more credit for their audience in news than in other dayparts because the older people in the sample not only view more news but also tend to be more cooperative.

Says Megroz, "There have been differences in local newscasts since the beginning of time. If you look at Boston, WBZ-TV does consistently better in Arbitron than it does in Nielsen. It also does better in the meter than in the diary—and WCVB-TV does slightly better—about two rating points—in Nielsen and one point better in diary vs. meter." He notes, though, that when comparative results are checked across markets, there is no overall pattern that holds up—such as a bias toward or against affiliates of any particular network.

"We hear more about news," he holds, "because of its value to the station. A two-point difference is worth more in news than it is at 3:30 in the afternoon."

Megroz believes the biggest difference between the two services is in sample design, with Arbitron's weighted sample being more complex: "We're looking at each market in terms of 25 characteristics and keep them as close in conformity as possible to the universe." He points out the sample is weighted on a daily basis against deficiencies, which provides an insurance policy against a large portion of the sample being missing, for example, because of an ice storm.

As for sample size, he reports that a new market starts out with 300 and that a more mature market will have

There's no cause for alarm, according to Ayer's LeFlore and DFS' Sotiriou, who both consistently go with Arbitron's numbers.

Bonita LeFlore

Sam Sotiriou

Bill Rubens

David Poltrack

The ratings services may not be able to resolve their differences without increasing sample sizes, according to NBC's Rubens and CBS' Poltrack.

500 in the sample. He says that, by the end of this year, all of Arbitron's 11 metered markets will have at least 400. He contends that even a sample of 300 is sufficient, noting there have been no substantial changes detected when the sample has been increased from that amount.

He concedes, "There has been more conversation" about the discrepancies between the two services lately "because the HUT level differences between us have caught the interest of the marketplace. The degree of difference is more pronounced now in certain markets like Los Angeles." This is why Doug McFarland, manager of meter and diary services, recently made a presentation to stations in Los Angeles.

McFarland acknowledges, "The highs and lows have been suspect in both services. There are time periods when the HUTs are in the 60s—and people don't believe it—and when they've been in the 50s—and people also don't believe it." He says Los Angeles is the major case of Nielsen's increase in HUT levels and Arbitron's decrease, with this happening in other markets only to a minor degree.

"We've set up an internal task force to look at the situation, and we haven't found a problem yet. But people are telling us there's a net difference of eight points in HUT for certain time periods."

While Nielsen has one meter that covers all contingencies related to the new techologies, Arbitron has three different kinds to cover such options as VCRs and cable. And, where Arbitron is still not accounting for all VCR recording in some markets, this reportedly is not the case in Los Angeles. Megroz speculates that Arbitron's decreasing HUT in Los Angeles may be reflective of the behavior of VCR homes, which have the option of renting videocassettes and thereby may be doing less off-air viewing. He adds that both the meter and diary show a HUT decline in the market.

As for the discrepancies in New York, Megroz says a two point difference doesn't amount to much mathematically, although it does from a business point of view. He adds that the differences in the market rarely amount to more than one rating point. And in Los Angeles, last May's sweep only showed one-and-a-half share points separating the first and last place affiliate newcasts in the 6 p.m. news.

Megroz concludes, "If a situation prevails across time, then we'll have to look at the hardware, our steps in system design and editing procedure—but no condition has prevailed across time."

Effect on independents

Independents in New York appear less concerned with the shifting HUT levels than are their counterparts in Los Angeles. Jane Pearlman, vice president of research for WPIX(TV) New York, says Arbitron shows independents as a group to have a larger audience share than does Nielsen and that this "may or may not relate to the weighting they do" for such elements as geography, ethnic composition and age of the head of household. As for her own station, Pearlman says the results from the two services have been getting closer—if not on a single-day basis, at least over a four-week period.

Meanwhile, David Poltrack, vice president, research, CBS/Broadcast Group, contends that small sample sizes are creating problems. He asserts, "Local broadcasters are the major funders of the research, and the goal of the ratings services is to get as many metered markets as possible as soon as possible. But, because the meter is much more expensive, there's a financial pressure on stations in what they can afford—so the result is going in with very low samples where, at that level, there's room for variation. It takes a long enough time for a sample to turn over so that any bias stays for a significant amount of time."

No consensus

He says, "Ideally broadcasters would like to take all the money they put into two ratings services and have one big sample instead, but it won't happen. Arbitron is strong in local markets, where Nielsen is very strong with major national advertisers. If all of us were to support just one service, half the broadcasters would say to get rid of Nielsen and the other half would want to get rid of Arbitron, depending on which one each station does better with.

"But I think a sample of 1,000 is what's needed for stable measurement. Because 1,700 meters can measure the country, that doesn't mean you need only one-tenth of that amount to measure New York. If you look at New York, you have different geographic areas in the market that are all quite different communities. There's a significant difference in viewer preferences on Long Island vs. Brooklyn. I'm not absolutely certain that each service has the same proportion of its sample, for example, in Nassau County vs. South Bronx."

He adds that CBS has seen problems in all four markets where it owns stations—New York, Los Angeles, Chicago and Philadelphia. He observes that, in Miami, the two services are totally at odds with each other. Poltrack points out, "The markets that tend to be metered are the largest markets—and these are the ones that have the least homogeneity."

From a business point of view, he

adds, "If you have two surveys, and one shows a station looking better than the other, it tends to balance out. Your station ends up maybe selling more time to clients who use Arbitron while another station sells more time to the Nielsen people."

Bill Rubens, vice president, research at NBC, says the samples in metered markets will eventually have to go up to 600–700. He says that, beyond that, past difficulties in New York have been related to sampling procedures. He adds, "The New York Ratings Committee has been very effective in getting results from the ratings services in revising sampling methodology. It's a matter of vigilance. Over the past couple of years, Arbitron was not hooking up second sets in all households or accounting for all VCR recording. Even if these problems are being worked out, though, this doesn't mean there aren't other problems that are not being rectified."

Where concern is minor

There are still a number of markets where stations don't see any alarming differences between the two services. In San Francisco, Rosemary Roach, director of research and sales development at KGO-TV, says, "There are no extreme differences here. They're usually consistent in the positioning of a station from sweep to sweep. Although there aren't a lot of HUT differences in news or other time periods, you can find differences in shares of up to five points in early news.

"In the 6 p.m. news, the number one and number two station might switch back and forth, although no station here is consistently higher or lower in a given ratings service. This is a time period when people are just arriving home, so I think lifestyle has a lot to do with it. The question is whether the lifestyles of the people in the two metered panels is different. As for HUT level, a difference of 1.4 between the two services at 6 p.m. is not significant."

Richard W. Spinner, president and general manager of WPVI-TV Philadelphia, is even more concerned about the lifestyle question. "When you try to measure 2.5 million homes with a sample currently at 377 for Nielsen and 340 for Arbitron—even if it were 500, it's hard to reflect all the vagaries with such a small sample base. Our society and our free time are so complex that it's hard to measure all the variables." He contends major differences could show up "if a disproportionate number of viewers have seats at the Spectrum for a Flyers game."

