NAB HIGHLIGHTS pages 12, 18, 28, 53, 87

Television/Radio Age

April 13, 1987 • $3.50

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Bill Frank, *President and General Manager, KCOP-TV, Los Angeles*

Los Angeles.

and The Cosby Show

Television/Radio Age

April 13, 1987 *Volume XXXIV, No. 19*

NEW TV MARKETS OVERSEAS

DEPARTMENTS

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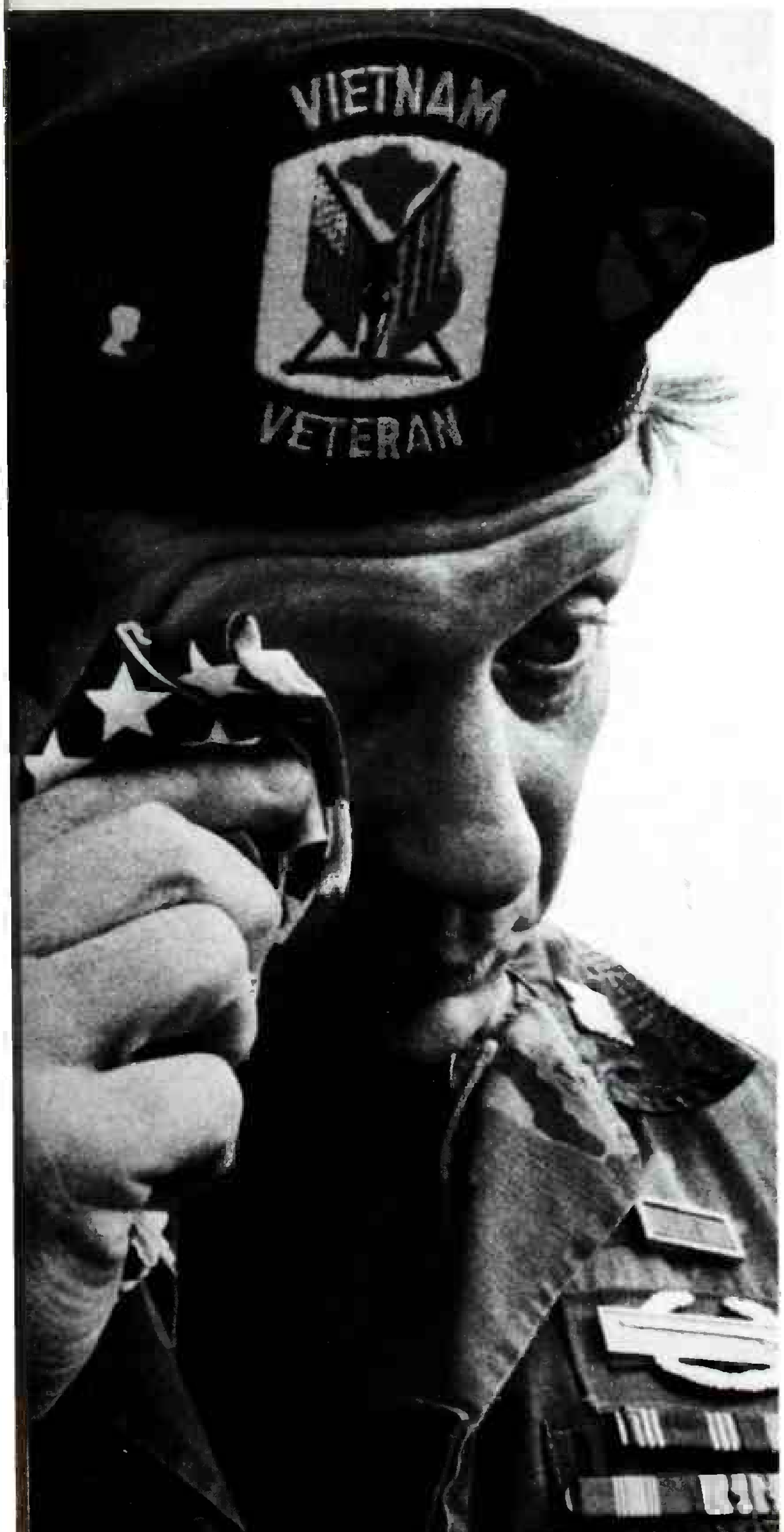
A quiet cry for help was al
an everlasting memorial

Photo by Rick Bowmer

it took to help build



In 1984, a group of Philadelphia Vietnam Vets began a grass-roots drive to raise a half-million dollars.

Their dream was to someday have their own memorial for the 622 Philadelphians who never made it back home.

After two years, through neighborhood benefits and the sale of T-shirts and mugs, they were halfway there.

With the construction date nearing and the goal far short, KYW-TV offered help by creating fundraising PSAs which would air on every TV station in town.

Two months later, the fund doubled. The Philadelphia Vietnam Veterans Memorial committee is about to break ground.

This story was an important one to Philadelphia.

That's why KYW-TV was there to help.

KYW-TV 3 GROUP W

Publisher's Letter

Japanese long-term planning is key to their dominance in technology

The moves of the Administration to head off Japanese gains in the microchip field with punitive tariffs has focused attention on what is also happening in the area of broadcast equipment.

As you walked around the exhibit hall at the recent NAB Convention, you were struck by the wide spectrum of Japanese equipment. This development did not happen yesterday—it was the result of careful planning, experimenting, blueprinting and quality control. Many of these products were invented in the U.S., refined in Japan and marketed around the world. While color television was developed at the RCA/David Sarnoff Research Center in Princeton in the early '50s, most transmission and reception systems today are Japanese-manufactured. The labs, recently donated by GE to SRI International in California, are presently a ghost town.

The Japanese approach is harnessed to the long haul. As the axiom goes: The future belongs to those who plan for it.

Probably, the best example of visionary planning is high definition television. Many American engineers and planners have said that high definition does not interest them—it is too far off—while admitting that it is a superior system, attested to by those who have seen demonstrations by the NAB.

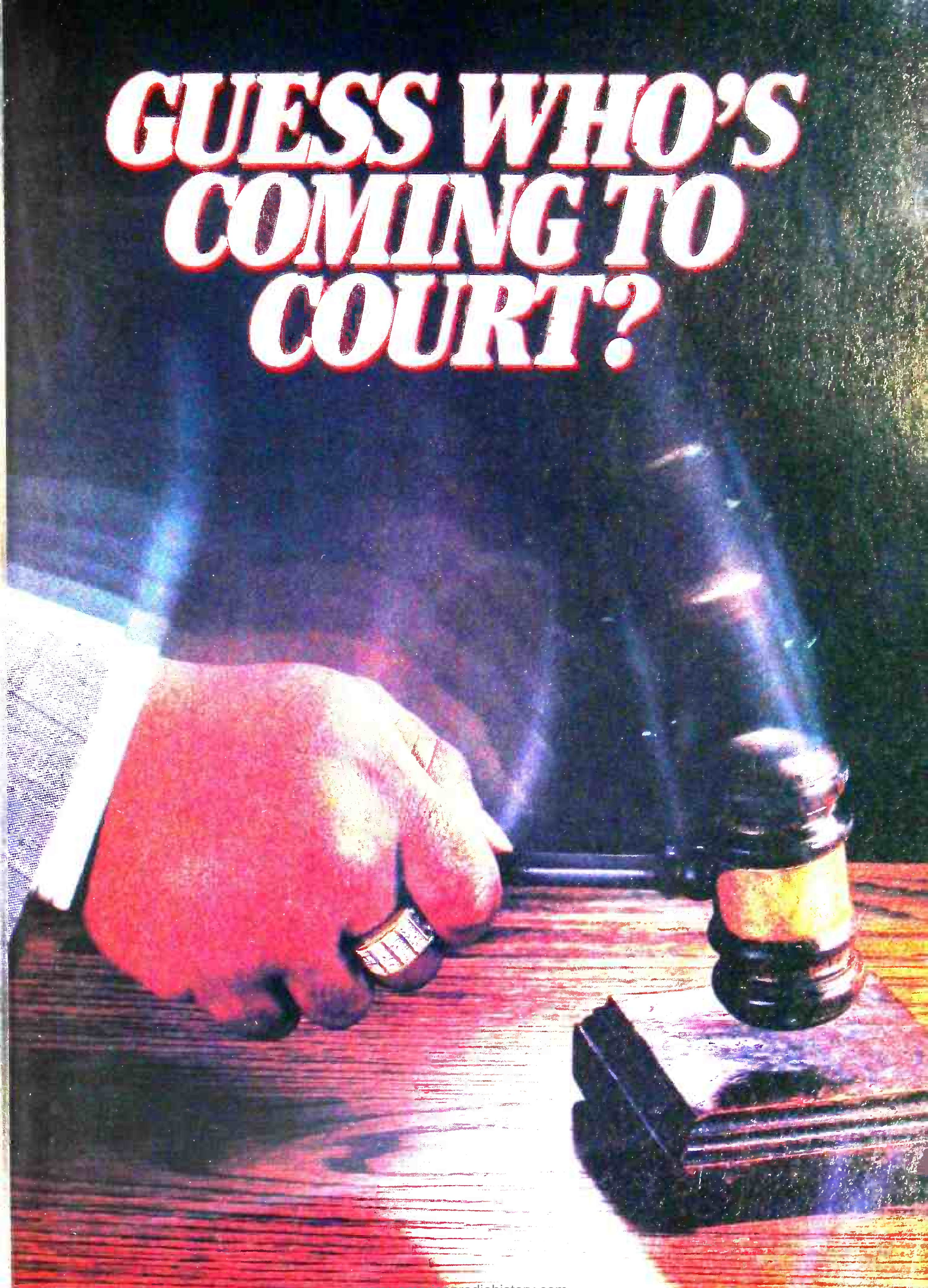
High definition requires an entirely new system of transmission and reception. The Japanese have plowed right on. Almost 10 years ago, James Ebel, then manager of KOLN-TV, Lincoln, Neb., and an engineer himself, pleaded with engineering groups to set standards for high definition. "If you don't do it, he said, "the Japanese will." Today the Americas are supporting the standards on high definition set up by the Japanese—as Ebel predicted.

Worldwide acceptance. There is still the question of the acceptance of the Japanese system on a worldwide basis. Some feel the Japanese system is so far ahead that it will become a de facto standard. However, a once-every-four years plenary meeting of the International Radio Consultative Committee (CCIR) did not recommend a standard last year because of opposition by the Europeans, who didn't want to be cut out of a profitable patent pool. In addition, the Europeans argued that the Japanese 1,125-line system is not compatible with their existing standards, in particular, the 50 Herz (field) rate, which provides 25 frames-per-second with two fields interleaved per frame. The U.S. and Japanese NTSC system generates 60 fields, or 30 frames per second with two fields interleaved. Jumping from 50 Herz to 60 Herz is said to be difficult technically, though engineers say it's not so hard the other way around. Strictly speaking, the 1,125-line system is not compatible with the NTSC standard, either, but work is being done on a two-camera system which would generate a 525-line picture as well as a 1,125-line picture.