Spinner says his ABC affiliate tends to be number one in news with each ratings service—"just by greater or lesser degrees. In late news they can be 10 rating points apart in a single evening. It tends to be higher in Nielsen than Arbitron at the moment, but two years ago it was the other way around." He notes that, in the February sweeps, his station got a 19/35 from Nielsen in the 11 p.m. news, Monday–Friday, and a 17/33 from Arbitron. "That's nothing," he observes. But he also noticed a "fairly dramatic" difference in data for rival station KYW-TV, where *The David Letterman Show* at 12:30 a.m. got a 4/19 from NSI and a 6/27 from Arbitron for the total sweep.

"The agencies are usually quicker to point to the lower ratings, and naturally our sales department does it the other way," Spinner notes, "but the real disservice is to the clients and programmers, who don't get an accurate idea of the results of what they are buying." Local timebuyers in Philadelphia, he notes, make greater use of Arbitron, with Nielsen usage increasing, compared with a nearly even split between them in national buying.

"There are no extreme differences here," says Rosemary Roach of KGO-TV San Francisco. "They're usually consistent in the positioning of a station from sweep to sweep."

In Chicago, 70–80 per cent of the agencies use Arbitron, according to Juanita Davis, administrator of audience research at WMAQ-TV. She notes that fortunately her station generally does better with Nielsen in the all-important news dayparts and that the other dayparts are fairly consistent. As to why there would be greater variances in news, she says, "It's kind of an old wives' tale, but it's been said that Nielsen is in older households than Arbitron. I haven't seen anything that substantiates this."

While stations attempt to price their time based on the higher ratings, she considers it strange that WLS-TV only subscribes to Nielsen, even though it does better with Arbitron. In the 10–10:30 p.m. Monday–Sunday late news period, the ABC affiliate got a 16/27 from Arbitron in the February sweep and a 16/26 from Nielsen, making it top of the affiliates, according to Arbitron. But Nielsen ranked WBBM-TV higher, with an 18/28, compared with Arbitron's 14/24. Meanwhile, WMAQ-TV got a 13/23 from Arbitron and a 14/22 from Nielsen.

Davis says Chicago has had a station research committee but that it has not been active. She notes there is talk about reorganizing it. The market, she says, is more Arbitron-oriented strictly because Arbitron has been more aggressive in servicing the agencies. She adds that nothing has changed in terms of the numbers honored by agencies since she was on that side of the fence: "When I was at an agency that used Nielsen, even if a station came in with Arbitron results, Nielsen is what we used. And when I was at an Arbitron agency, I didn't pay any attention to Nielsen."

Agencies stand pat

Bonita LeFlore, vice president, director of regional broadcast, N W Ayer, reports, "We just subscribe to Arbitron, and we really have to stick by the service we subscribe to. Our research department is very comfortable with Arbitron's methodology. If they're high or low for a given station in one sweep, it could turn another way in the next sweep—but once you make a commitment to a service, you have to stand by its methodology. Stations often have had different rates for different shops because of that." She notes that most agencies in New York are with Arbitron.

Sam Sotiriou, senior vice president, media research director at Dancer Fitzgerald Sample, reports his agency subscribes to Arbitron in all its offices except Honolulu and Fairbanks, where only Nielsen has a presence. He asserts, "I think both services are excellent services. If I were entering the business in a total vacuum, I could flip a coin and pick the right service. We picked Arbitron two or three years ago because it was very aggressive in metering the local markets and the staff has been excellent in supporting the needs of the agency; we have easy access to any one of their executives."

The differences between the two services don't bother Sotiriou: "If two organizations measure the same entity, different samples are going to give different results. Where we would be concerned is if we saw consistent patterns of differences. When it swings back and

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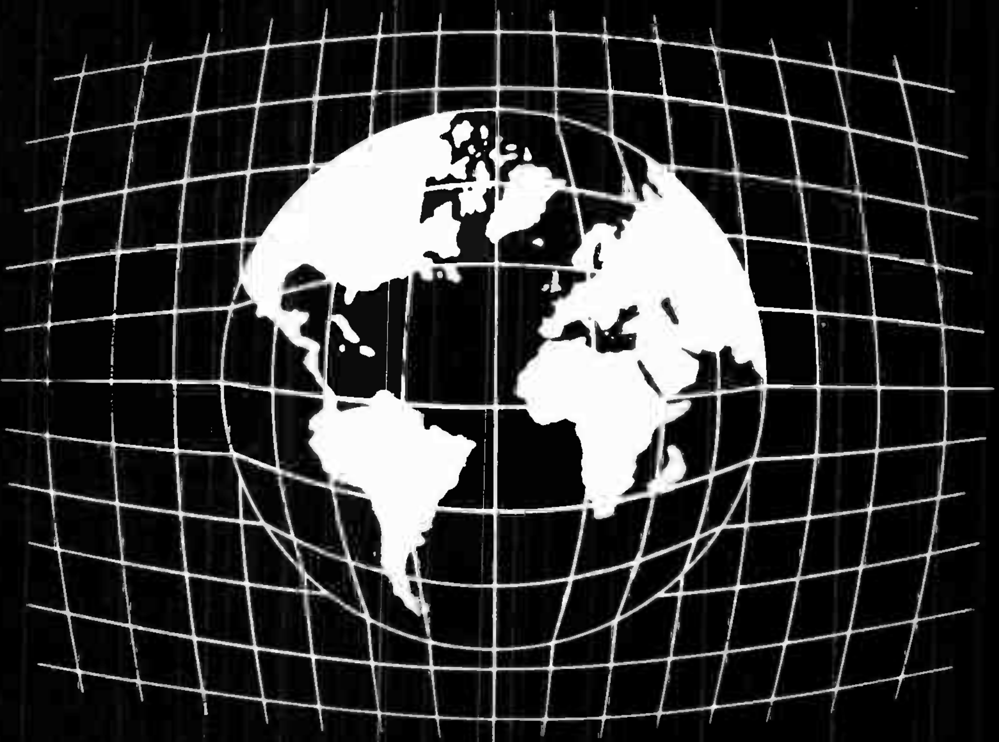

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forth from report to report, that's a consequence of sampling."

As for stations pushing NSI data to the agency, he says, "A station bringing in Nielsen data would get a hearing on it, and then a decision would be made. But a single report doesn't represent what's going to happen in the future."

J. Walter Thompson, meanwhile, is a Nielsen agency across all regions, with only occasional use made of Arbitron, according to Richard Kostyra, executive vice president—U.S. director of media services. "Whichever you use," he holds, "you have to make all your decisions based on one service. The fluctuations are always there. There are statistical variances, flukes and quirks that you have to live with. But if you deal with things that are more stable, like news programming, you can make adjustments for it—only in terms of mental considerations, though.

"The fluctuations are always there," says JWT's Richard Kostyra. "There are statistical variances, flukes, quirks you have to live with."

"You don't make adjustments to the numbers or, sooner or later the system is abused. You can't keep going to clients with reasons why you're using different numbers. Once you start adjusting the numbers, you might as well throw them out. One use we make of Arbitron is to make sure large deviations don't exist—but we haven't seen anything to panic about."

Nielsen is the primary service at Doyle Dane Bernbach, which uses Arbitron only for Bristol Myers business—because the client specifies it for all of its agencies. "We don't go an ongoing track record of Nielsen vs. Arbitron," says Chet Bandes, vice president, director of media research, "because 95 per cent of the time they will trend in the same direction. When differences between them are brought to my attention, I'll go to the reps and ask whether there are homes not being represented or anything else that could have contributed to the problem. Or I'll go to Nielsen or Arbitron to see if there are any changes in their samples or any other major problems.

"Usually when I call, I'm one of many voices, and they're often already looking into it. Computer errors mainly happen with the diary. If it happens with the meter, it's going to bomb out and pick up a continuous problem. When something like Hurricane Gloria knocks out the phone lines, everyone's aware of what has happened—and they can say 19 homes on Long Island did not provide data for that report."

Bandes adds, "Many times a station will come in and say, 'Disregard that report.' When this happens, I always go to a competing station or rep to get their view. Once in awhile you may find an explanation of a causal difference. For example, there was a time four or five years ago when Nielsen had a lower proportion of homes with children. I don't think we're ever going to come to the point where both services are reporting the same numbers."

Meters vs. diaries

Meanwhile, there are those who are still concerned with the even greater variations between meter and diary ratings—particularly the independent stations, which feel they're being under-reported in non-metered markets. The Association of Independent Television Stations (INTV) is exploring the feasibility of "calibration" between the two types of services.

Donna Miller, INTV director of research, says her organization has a list of 22 possible variables that could be causing the discrepancies. She says it is looking into the possibility of adjustments related to such factors as market, region, age, sex, program type and seasonality. She asserts, "We have to isolate them to see which is contributing most. Then we have to come up with an adjustment formula."

Miller notes that Arbitron is doing an internal study to isolate the variables in metered markets but adds that both services, while they're willing to share any information they have, have recommended that INTV do its own independent study, possibly using the independent statisticians who also perform such work for the ratings services. She says INTV will decide before summer whether to go ahead with a study. Cost of a study has not been determined yet, she says.

Nielsen's Traylor adds, "We've produced lots of data showing that diarykeepers understate viewing by time of day—being less reliable in late night, by competition—including UHF vs. VHF and the length of time a station has been on the air, by program type and sometimes by station in general. We've produced meter vs. diary comparisons in all major markets, and this documents the fact that diaries miss some viewing.

"Our conclusion is that there is so much variance between so many factors that there is no way to calibrate to take these differences into account. I don't feel we could come up with what would be a reliable group of factors, but we can supply the data and let them try to come up with the proper algorithm."

And the forthcoming people meter is expected to complicate matters even more. Rubens of NBC notes the differences between NSI and Arbitron metered services are miniscule compared with the difference in household numbers between the two of them and AGB. He contends, "AGB's household numbers have to be identical to Arbitron's and Nielsen's—and if they're not, there's something wrong with them." To Poltrack of CBS, this indicates that "people meters are far from having demonstrated they are a better measurement than what we have now. They can't explain this on the basis of people meter technology. It implies that people meters get a different cooperation rate."

Because people meters are not passive, according to Doyle Dane's Bandes, they will demonstrate even greater differences. "With people meters, we're still going to be going back to the ratings services for explanations." He says the continuing saga of ratings disparities will have a longer life than *As the World Turns.* □

Portrait of a pioneer

W. D. 'Dub' Rogers, *who is credited with helping move television into small and medium-sized markets in the 1950s, was recently inducted into the Texas Tech University Mass Communications Hall of Fame. Rogers, l., is congratulated by Texas Tech regent, Wendell Mayes, Jr. at unveiling of a portrait that will be displayed in the university's Mass Communications Building.*

Future *(from page 57)*

always been a mystery. Up until a few years ago, there were only two major suppliers: RCA and Ampex, each of whom provided a model that carted two-inch quad cassettes on a mechanism that sounds like a muted tractor. The TRC-100 (RCA) and the ACR-25 literally became the standard of the spot commercial industry, and more than 1,400 of them went into service. These electromechanical monsters date back over a decade, and many are kept operational through special diagnostic tools that quickly pinpoint the frequent problems for the weary maintenance engineer on duty. It's an ideal replacement market and NAB '86 will witness many manufacturers vying for it.

The Sony Betacart has so far had the greatest impact on this market, and will no doubt continue to find new customers. But Sony's machine has one limitation some potential cart users shy away from—too few (40) cassettes in normal operation.

RCA and Ampex had both recognized this constraint several years ago, when they began planning replacements for their quad carts, and each did some customer surveys to find that users wanted at least five times the number of cassettes in the Betacart. RCA showed Silverlake at NAB '85, but then dropped out of the broadcast business. Odetics, the robotics-oriented company that had actually developed Silverlake, decided to take over the marketing of this cart machine, and renamed it the TCS-2000.

Odetics went one step further, and showed that they were not chained to the M format RCA had adhered to, and arranged with Sony to offer the TCS-2000 in either cassette format. Dave Lewis, vice president of Odetics, has already announced the fact that at NAB '86 they will show their cart machine in both formats. The TCS-2000 has 280 cassettes in its robotic library, and Lewis claims that will handle a full eight-hour shift in a busy commercial studio.

Ampex took a different approach. They decided to ride the digital bandwagon and designed their ACR-225 around the D-1 cassette, 256 of which can be housed in the slots of that machine. Steinberg considers this new product the centerpiece of their NAB '86 exhibit, and it is considered likely that many current ACR-25 users will consider this new machine as an appropriate replacement for the aging quad carts.

The big controversy about the Ampex cart, as noted, is its non-adherence to the component 4:2:2 universal digital standard, even though it uses the D-1 cassette. For the reasons explained earlier, it is composite digital, and offers outputs in both NTSC and PAL, as well as four channels of digital audio, the latter perhaps to cater to the MTS potential for stereo or multi-language audio on future commercials.

Other cart configurations that have been shown before include Panasonic's multi-deck system using M format players. Also, there's the Asaca cart machine, which is also offered in M or L format, and the La Kart automation system, which can be applied to any VCR deck. There is, of course, another way to do spot commercials—by assembling them on standard recorders and controlling the sequence of playback. AF Associates has such a compilation system which they call Pegasus, which was shown at SMPTE, and will again be at NAB '86.

Digital videographics systems are following the same path that character generators went eight to 10 years ago, including price/performance ratio gains.

Computer graphics

Digital videographics systems are now following the same path that character generators were experiencing eight to 10 years ago. The price/performance ratio is improving dramatically, and many companies are getting into the field, hoping to ride a winning product to an ever increasing demand.

The large, expensive and highly sophisticated systems continue to appear at NAB, with ever more exotic software that seem to provide endless, eyecatching capabilities in the hands of a talented graphic artist. The Quantel Paint Box, Aurora Systems 200, Ampex AVA-IV, Bosch FGS-4000, and the GVG/Dubner systems will all be on display at NAB '86. But these systems are still the "high priced" brand, and are beyond the budgets of all but the largest TV studios and post-production houses. The most interesting trend in this field is the adoption of the IBM PC or PC-compatible micro computer to do incredible graphics at very affordable prices, with starter systems for less than $25,000.