As Anthony Lewis commented in *The New York Times*, we need longer economic vision. That means investment in real things—products—instead of corporate raids. It means planning, that dread word in our political orthodoxy.

S.J. Paul

GUESS WHO'S COMING TO COURT?



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T

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News directors: 'We're not out to replace the networks'

To paraphase Mark Twain, the death of the network TV evening newscasts has been greatly exaggerated. At least that's the belief of two major market news directors who spoke about the impact of satellite newsgathering at the recent National Association of Broadcasters convention in Dallas.

Because of the increased capabilities of local TV stations in reporting on national and international news, due to satellite technology, it has been suggested that network newscasts may someday become extinct. In fact, ABC has publicly acknowledged it is experimenting with new formats, based on the assumption that viewers may want more interpretative reporting rather than the latest breaking news.


WDIV's Robert Warfield

But at an NAB session called, "Satellite News Gathering: Status and Impact," Robert Warfield, vice president, news, at WDIV(TV) Detroit, emphatically stated: "The networks are not in trouble. I'm not one of those people who thinks that, because of technology, the networks are going to go away. I think that's foolish."

Added Ken Middleton, news director at WTSP-TV Tampa-St. Petersburg: "We have no intention of turning our newscast into a substitute for what ABC does." What the Taft station is doing, however, is "filling the gap between our area and what the network does out of Washington. We have redefined our backyard in terms of the interest of our audience. Without the ability of Ku technology, we could not go beyond microwave range. Now, our backyard is as extensive as the story we may be interested in."

WTSP-TV is part of the Florida News Network, the first Ku-band regional web. Four of the seven stations have mobile Ku-band uplinks and one has a fixed Ku-band uplink. "We can draw on the resources of over 300 news personnel," he pointed out. "We do daily weekday feeds, exchanging close to 300 stories a month—two-thirds of which are hard news. And that," he added, "doesn't count spot feeds on evenings and weekends." The six other stations belonging to FNN are: WJXT(TV) Jacksonville, WPLG(TV) Miami, WFTV(TV) Orlando-Daytona Beach-Melbourne, WCTV(TV) Tallahassee-Thomasville, WINK-TV Ft. Myers-Naples and WPTV(TV) West Palm Beach.

The biggest advantage of satellite newsgathering, Middleton explained, is "the entree into trading, whether it's with a network, a regional group or through informal arrangements."

WDIV is also part of a regional group called the Michigan News Exchange, consisting of six other stations: WOTV(TV) Grand Rapids, WNEM-TV Flint-Saginaw-Bay City; WICX-TV Lansing; WTOL-TV Toledo, WDMU-TV South Bend, Ind., and WWTV/WWUP-TV Traverse City-Cadillac. The station also often trades with the other three Post-Newsweek stations: WPLG(TV) Miami, WFSB-TV Hartford-New Haven and WJXT Jacksonville. In both cases, the stations cut across all three networks in terms of affiliation. WDIV is an NBC affiliate; WPLG is ABC; and WFSB-TV and WJXT are CBS affiliates.

'Corporate tie'

Pointing out that the "corporate tie" has priority over any other loyalty, Warfield added, in a conversation with TV/RADIO AGE after the meeting, that decisions on who gets what are often handled on a "per-case basis." The advantages, though, outweigh problems caused by conflicting loyalties. For instance, the MNE enables WDIV to cover "97–98 per cent of the state."

Satellite newsgathering, Middleton maintained, "has changed our newsroom operations. We can now concentrate our resources on what we do best—local news. I don't have to fly someone to Miami [for a breaking story] because WPLG has a fine staff of reporters. We don't travel as much. We don't have to invest in half-hour blocks of C-band time or AT&T landlines.

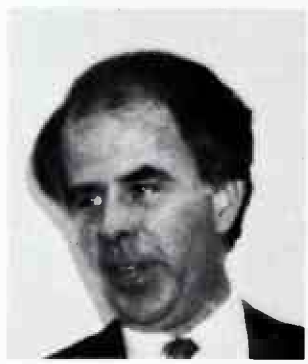
"But we have to take into account a greater range of story opportunities, and we have to accommodate requests from other stations."

Satellite newsgathering, in Middleton's opinion, is "the most exciting invention in television news I've ever been involved in. We're just now beginning to explore the possibilities of doing things beyond breaking news."

And lest anyone think Ku-band trucks are anything less than vital to a news operation, WDIV's Warfield has the answer. "If something happens more than 150 miles away," he said, "and you don't get a [live] picture, and your competition does, it's a little bit more than just losing the day.

"If there's a plane crash in Washington and you live in Detroit and you've got people on that plane—if you can't bring that coverage in, you're not serving your community. Pretty soon the audience begins to depend on the competition for that coverage."

At the same meeting, NAB released results of a survey on how television stations are using satellite newsgathering. The data were culled from responses of 71 stations, all of whom have Ku-band uplinking capabilities, with a few having C-band capability, too.


WTSP-TV's Ken Middleton

Among the results:

- More than half (51.6 per cent) are affiliated with Conus, the SNG cooperative of which Hubbard Broadcasting is a majority partner. Next was NBC's Skycom (25.0 per cent).
- Biggest reason cited for purchasing a satellite newsgathering vehicle (SNV) was ability to expand coverage area, followed by greater ability to provide coverage live and ability to stand up against competitiveness.