Some of these systems are inexpensive models from the makers of the larger systems. Dubner and Aurora both offer such scaled-down systems with many of the features of the larger unit. But many others are actually systems that have migrated into video from the CAD/CAM (computer-assisted design/computer assisted manufacturing) or business graphics field. These include such systems as the 3D Cubicomp "PictureMaker" which in conjunction with a DiaQuest control package produce low-cost animation on Betacam recorders. The 3M company also has a similar system called Artronics. Thomson has extended its Vidifont capabilities to do some graphics manipulation of characters, numbers and basic patterns. And even the companies that make character generators, like Chyron and Quanta, have small systems that are based on micros. There are almost too many to mention, but the names that come to mind are Art-Star, Color Graphics, Mindset, CGL, Inovion, Aston and Fairlight, each targeted to some part of this burgeoning market.

Many of the products that fill up a television production facility—cameras, switchers, editors, frame stores, special effects units, etc.—have settled into slowly evolving devices whose basic performance is generally quite good. Tube cameras will continue to be challenged by newer CCD cameras, but the one that showed real promise last year, the RCA CCD-1, has unfortunately dropped out of the race. Dr. Kerns Powers, staff vice president at the David Sarnoff Research Labs in Princeton, commented that the CDD technology developed by RCA is indeed for sale, but the buyer would have to set up his own CCD chip fabrication plant from scratch, which implies a rather large investment. None of the other CCD cameras (Hitachi, NEC, Sony, etc.) appear to compete well with the excellent tube cameras available at every price level.

One need only watch a few hours of primetime television to realize how pervasive the digital effects systems have become. Each of the major DVE makers (Ampex, NEC, GVG, Quantel) have new extensions to the seemingly endless flips, zooms, cartwheels and 3D manipulations these devices are capable of. These magic boxes, in the hands of imaginative operators, given heightened visual impact to much of today's programming.

Electronic editing of video tape has also succumbed to almost total computerization, with such fancy attributes as touch screens and off-line VCR and video-disk systems. We have come a long way from the razor blade, the splicing block and quad tape. Almost every VTR manufacturer makes some editing equipment of their own to go with their machines. However, there are still many speciality companies like CMX, Convergence, EECO, ISC, Videomedia, Paltex, and others, who have carved out a good reputation and deliver a good product in this field.

The HDTV display

With the encouragement of the NAB and the Maxiumum Service Telecasters, a consortium of manufacturers who produce video equipment capable of handling 1,125-line, 60-field HDTV signals, have pooled their resources to create the greatest display of HDTV equipment ever assembled in one place. The venue will be the West Ballroom of the Dallas Convention Center, where 10,000 square feet have been allocated to accommodate the 25 manufacturers contributing to this HDTV spectacular.

The basic high definition cameras will come from Sony and Bosch/Fernseh, and a variety of high performance lenses that have been tailored to HDTV requirements, and which tend to look more like cinematography (rather than television), will be provided by Canon, Fujinon, Nikon and Panavision. Sony will also provide the one-inch HDTV video tape recorders.

Direct view display monitors and large screen projectors will come from Asaca, Barco, Eidophor, General Electric and Sony, while the Grass Valley Group, Utah Scientific and Dynair will provide production and routing switchers, as well as distribution amplifiers.

High definition computer graphics will also be shown via an 1,125-line Quantel Paint Box, a system made by Fantastic Animation/Raster Technologies and Symbolics. Test equipment for this HDTV gear will be supplied by Magni Systems, Asaca, Sony and Tektronix.

UltiMatte will again show its blue screen compositing system for HDTV, and Rank Cintel will have an 1,125-line CCD telecine operating on site. Films and test slides will be on hand courtesy of Eastman Kodak Co., in addition to those laser and EBR (electronic beam recording) film transfers from Sony and NHK. Other participants include Cinema Products and the N.Y. Institute of Technology, which will be represented by Dr. William Glenn.

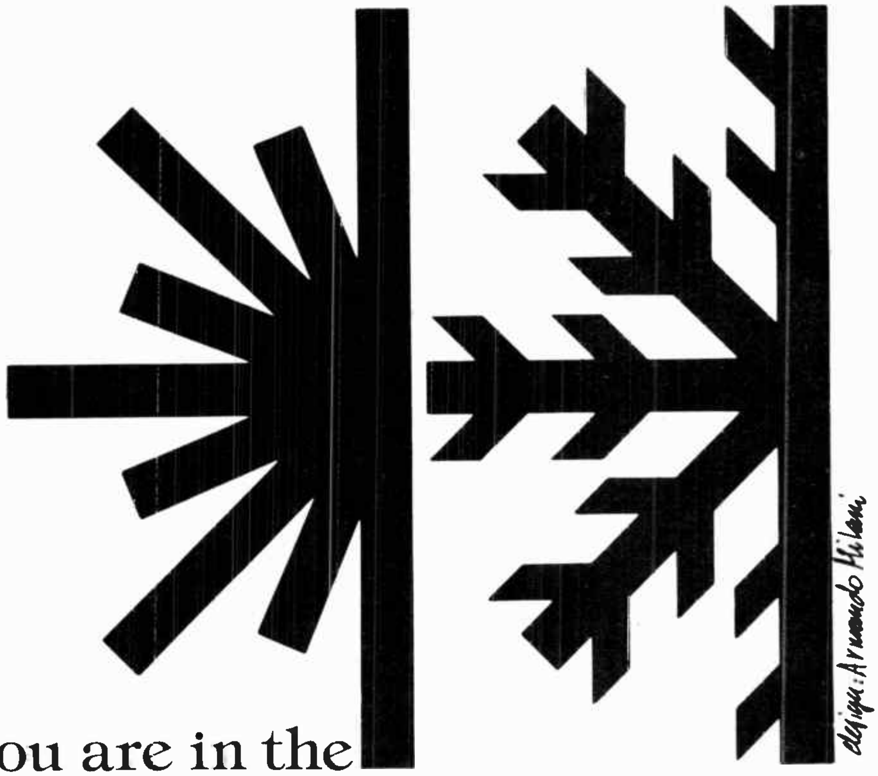
This HDTV display is separate from any of the other equipment that the individual companies will show in their own booths, and will show the range of production gear currently available for HDTV program production. There will no doubt be some other HDTV equipment on display at NAB '86 by a few manufacturers who did not choose to be part of the conglomerate in the West Ballroom. One such is Ikegami, which has already partially preempted its NAB displays with two industry showings in New York and Los Angeles.

These private demonstrations, in cooperation with NHK, showed the full range of normal Ikegami broadcast equipment, and an overlay of HDTV gear made by them. There was an

Top 25 spot TV advertisers: independent station usage January–December, 1985

Company	Total spot TV expenditures	Independent share of spot TV dollars
	($000)	(%)
1. Procter & Gamble	285,363	64
2. Philip Morris	137,115	43
3. General Mills	106,975	80
4. Pepsico	98,958	40
5. Toyota Motor Sales	70,977	51
6. Coca-Cola	68,296	51
7. Anheuser-Busch	64,002	76
8. Dart & Kraft	63,935	36
9. Hasbro Inc.	63,767	96
10. GTE Corp.	56,751	26
11. Unilever (Lever Bros.)	55,530	51
12. Nestle S.A.	54,084	39
13. Beatrice Cos.	51,840	37
14. R. J. Reynolds	51,743	46
15. Kellogg Co.	51,050	58
16. General Motors	48,868	34
17. Nissan Motor Co.	44,974	41
18. Ralston Purina	44,111	50
19. Mars Inc.	39,874	82
20. Warner-Lambert	39,281	80
21. Time Inc.	37,768	55
22. Ford Motor Co.	37,443	25
23. Adolph Coors	34,633	35
24. Chrysler Corp.	32,232	38
25. MCI Communications	31,019	33
TOP 25	$1,670,589	54%

Source: BAR: Barcume for total spot TV expenditures; BAR 15-market tabulation for independent shares



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1,125-line studio camera, a 100-inch large screen projector and a telecine, all operating in high definition, but the most unusual aspect of this demo was a pseudo HDTV originated in 525 NTSC. Ikegami engineers explained that they had an accessory which would take an NTSC signal, convert it to 525-line progressive scan with the use of a frame store, double the number of lines to 1,050, then display that as an interlaced image on the same large screen projector capable of 1,125 line operation. The results when compared to the NHK HDTV were remarkably good. However, the aspect ratio was 4:3 and the horizontal resolution was noticeably lower.

New technologies

The Science & Technology Division of NAB has organized some of its own demonstrations of new technology. According to Ben Crutchfield, the NAB's manager of information services, and the director of their Advanced Television Terrestrial Broadcast Project, there will be an extensive display in the East Ballroom (next to the registration area) of various AM and FM radio systems reflecting improved performance in both areas.

The NAB is trying to help AM broadcasters by showing that new receiver designs make AM reception approach the quality of FM. Crutchfield claims that even in mono the sound quality improvement is dramatic, and there will be switchable equipment on hand to show that. There will also be a demonstration of the new NAB/CBS joint development of the FMX noise reduction system, which extends the range of clean reception of stereo FM to the fringe of the service area. A new transmitter antenna design that reduces the skywave for the same ground wave pattern will also improve local radio coverage and diminish interference.

On the video side, the NHK Research Laboratories have agreed to provide a taped demonstration of the MUSE system, to show what a band-compressed HDTV system might look like. Yozo Ono, manager/chief engineer/deputy director of the NHK America Bureau, indicated that while they would have liked to have brought over the entire MUSE system, this proved to be impractical.

Instead Ono will provide a one-inch VTR modified to handle the 8 MHZ MUSE signals and will display these pictures on a large screen. NHK will also provide 35mm films converted from the NHK/HDTV system via their laser telecine recorder, to show the image quality possible with video to film transfers.

Ono also revealed that NHK's team at NAB would include their executive director-general of engineering, Kouichi Yabashi, and the chairman of the CCIR Working Group on HDTV, Y. Tadokoro. After NAB, Ono said they would assist Crutchfield in setting up the NAB/ATSC terrestrial tests next October, when a full MUSE system will be made available.

NAB '86 will be a significant watershed between the existing technologies in television, and the new ones that are going to seriously affect how TV images are generated, recorded, manipulated and transmitted. Delegates will be exposed to the three tiers of future imagery: improved NTSC, enhanced systems such as Scientific Atlanta's B-MAC or studio oriented S-MAC, and the HDTV systems, the most prominent of which at this time is the NHK 1,125-line, 60-field, 5:3 aspect ratio system, with interlaced scanning.

The controversy about what is the best path to follow will continue, and to quote Kerns Powers, "HDTV is the best thing that ever happened to NTSC, because the new technology developed for high definition is often applicable, and the impetus of HDTV has spurred research into improving the NTSC system to higher levels of performance." Powers went on to say that the use of progressive scan, coupled with receiver frame stores, will produce such a high quality NTSC image that he did not expect to see an over-the-air HDTV system in his lifetime.

There is also a new economic reality in TV broadcasting brought about by the era of mergers and acquisitions. Ampex's Steinberg pointed out that this has made broadcasters more conscious of bottom line costs for program production, and they will come to NAB '86 looking for cost effective answers to equipment needs. □

Top 25 spot TV advertisers: independent station usage January–December, 1985 vs. 1984

Company	Share to date '85	'84	Absolute dollar change* 1985 vs. 1984
	(%)	(%)	(%)
1. Procter & Gamble	64	66	+ 14
2. Philip Morris	43	38	+ 16
3. General Mills	80	80	+ 12
4. Pepsico	40	40	+ 27
5. Toyota Motor Sales	51	53	+ 34
6. Coca-Cola	51	52	+ 21
7. Anheuser-Busch	76	85	+ 9
8. Kart & Kraft	36	40	− 8
9. Hasbro Inc.	96	99	NC
10. GTE Corp.	26	25	+113
11. Unilever (Lever Bros.)	51	42	+ 12
12. Nestle S.A.	39	35	+104
13. Beatrice Cos.	37	25	+ 78
14. R. J. Reynolds	46	41	+ 33
15. Kellogg Co.	58	66	+ 14
16. General Motors	34	27	+ 42
17. Nissan Motor Co.	41	36	− 7
18. Ralston Purina	50	42	+117
19. Mars Inc.	82	73	+ 12
20. Warner-Lambert	80	82	+ 8
21. Time Inc.	55	58	+ 22
22. Ford Motor Co.	25	27	− 2
23. Adolph Coors	35	40	+ 47
24. Chrysler Corp.	38	33	+ 14
25. MCI Communications	33	37	− 19
Top 25	54%	53%	+ 19

** Difference in dollars spent on independents in 15-market universe. Note: Top 25 spot TV advertisers based on Barcume, January–December, 1985. Source: BAR 15-market tabulation, January–December, 1985/1984*

the marketplace

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Roger Goldhamer, *senior v.p., MMT Sales: "The avails syndication withdraws from the spot marketplace mean we get a better rate for those we retain."*

Spot (*from page 64*)

to participate in many buys they were locked out of last year."

Back at TeleRep, Tilson observes that about half the stations his company represents are also independents, and that, "with the exception of the NBC affiliates, which are doing better, there's no discernible difference between the business on our independents and that on the ABC and CBS affiliates."

Tilson adds that one factor that will benefit independents as the year progresses "is the expansion of kid business out of fourth quarter and back into second and third as the toy makers spread their spending through more of the year. We expect increases in the kid segment in the area of 11 to 12 per cent."

Market differences

Like the radio reps (TV/RADIO AGE, March 3) the television spot sales community also reports wider dollar differences this year between markets. HRP's Ryan sees this as one more plus for spot.

"One factor spot has going for it long range," he observes, "is the enormous swings we've seen between markets, even within the same region, so it's difficult to analyze. We can no longer say 'Sunbelt,' or 'Northeast,' or 'top-10.' This tells us that with those UPC bars on every product and the retailers' computers, advertisers are now getting the quick read-back on sales they've been working toward for a long time and are now in a position to be very selective about which markets they want to concentrate their dollars in. That bodes well for spot over the long run."

Katz' Goulazian attributes at least part of spot's strength to the medium's "larger base of advertisers." He reports imported automobiles and direct response accounts among the strong spot categories, adds that many stations also have a growing base of local advertisers, and, as a result, says March "has seen some of our stations with some fairly tight inventory. As we move into second quarter where demand has traditionally been stronger, it wouldn't surprise me to see some stations in oversell situations. Political advertising hasn't made itself felt yet, but should add to demand later in some states. Unit rates are ahead of last year because demand was stronger in first quarter from both national and local accounts."

Besides a broader base of national advertisers, Goulazian also says he's "pleased that there is now more earlier planning and upfront placement—both in December, as we were entering first quarter, and now, again, as we enter second. We haven't seen this in a long time, but now that it's happening, it allows us to plan our strategy better for each upcoming quarter."