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Letters

Local sales development

I was conducting a weekly must, the reading of your fantastic publication, when it occurred to me that in your *Publisher's Letter* of the March 16th issue (*Broadcasters are trying out several techniques to stimulate local sales*) your comments pertaining to the pursuit of local dollars by broadcasters were confined to television. You are aware that the consultant sell and customer focus approach to local marketing was developed by radio and the Radio Advertising Bureau a number of years ago.

Over the past years this has certainly been the key to successful local sales and growth for the radio broadcaster. I congratulate our brothers in the electronic medium of television for finally adapting this radio approach to the local marketplace. It certainly has served radio well as it continues to grow and prosper as a local advertising medium.

WILLIAM L. STAKELIN
President, CEO,
Radio Advertising Bureau,
New York

Format change

I am writing regarding the March 16, 1987, issue of *Television/Radio Age*. I am referring to page 88, 'Rank by women, men' (*Leading radio stations, Arbitron fall '86 sweep, total week, metro area top 100 measured markets*), under the Syracuse, NY, listing (061).

WSEN AM-FM is not a country station. We changed format on May 15, 1986, and are enjoying success as an oldies channel.

MARCIA BORST
Operations manager,
WSEN AM-FM,
Syracuse

VCR fingerprinting

In the March 16th issue under "VCR fingerprinting" (*Tele-Scope*, page 28) you make mention that "Nielsen will equip a nationally-projectible sample of 200 households with AMOL decoders next season." This is not true. We are currently testing this system in a subsample of Nielsen People Meter/VCR households. We will be up in 200 households by April and in spring of '88 install the "encoding" system in all Nielsen People Meter/VCR households.

JOANN LAVERDE-CURCIO
Manager, press relations
Nielsen Media Research,
New York

Corrections

Two leading radio stations in the Saginaw-Bay City-Midland metro were listed with the wrong formats in the May 16 issue of TV/RADIO AGE (*Leading radio stations, Arbitron fall '86 sweep*). The stations with their correct formats are: WIOG(FM), CHR (ranked Number 1 with a 30.3 share, average quarter hour, all persons 12-plus, Monday–Sunday, 6 a.m.–midnight); and WGER(FM), easy listening (ranked Number 5, 9.0).

St. Elsewhere will not be available in syndication from MTM until fall '88. An article in the March 16 issue of TV/RADIO AGE (*Off-net hours: Syndicators take another hard look*) indicated it would be available earlier.

Sidelights

Atlantis found—in Canada

The lost city of Atlantis turns out to be a place called Cinevillage in a newly-emerging warehouse area of downtown Toronto.

Furthermore, its most imposing structure is a renovated boiler factory. So much for the metaphor of mythology that clings to Atlantis Films Ltd., of Toronto.

The local press loves Atlantis as much for its name as its accomplishments, which Cinevillage seems to embody. It's hardly the biggest or most imposing new studio complex in North America, yet by the sheer gung-ho enthusiasm of its youthful occupants, it symbolizes a new Canadian-styled Hollywood dream factory "arising."

Cinevillage, a collection of studios, offices, production and post-production facilities, opened on March 26, with Canada's Communications Minister Flora MacDonald cutting the ribbon and dispensing bon mots at a big showbiz bash. What Atlantis has going for it, as few other companies, is a college-rags-to-riches success story that is the basic plot for all aspiring students in film studies.

It began in 1984 when then-unknown Atlantis unexpectedly won an Oscar (short, live action) for a half-hour drama called *Boys and Girls.* Here were three young graduates from Queen's University, at Kingston, Ont.—Michael MacMillan, Seaton McLean and Janice Platt—who began shooting industrial films on a shoestring and in six short years had an Oscar for the office shelf. Since then they have continued "to rise" from obscurity to the top of the industry in Canada, with $19 million (U.S.) worth of production and new business rolling in.

Product. Its best-known TV productions in the U.S. are *The Ray Bradbury Theatre* and a revival of *Airwolf*, being shot in British Columbia and distributed by MCA. Currently in production at Cinevillage is the Atlantis family-drama series, *Airwaves*, and *Ramona Q*, a children's series based on the popular books of Beverly Cleary. Now Atlantis has launched into feature film production, expecting to maintain a 50-50 mix of movies and TV for the future.

Cinevillage is the result of a partnership between Atlantis and another fast rising company, P.S. Production Services, formerly a film equipment rental firm. Not surprisingly, the new $5 million studio complex was being touted in Toronto as a lively throwback to those heady entrepreneurial days when Hollywood was first born.

Cinevillage *grand opening is commemorated by Flora MacDonald, Canada's Minister of Communications, cutting the ribbon as Atlantis partner Seaton McLean looks on.*

As Flora MacDonald cut the Cinevillage ribbon she echoed the new-born theme. "Some baby!" she exclaimed to the blushing co-fathers, Atlantis president MacMillan and P.S. president Doug Dales. What it indicated, she said, is that Canada is in the midst of a production boom, fueled by the government through Telefilm Canada investments from "the Canadian Broadcast Program Development Fund, which is injecting $193 million over a five-year period into the private Canadian production industry, and through the Feature Film and Dubbing Fund, of $125 million over five years."

The boom is expected to see overall Canadian TV and film production top last year's record, with Cinevillage's big soundstage, equipment centers, post-production facilities and support offices, aimed at becoming a leader in the parade.

Support. "The 15 or so film-related companies participating with the two major partners in the village itself and about 20 more companies, which have moved into the neighborhood to be near," MacDonald told the showbiz crowd, "will be able to help support, service and nurture the activities of the third largest film production center in North America—namely Toronto."

But is it? A few cities in North America outside New York and Los Angeles might dispute the claim, given their fierce desire to cash in on runaway Hollywood production. Nevertheless, the Ontario Film Development Corp., a provincial version of Telefilm Canada, cites bountiful figures to support the claim.

Brian Villeneuve, the corporation's executive coordinator of marketing, says that aside from all the public broadcasting production in Toronto, private-sector production generates "between $532 million and $760 million annually in Toronto.

"L.A. is somewhere around $4½ billion, so we're not rivaling them. And New York is around $1½ to $2 billion. But there's no one else we're aware of in North America that rivals us." By comparison, "Florida is around $115 million" and "Chicago we thought was maybe very close to us, but we've seen their figures and it's way, way down the list."

In addition to Cinevillage, Toronto also has two other major film studios, Magder and Lakeshore, plus a third, Toronto International, just north of the city. It also has a new, big TV-film studio due to be opened in July by Glen-Warren Productions, a subsidiary of Baton Broadcasting, whose CTV flagship station CFTO-TV, dominates private networking. The Glen-Warren complex is its second on the same CFTO-TV site, making it one of North America's biggest television factories.

Competition. But the production pecking-order of cities varies as widely and wildly as their preferences in statistical data. Meanwhile, MacMillan takes a modest approach to Cinevillage and its future. He says that "at least half a dozen—and maybe a dozen" other North American cities now have similar facilities to Cinevillage, including "Dallas, New York, Chicago, San Francisco, Miami and others." And the bulk of runaway Hollywood production is not in Canada, he adds, but in places from "the Carolinas to Texas."

Aside from higher labor costs in Los Angeles, says MacMillan, "municipalities, states and provinces are given all sorts of incentives to lure productions, while in Los Angeles they're not responding. Yet, despite all the talk of runaway productions, the majority of stuff happens in southern California. They've lost a piece, but they've still got the lion's share. And I think that they have to lose a lot more before anyone presses the panic button."

Meanwhile, the one dark cloud in Toronto's otherwise upbeat production boom is the slowly rising Canadian dollar, now at 76 cents to the U.S. dollar, up six cents within a few months. That concerns MacMillan more than it does his new partner Dales.

"In the event that the dollar goes to

Partners *in Atlantis, l. to r., are Michael MacMillan, Seaton McLean and Janice Platt.*

par," says MacMillan, "a lot of the American production, using this country as a back lot, will recede, tax breaks notwithstanding ... We're assuming it's going to go up—to par—in a year or two. I hope I'm wrong, but I'm using that assumption."

However, Dales sees such an eventuality as "a double-edged sword," inasmuch as "we buy a lot of equipment in the States."

"Moreover," he says, "I don't think that the exchange rate is the only reason that Americans are coming to Toronto. There are really very qualified technicians here, technicians as good or, in certain cases, better than that available in the States. Certainly there is a clean environment to work in, in terms of trade unions and a vast talent pool that didn't exist prior to the '80s. So there are reasons that American producers want to come, above and beyond the question of the cheap buck."

Future. As for Cinevillage's future (production is already booked for a year ahead), Dales says, "We were so busy last summer that we were trying to rent equipment in the States, or purchase it, to supply production here. It wasn't possible because they were all working as fast and furiously as we were." That, he believes, is a sign of a continuing boom.

"I'm basically a market economist," he says, "and in terms of world production at this point in time, everybody's busy—L.A. is busy, New York is, London is. The reason for this, worldwide, as far as I'm concerned, is because the market for product is much much larger than it was 10 years ago. With the enormous growth in home video, as well as broadcasting ... there is a demand for production which outstrips the ability of the production industry to supply it—not just in Toronto, but on an international basis."

While on-location shooting is now the norm for movies, Dales says that Cinevillage was required because "TV series don't lend themselves very well to locations. They need to have some established terrain, be it a police station or a house, or whatever. And realistically, nobody is going to give up their house for six or eight months. Those things are better handled in studio situations.

"Also the cost of shooting on location has gone up considerably over what it was five or six years ago. The organization required, the support vehicles, the support staff and so on are not required in the studio, so there is a cost saving now in going back to the studio. Besides, there are some things that are stylistically better suited for a studio situation."

Cinevillage has one large soundstage, with a second similar soundstage and support facilities in phase two of the complex to be built later this year.

With all this activity, the most harried person at Cinevillage is Ted Riley, president of Atlantis International Inc., the distribution subsidiary of the company, who spends more time on planes than he does in his new office, peddling TV packages around the world. These include programming from other producers besides Atlantis. "I'm talking to anybody who comes through the doors," says Riley. "I'm particularly looking for American and Australian material internationally."

As for the great lost city of Atlantis now arising, Riley says he sometimes wishes it was still lost. As a global salesman on a never-ending jet schedule, he often sighs for the innocent times of earlier days—usually when he's rushing to make his plane in a far-flung land.

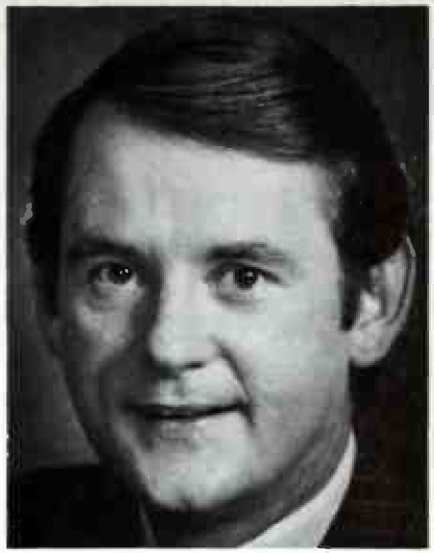
"Sometimes I get nostalgic for that old house we were located in before," he says. "Before all that arising."