Seltel's Johns says another reason for spot's good first quarter performance is competition: "The strong competition for the chips on the table from the networks, from syndication, from new independents and from cable. They've combined to force national reps to become even more aggressive in creating and building special sales opportunities—special sports sponsorships and movie packages, tailored to generate more new advertisers from spot. It's worked well for us."

Harry Stecker, *senior v.p., Petry Television: "We're seeing good indications that second quarter should continue healthy."*

Peter Ryan, *exec v.p., Harrington, Righter & Parsons: First quarter "has proven even stronger than our earlier optimistic estimates."*

Still another help, adds Johns, is that "When the networks do better, spot does better. The networks' first quarter has been stronger than their fourth."

Petry's Stecker credits spot's improvement to "a rebirth of advertiser appreciation of the values of spot, particularly when compared to the alternatives many had been experimenting with."

As Stecker sees it, 1985 was spot's first single digit growth year since 1977, "and that was only because 1976 jumped 38 per cent ahead of '75. But last year, those advertisers experimenting with barter syndication as an alternative to the networks' high prices saw that a lot of that barter product didn't make the cash register ring the way spot does, so this year, more advertisers are coming back to what they know works."

Spot works, he adds, "because it's the only form of television that allows advertisers to match their advertising dollar to their sales distribution, and permits their product to be perceived as a local product, in an environment of local news and other locally produced programs that rub off on the products, that are then seen as part of the community."

He says it's related to the reason that, in spite of all the mergers, when a big company takes over a smaller regional company, "Most of these new parent corporations retain that old familiar label that consumers in these areas see as an old, long-trusted friend. Smart marketers know what a valuable asset that kind of local brand identity and familiarity can be in helping to move the product at retail."

Less bullish is TeleRep's Tilson, who

(*continued on page 104*)

In the Picture

Janice C. Clements

New media head at Laurence, Charles, Free & Lawson joins the agency as it gears up for a strong new business drive. And she has her own strong ideas about the meaning of "full service."

Sees more advertisers learning how to use spot more effectively

Janice Clements, now senior vice president and director of media services at Laurence, Charles, Free & Lawson, looks back at the last five years, observing that there's been so much attention focused on new media vehicles, that "for awhile there was almost a state of panic: 'Whatever will become of us if we can no longer count on three-network 90 shares?' But now we've settled down, and more of us realize that there are ways to use each of the new forms for the specific strengths they offer. We can still use the networks for what they do best and use spot, syndication and cable for what *they* do best.

At the same time, adds Clements, although network audience erosion is predicted to continue, "These newer media forms are now going through their own shakeouts and erosion. They're also finding out that just being there is no longer enough. They're going to have to offer their viewers more and market themselves more effectively."

Using spot smarter

Going back to what spot can do best, Clements says that more advertisers today are tailoring their spot placement to make it fit what they're doing locally at retail: "Advertising is timed to support a coupon offer, or to respond to complaints by the sales force in Sandusky that they and their customers who run the stores aren't seeing the advertising." Effective spot placement, its timing and geography, she says, "have become a matter of quick-turnaround tactical adjustments to each local sales situation. We're tailoring clients' GRPs to tie in with local merchandising and special programming opportunities. With more five-station markets on the map, beyond just New York, Los Angeles and Chicago, there's growing opportunity for agencies to find ways to leverage client dollars to create additional local sponsor identification. A movie package can be renamed *Client XYZ's Tuesday Night Movie*. We can generate audience involvement by letting viewers vote on what movies they want."

All this is just one part of what Clements means when she uses the term "full service." She means it in the full sense of the phrase, starting with her own media operation. For instance, a recent survey by Vitt Media International found that 62 per cent of the 100-plus corporate ad execs interviewed "support the idea of unbundling agency services, in order to find the most efficient supplier for each step of the advertising process." But Clements has her own ideas about media services versus agency media departments.

Media not a commodity

Buying services, she says, "are usually pretty good at what they say they can do—get it for less, which I call GRP brokering. But I work on the philosophy that media is not just a commodity. A GRP is *not* always a GRP, is a GRP. Not when every daypart, every different program, every commercial pod, and every position within each commercial pod, can have a different effect on a client's advertising."

Says Clements: I assume the new business approaches of most buying services are CPM driven. As an agency, *ours* is based on a combination of maximum value for the client's money, *plus* case histories. Case histories that start with the client's marketing problem, then explain the creative and media solution, and end with the result: increased client sales."

She adds that she's learned from experience that "The solution to a marketing problem is by no means limited to the media plan. Most plans can be improved upon during execution. In the process of the buyers talking to sellers, a good idea can come from anywhere. Our planners have no monopoly on ideas. It's the buyer who knows and explains a marketing problem to a seller who can trigger additional ideas from the seller. He's the one who knows his market, his programs and his audience. And if the agency is any good, its buyers *know* what the client's marketing problems are. Do the buyers at a buying service?"

Clements also considers as part of "full service" an area that not every agency includes in its repertoire under that label: sales promotion. In her view, "One key issue facing agencies is that the former balance between many companies' advertising budgets and promotion budgets is the reverse of what it used to be. But instead of crying about it, agencies should look for an active role in guiding client sales promotion activity and in coordinating it with what the client's sales force is doing in the field."

Clements recalls that when she started at SSC&B, her previous agency, nine years ago, one thing that "made it an exciting place to work was its strong new business program. It was a growing agency, and every new account was another new challenge for us in media. A growth environment offers the fastest way for agency people to learn and grow." So a key reason Clements was attracted to Lawrence, Charles is that, "We're gearing up here for a strong new business drive. Now, I'll be repeating that experience, but this time with a lot more responsibility for overall media operations."

Tom Tilson, *v.p., TeleRep: "With the exception of NBC, there's no discernible difference between the business on our independents and that on ABC and CBS affiliates."*

Spot *(from page 102)*

explains that though, "most of the agency people feel positive about the overall economy, when it gets down to specifics, some of the major packaged goods advertisers aren't putting as much money behind second quarter as they have in the past. An exception is Kraft, which is investing more, but several of the other majors are spending less."

His conclusion is that, "while first quarter started well, if we want to see a second that does as well, we may all have to go out and round up some more new campaigns to make up for those that are spending less."

Healthy markets

Among markets reported strong are Miami, Phoenix, Denver and Dallas-Ft. Worth, which, in spite of its above average complement of independents, has staged a comeback. On the other hand, markets like Tulsa, Oklahoma City and San Antonio, that formerly enjoyed prosperous oil-based economies, have lost some jobs as oil prices dipped and some advertisers have pulled back.

Asked about barter, Seltel's Johns concedes that, "There's little doubt that some bartered time is occupying avails we could otherwise be offering to other advertisers. Syndication has opened up a new avenue for advertisers because it offers stations a way to reduce their programming costs. But, like the networks and cable, syndication is part of the competition that's pushed us into being more aggressive and propelled our own success in bringing new advertisers into spot."

At Katz, Goulazian recalls that barter attracted a good many advertisers last year, many of whom divided their budget between the networks, spot and syndication.

But then, he notes, "When they got burned in fourth quarter with some of the newer barter properties like *Inday* and *America*, that turned out to be less attractive to viewers than anticipated, they rediscovered some of spot's more enduring values—such as ratings that are not so volatile and disappointing as what we've seen for many of the bartered shows."