Condom advertising

The television networks eventually will accept condom advertising, speculates Francis A. Martin III, president and CEO of Chronicle Broadcasting Co., whose KRON-TV San Francisco is known for taking a leadership position among affiliates in accepting condom advertising. Martin says he is a believer in finding the center of public opinion and in taking a leadership position by going out somewhat ahead of center—"but not going out so far in front that you lose audience ... create a polarization between the media and viewers."

Martin says the networks eventually will find the "center" of the issue and follow suit and that their decision will not be an economic one—but a decision that "every available means in the broadcast spectrum" must be used to counteract the spread of AIDS with "behavior modification."

The broadcast executive's assessment of what the networks will do



Francis A. Martin III

comes even after appearing on a panel at an International Radio & Television Society luncheon in New York where representatives of two of the networks confirmed their policies of not accepting condom advertising. Both George Dessart, vice president, program practices, CBS/Broadcast Group, and Betty Hudson, vice president, corporate and media relations, National Broadcasting Co., said their networks' concern with AIDS is reflected in running a news story a day on the crisis. Dessart elaborated that CBS is in constant contact with affiliates on the subject and has been getting "mixed signals" on the acceptability of condom advertising. He said some stations consider it totally inappropriate and would not only refuse to carry it but would also block out the network's signal if it did so. He added that CBS-owned stations are free to make their own decisions and some have agreed to carry condom advertising.

Dr. Ruth. On the same panel, syndicated TV sex therapist Dr. Ruth Westheimer not only urged acceptance of condom advertising but also suggested that, when men and women are shown in bed together in TV soap operas, "I'd like to see a box of condoms—and condoms come in all colors, you know—right next to that bed."

KRON-TV, which first accepted advertising for Carter-Wallace's Trojans last January 16, has had viewer response nine-to-one in favor of the policy, according to Martin. He additionally reports city officials in San Francisco have introduced a resolution encouraging other stations to follow suit and that newspapers and health organizations have editorialized in support of the station's policy.

The station has received opposition

(continued on page 86)

Tele-scope

Post-NAB: Betacam seen ABC choice; CCD strength

Capital Cities/ABC engineers are reported to have chosen the Sony Betacam half-inch video tape format for network ENG crews, ending a battle between the Japanese electronic equipment manufacturer and its opponent, Matsushita/Panasonic. The latter had previously sold its half-inch format, known as M-II, to NBC, which has embraced the system for both studio and field recording. While ABC has no similar top-to-bottom plans, it is believed likely its owned stations will also accept the Betacam format, which is not compatible with M-II. CBS has not formally accepted either of the competitive half-inch systems, but has already bought and installed some Betacam equipment, include the multi-cassette Betacart machine. In addition, CNN has gone Beta for its new Atlanta center.

Sony showed prototype models of its enhanced Betacam format, known as Betacam SP, at the NAB equipment show late last month. Beta has the support of Ampex, Broadcast Television Systems (Bosch and Philips) and Thomson Video, while JVC, majority-owned by Matsushita, has lined up behind M-II. Betacam tapes will be playable on Betacam SP recorders, due for third quarter delivery giving Sony more than an edge in the Betacam-vs.-M-II battle, since there is a substantial installed base of Betacam systems at U.S. TV stations. So far, M-II has not made much of a dent on the station market.

The NAB show featured an outpouring of solid-state (CCD) cameras, which are expected to replace all but the highest-quality tube cameras in the near future. Disk equipment was more in evidence, as were multi-cassette recorders.

One interesting piece of technology was NEC's solid-state recorder, which records on semi-conductors with no moving parts. The digital recorder can lay down up to 34 seconds of live video, and provides instant replay. At $120,000, the SR-10 will be available in the late summer or early fall. It is expected to be in demand for sports.

MCA buys WOR-TV

Four months after receiving approval from the Federal Communications Commission, MCA Inc. has officially acquired WOR-TV New York (Secaucus, N.J.). The company's first TV station will become the flagship of a wholly owned subsidiary, MCA Broadcasting, Inc., which is headed by Lawrence P. Fraiberg, president. Fraiberg was formerly president of the Group W Television Stations.

On the first day of MCA's ownership, it was announced that Fraiberg would become acting general manager of the station and that Thomas Ryan, who had held that post, would return to his previous position as vice president and general sales manager.

The sale of the VHF independent by RKO General, Inc., a subsidiary of GenCorp., was delayed because the FCC approval had been appealed by four different parties to the U.S. Court of Appeals. On March 27, however, the appeals were dismissed by agreement. Purchase price was $387 million.

Teletext rears its head

Recent developments affecting teletext and data transmission on the vertical blanking interval have stirred hopes that stations can still turn the VBI into cash. In the teletext realm, Samsung "universal" decoders, long delayed, have finally come to roost in the U.S., with Salt Lake City the first beneficiary. The Samsung decoders are the first NABTS models in the U.S. which can be plugged into sets made by different manufacturers. Hitherto, NABTS units could only be used with sets made by one manufacturer.

Behind the Salt Lake City shipment is Bonneville's KSL-TV, which introduced teletext to the U.S. nine years ago and never stopped pushing the technology. However, it did switch from World System Teletext, developed by the British, to the NABTS standard, generated from Canadian technology.