MMT's Goldhamer agrees that barter has some effect on spot, but adds that "like strong local business, the avails syndication withdraws from the spot marketplace mean we get a better rate for those we retain.

"And when I see figures showing the networks' fourth quarter down, while national spot was up, I have to conclude that if barter is hurting anyone, it must be hurting the networks more than it does us."

'Ups and downs'

Blair's Schwartz points to "some fluctuations in the health of barter syndication, with *America* falling by the wayside and *Entertainment Tonight* experiencing a dropoff in ratings. This doesn't mean that barter is going to go away. It's here to stay.

"But I don't think we're going to see a lot more dramatic growth. Most barter windows are already filled, but advertisers will continue to support syndication.

"However, I think most new barter properties will replace current barter programs, rather than expand the barter universe to any great extent. From now on, I think barter will have its ups and downs, just like spot."

Bob Somerville, *exec v.p., Independent Television Sales: "Some enormous first quarter increases" and "looking for more of the same for second quarter."*

Ray Johns, *exec v.p., Seltel: "April avail requests are pacing well ahead of last year, so we're projecting a strong second quarter."*

And while first quarter has been better for the networks than fourth, Goldhamer asks how much of the improvement was "makegoods, left over from fourth quarter, owed to advertisers who got smaller audiences than expected."

Petry's Stecker comments that, "Even with the healthy pace spot has maintained to this point, I still keep wondering how much better it would be if there wasn't so much barter syndication around."

ITS' Somerville notes that so far as consuming availabilities goes, though independents generally carry more bartered programs than affiliates, "Network is the biggest barter of all: 'We give you the shows and take your commercial breaks.' "

Local's impact

Asked about growing use of television by local advertisers, who also occupy availabilities that would otherwise be there for sale to national advertisers (TV/RADIO AGE, January 6), HRP's Ryan notes that local was stronger than national last year and agrees that this year local "seems to be starting as strong, though, like national, local also varies by market."

He points out that where there is local strength, it does keep a floor under rates, "And in states that will have primaries for their congressional and statehouse races, political activity will add to the demand, both leading up to the primaries, and again prior to the November runoffs." □

Inside the FCC

Mark S. Fowler

Chairman, Federal Communications Commission, in speech before the recent National Cable Television Association convention in Dallas

Commission has worked hard to implement Cable Act as Congress meant it

Today we have a national cable television law on the books. It's a little like the 55 miles per hour rule. Not everyone's happy about it. There's a movement afoot to get it changed. But allowing for a violation here and there, it's a law that most cable operators can live with. And live by.

More important, the Cable Act makes it clear that you can use city alleys and backways without getting mugged by local officials. I doubt the last chapter has been written about what that bill says, particularly on the much litigated subject of exclusive franchises. But where there was no framework at the federal level, there's one now. And it contains many features, not the least of which is broad rate deregulation, that provides stability for business planning and will help cable achieve its promise to the American people.

We at the FCC have worked very hard in the last year to implement the Act in a way faithful to the Congress. I think our treatment of such important questions as defining "effective competition" has proved to be fair and reasonable. And I think we came to a workable conclusion on deregulating the signal quality of cable, although, as you know, I was even more marketplace than my fellow commissioners on that score.

And there's been more. Our equal employment opportunity order is heading the commission down the right path in this very controversial area. We're focusing on recruiting efforts, not bald quotas. The result will preserve the important aspects of affirmative action.

And let me pause and say that the cable industry can teach a lot of other communications industries about making places for newcomers to the marketplace.

In more technical areas I think we at the FCC have also been convinced of cable's needs, and we've met them. In the last year, as your engineers and lawyers know, we've cut licensing of your cable antenna relay services (CARS)—the veins and arteries of your business—from a two-step to a one-step process. We've simplified our requirements in the aeronautical frequency coordination area to allow both planes in the air and cables in the ground to live happily ever after.

And, of course, things have been going on in Washington other than at 1919 M Street. The *Turner/Quincy* decision, voiding the must-carry rules as formerly administered by the FCC, is perhaps the most important ruling in cable since the early cases creating cable's ancillary status to broadcasting.

Then, in cable's early days, the FCC had a sort of a Garden of Eden routine for your cable industry. At first, we allowed cable operators to frolic freely in the garden of video signals. Pluck a signal here, pluck a signal there. Then, Adam—played by a San Diego cable system—picked the wrong signal. Boom! Crash! And cable left the Garden of Eden, with a fig leaf that looked more like a very small name tag: it read, "Hello, my name is Cable, and I am ancillary to broadcasting."

Well, it's taken a generation, but today, cable doesn't have to play the part of Ed Norton, or Barney Rubble, or Ed McMahon. No second banana status for you. Today cable is one of several competitive video delivery systems—competitive at times with broadcasting—all vying for the interest of viewers and the enthusiasm of advertisers.

Why it took so long for cable to be given its full status as a video player is due to a series of perverse incentives, not all of them gone. For one thing, the great promise of broadband technology not only excited those who wanted to be part of the industry. It threw regulators into a near frenzy of new powers. At the federal level, the FCC led the efforts, coming up with terms like "leapfrogging" to describe what it feared. And there was a rule, not nearly 10 years ago, that advanced the brilliant idea that pay cable operators should not be allowed to show films newer than three years or older than 10.

Marketplace tradition

While the FCC revised these rules out of concern for broadcasting, it failed to consider the tradition of the marketplace. It forgot that what counts is the right of consumers to choose what technology to use, not the duty of the government to make that choice for them.

Much of what the FCC wrought, the courts unwrought, eventually. The FCC began to study the proper role of its rulemaking authority in the late 1970s. Under Chairman Ferris, the commission began to treat cable as a competitor to broadcasting, not merely an ancillary service. For our part we've continued in that direction—not to favor one delivery mode over another, but to allow all to compete with the minimum federal regulation possible.

But where federal officials began to pull in our horns, local governments became regulatory enthusiasts. The dual jurisdiction between the FCC and the cities led to a Jekyl-Hyde routine at the local level. The more cities thought about cable, the more wild their demands were. By the 1980s, cities would put out Requests for Proposals, and no one even bothered to show up.

Cable franchising became everything from a justification for reforesting cities in its benign form, to a veritable cesspool of payoffs, corruption and double-dealing. Rent-a-citizen became the only way around town for some. The result was a slew of promises that couldn't be kept and a bureaucracy that didn't know, and sometimes didn't want to know, its limits.

Most important, the public's interest wasn't sufficiently factored in. If cable subscribers wanted a relatively modest, relatively reliable service, without bells and few whistles, it became harder and harder for cable operators to provide it. Even when regulators tried to be innovative, things went awry.

Television is television

We at the FCC have come to realize something that's been obvious to just about everybody *but* regulators: Television is television. Whether the picture comes from a coaxial wire, from rabbit ear antennas, from a microwave tower, or from a satellite orbiting the earth, the viewer sees television. "Don't tell me where it came from," he's saying, "just make it good."

That's cable's challenge. When you give the public something different, something they want, they tell you. So cable America supports all news. It supports all music. And, thanks to the insight of your leadership, it wants coverage of the House and the Senate and a hundred other public-minded matters by way of C-Span.