About 200 decoders have been or will shortly be delivered and will be marketed by Stokes Bros.—an electronics retailer with seven outlets in the Salt Lake City area—according to Paul Evan KSL-TV teletext general manager. The Bonneville outlet has been carrying on five lines about 75 pages of the CBS national teletext service along with close to 100 pages of its own local service. Eventually, KSL-TV hopes to make money on teletext advertising.

The CBS affiliate has started a teaser campaign, but beginning May 1, it will air a six-week drive reaching 350 GRPs a week. Stokes Bros. will chime in with its own print advertising. Price of the decoder is still to be determined, but is expected to fall somewhere between $250 and $290.

In the strictly text area, Albert H. Crane, III, who formerly headed up the teletext operation at CBS, says he's closing in on a deal (or deals) to supply newsletters to subscribers via the VBI. Crane's company, ExtraNet, is a middleman who brings together information providers, stations and, possibly, subscribers. ExtraNet is the satellite uplink/downlink part of the system.

Crane has been talking to all three networks and two major satellite owners. He points out that stations carrying the VBI transmissions would receive compensation. His aim is to be in 10 markets within a year, 50 markets six months later and in all markets six months after that. Crane points out that VBI newsletter transmission is much less costly to publishers than the cost of setting type, printing and mailing. Consumers with computers could receive the transmissions, which would be encrypted and addressable, with the addition of a VBI modem costing an estimated $300–400. Those without computers could receive VBI text and data transmissions with a dumb terminal and printer, plus the modem.

MCA TV joins ASTA

With barter syndication becoming a major part of its balance of programming for the past eight years, MCA TV has decided to join the Advertiser Syndicated Television Association. David Brenner, senior vice president, advertiser sales, has been chosen to represent MCA at ASTA meetings. Included in current and upcoming barter series at MCA TV Enterprises, a division of MCA TV, are the sitcoms *Charles in Charge*, *Out of This World* and *Bustin' Loose*, according to Shelly Schwab, president of the division. The animated *Bionic Six* series premieres this month, and the lip-synched music show, *Puttin' on the Hits*, has just taped its 100th episode. Other barter product includes the *Home Shopping Game* and *The Lou Kelly Show*, set for June starts, and movie releases include Universal Pictures Debut Network and Universal's Marvelous 10. ASTA now has 22 member companies in the organization, which represent more than 90 per cent of the barter industry's business.

Ampex sold, to stay intact

The sale of Ampex Corp., expected for weeks, was announced April 6 by parent Allied-Signal—which is also unloading a half dozen other subsidiaries—and Lanesborough Corp., the buying entity. Lanesborough, held by a small group of investors, will pay $479 million for Ampex and will assume certain liabilities.

Because the sale will involve a substantial amount of debt financing, the question of whether parts of Ampex will be sold has naturally arisen. Charles Steinberg, president/CEO of Ampex, said the new owners are committed to keep Ampex intact.

"This is not a leveraged buyout in the ordinary sense of the term," said Steinberg. He described Ampex as very healthy financially, with 1986 pretax profits of $53.7 million on sales of $522 million and $74 million in cash flow. This will enable the new parent to handle the debt acquired without breathing hard, according to Steinberg.

Lanesborough has arranged for interim financing from a major New York bank involving a line of credit of up to $475 million, the purchasing company said. Permanent financing will involve some combination "of its own equity and an offering of debt or equity securities."

Leading figures in Lanesborough are Edward J. Bramson, president/CEO, Barney Straut and John Irwin. Key component of Lanesborough is a specialty chemical company named Buffalo Color, but the principals also have other interests.

Baker at WNET helm

The news broke prematurely during the recent NAB Convention, but now it's official. Dr. William F. Baker has been named president and chief executive officer of WNET(TV), the public television station in New York. Baker, who was president of Group W Television and Group W Satellite Communications, succeeds John Jay Iselin.

Although Group W is a commercial broadcaster, Baker was considered an attractive candidate by WNET's board (Educational Broadcasting Corp.) because of the company's long record of public service. Recent examples including the Group W stations' ongoing *For Kids' Sake* programming and PSA campaign, its health oriented *Lifequest* series and such one-time special programs as *Breaking the Blues on Depression*. Not unnoticed apparently was the ability to attract corporate sponsors to such programs. *Breaking the Blues on Depression* was sold to Pfizer Chemical; Lifequest is sponsored by Bristol-Myers.

NYC and NBC

New York City should do everything in its power to keep NBC from moving across the Hudson River to Secaucus, N.J. That's the gist of a recent editorial in *The New York Times* called, "Live, From Secaucus: It's NBC!" Pointing out that NBC is considering the New Jersey location as one of three options when its current Rockefeller Center lease runs out, *The Times* said such a move "would send a shiver through a city tied to communications, entertainment, financial services and tourism."

The editorial urged a major effort on the part of the city, comparable to its successful bid 30 years ago to bring a new major league baseball team (the Mets) to New York. The efforts of William Shea, it was recalled, "brought lasting benefit to baseball and New York. The threatened departure of NBC calls for more of that kind of leadership."

Synditel picks p.r. firm

Synditel, an affiliation of industry syndicators looking to publicize their first-run product via Television Critics Critics Association tours, has named Quinn/Brien Inc. as its public relations agency to organize and implement its upcoming session on July 28. The session hours will be 10:30 a.m.–3:30 p.m. at the Redondo Beach Sheraton. According to Betsy Vorce, on the Synditel steering committee and director of p.r. at Viacom, Quinn/Brien was selected because of its strong recod record of entertainment event management and public relations. Synditel expects to meet with Q/B and Hale and Husted soon to firm an agenda. Meanwhile, syndicators are expected to kick in $5,000 each, until a budget is fixed, for the session.