But the public's still making its mind up about how it wants its movies delivered. It wants them all right. But we've seen the decline in the broadcast network exhibition of feature films. And there's going to be a big challenge for cable as it seeks to keep its place in the sequential distribution of feature films.

Part of the problem has been government-made. So long as cable operators are unable to price services according to perceived demand, the regulated part of cable pricing will be distorted. And that leads to distortions in the unregulated portion as well—namely the pay services.

Come this time next year, that regulatory distinction between pay and basic—so far as rate regulation goes—will vanish. And you'll be able to call in your real ally—the marketplace—in helping you figure out how to price and schedule movies on cable.

Ownership flexibility

Turning to ownership for a minute, we at the FCC have been and will continue to be flexible. That's not because we love monopolies or the big guys. It's that until the distribution situation shakes out in video, and until a significant problem appears, it's plainly wrong to start using the barbed wire of cross-ownership bans to cut off what might be mighty fine combinations from the public's viewpoint.

In this respect, I was disappointed when Congress saw fit to bar certain cross-ownerships in the Cable Act, rather than allowing the commission to consider these matters as circumstances change.

Let me return to *Quincy* and must-carry for a minute. As you and, apparently the entire English speaking world knows, an industry compromise has been struck. Once it's formally filed with the FCC, we'll place it out for public comment. After that, we'll sort through the comments and take into account the many meetings we've had with broadcasters and cable interests on this question. I don't have anything especially new or interesting to tell you on this point.

Let me repeat my willingness to consider the compromise. But I can't and won't sign off on a set of rules that ignores the Constitutional difficulties in the former rules. I won't sidetrack our First Amendment convoy for all the electronic press by jackknifing cable right in the middle of it.

Now, I realize that cable did not seek out this marriage, but is willing to go along with it, for peace in the neighborhood. But think how far you've come, considering the obstacles, in creating a principled basis for your freedom. You're on your way to showing us all what cable can do with rate deregulation. And broadcasting has a great product that you'll want and need to carry for as far as I can see into the future.

So I must say that I'm not enthusiastic about stepping into a regulatory time machine. And I don't think that the Court of Appeals, which has moved us to this point, is going to be throwing a bon voyage party even if we are willing to climb aboard.

While there are no blue skies in cable, or anything else, it does seem to me that you've managed yourselves into an enviable position. The problems are there, sure: pole attachments, the pay side of the business, figuring out how to bring theory to practice in pay-per-view, and renewals under the Cable Act, to name a few.

Shakeouts weathered

But your industry has weathered shakeouts. During my own chairmanship, I've seen the question of the First Amendment status of cable go from the law reviews to the reported opinions of judges far and wide. In such unlikely places as Utah and Florida, we're seeing exciting, thoughtful First Amendment decisions being rendered by the courts that protect the core speech values of cable. And take scrambling. Less than two years ago, the industry had neither a standard nor the confidence that a technology could work. Well, it didn't take a Federal Scrambling Commission to decide the question.

Unlike a lot of other communications industries, cable has made its mark in Washington by trying to free itself from regulations. It's avoided the cocoon of protection that industries, especially established industries seek, with government's help, to weave around their profits. When your leadership said, give us the now legendary level playing field, you meant it.

Over time, the playing field will get smoother. Elimination of rate regulation, the freedoms being established in the courts, and the continued insistence at my agency, the FCC, on limiting government authority to stifle your development—all these developments bode well for you.

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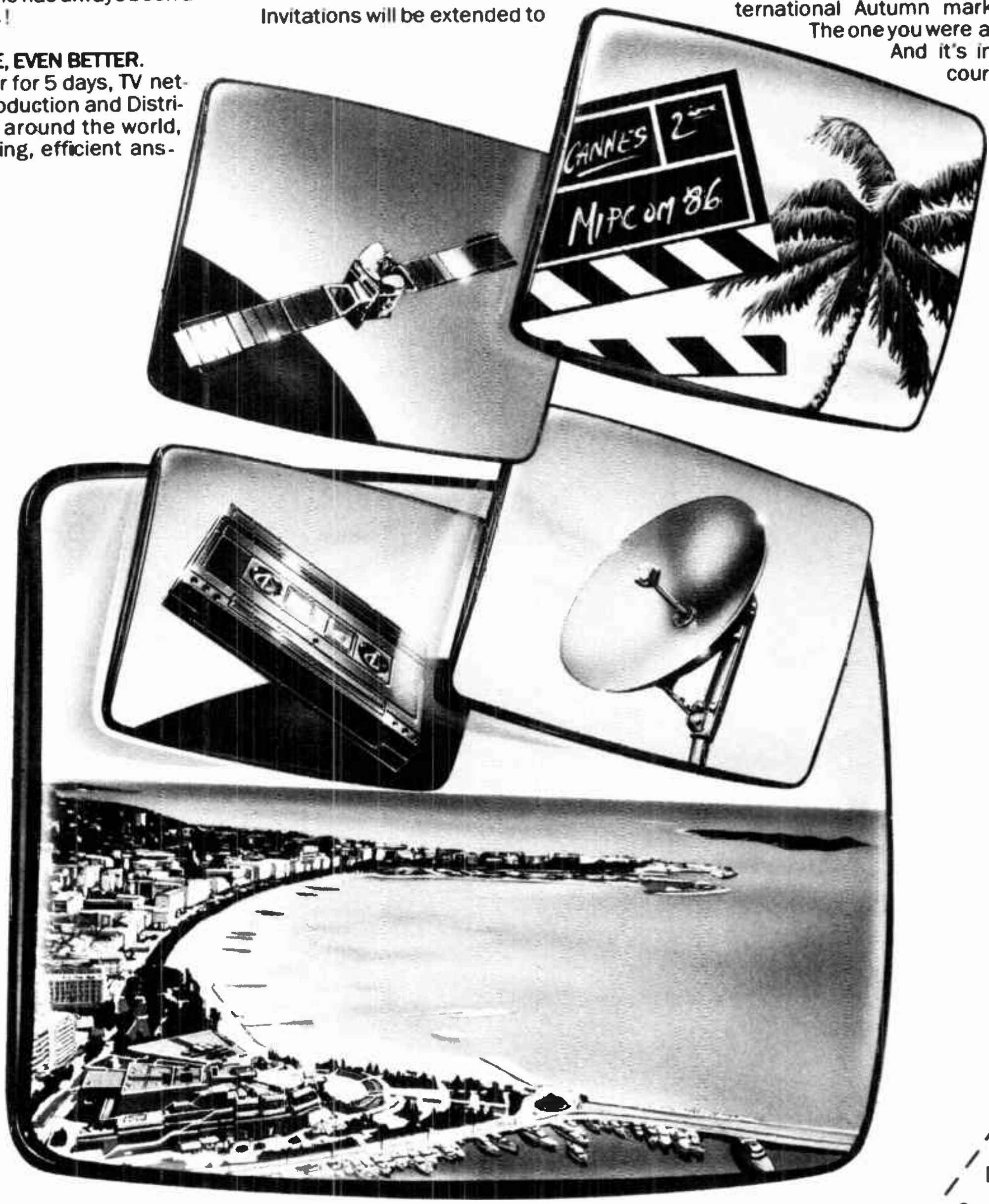

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