Some Things Get Better With Age

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The TV/RA SOURCEBOOK is the most up-to-date directory of American Television Stations ever published. It geographically lists all 861 commercial television stations, their executives, and an alphabetical listing of all ADI's and their rankings. And, a special feature! Alphabetical listings of all station personnel.

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☐ Please send me _____ copies (minimum 5 copies or more) at $35 each.

Name ____________________

Company ____________________

Address ____________________

City ____________ State ____________ Zip ____________

Company purchase order or payment must be enclosed.

TV Business Barometer

February spot TV rose only 2.5%

The spot TV picture did not look any better in February than it did in January. In fact, according to the *Business Barometer* sample of stations, it looked a little worse. In terms of growth performance, January and February have been the worst opening months for spot since 1979—with 1985 excepted.

There is one caveat to this comparison. And that is that some of the years between 1979 and 1987 have been years of rampant inflation, so that double digit increases in spot business from year to year were not what they seemed. Nevertheless, neither stations nor reps are happy with the current state of affairs—and with good reason.

Year-to-Year

Getting down to specifics, the spot increase in February vs. the year before came to only 2.5 per cent. And both Standard Broadcast Months (SBMS) were four weeks.

Spot TV billings in February came to $335.7 million, as against $327.5 million in February of '86. The January increase for spot was 5.7 per cent with billings totaling $364.7 million vs. $345.0 million during the previous January.

For the two months, spot TV time sales were up 4.1 per cent for a billings total of $700.4 million, compared with $672.5 million during the first two months of '86.

Last year, spot was up 13.7 per cent during the first two months, with a January increase of 16.4 per cent and a February rise of 10.9 per cent—which might explain some part of the spot doldrums.

By station size

Medium size stations—those with annual revenues between $7 and $15 million—came up with the best percentage rise in February, in contrast to their poor performance in January, when they averaged a decline of 4.0 per cent.

The poorest performance in February was registered by the larger outlets—$15 million and above in annual revenues—which averaged an increase of only 1.5 per cent.

Meanwhile what's happening? What's *not* happening is the hoped-for spillover of business from the networks. Despite all the talk about a tight scatter market on the webs, there doesn't appear to be much benefit for spot.

Not enough spill

Network primetime slots have been filled in with more than the usual amount of makegoods, according to agency sources, but apparently there isn't enough additional demand to help the spot medium. Or, if there is additional demand that can't be satisfied by the networks, some of the business may be going to barter syndication and the cable networks, points out one source.

All of this doesn't say much for all the theorizing that advertisers are increasingly turning to local markets in an effort to put ad pressure where it counts. This concept pops up every few years but hasn't been able to offset the attractions of efficiency.

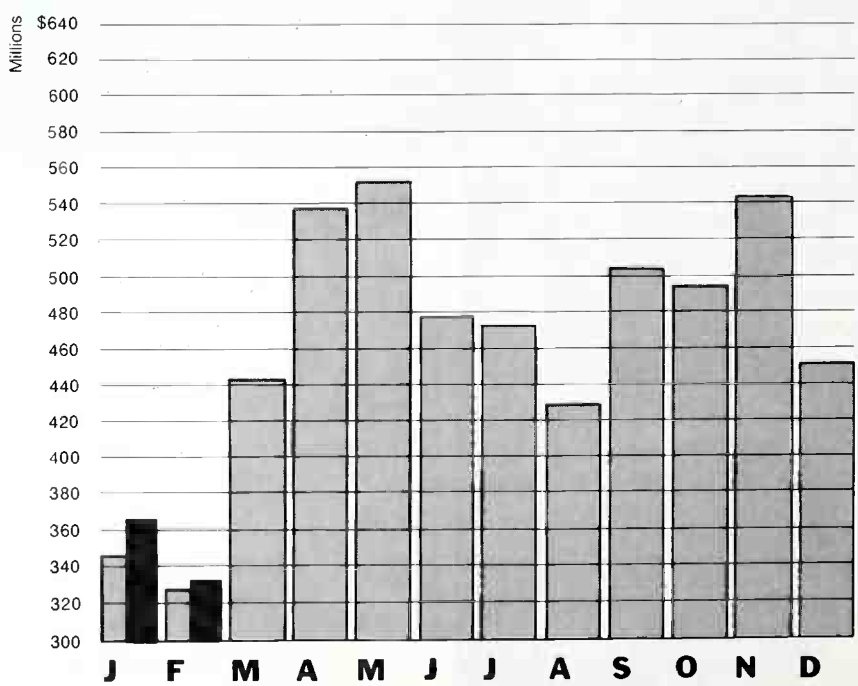
National spot **+2.5%**

(*millions*)

1986: $327.5 **1987: $335.7**

Changes by annual station revenue	
Under $7 million	+6.4%
$7–15 million	+6.8%
$15 million up	+1.5%

February



KICU-TV SAN JOSE/SAN FRANCISCO HAS JUST CHOSEN THE MOST AGGRESSIVE ALLY IN TELEVISION.

BLAIR. ONLY BLAIR.
Television

KICU-TV delivers over one million homes each week.

International Report

Paris

Bouygues, Maxwell consortium granted control of TF1

The consortium headed by Francis Bouygues and Robert Maxwell will take control of the French channel TF1 as of April 16. Bouygues SA, one of the world's largest construction and public works companies, will acquire 25 per cent of the station's capital, and Maxwell's Pergamon Media Trust 10 per cent, with another two per cent held by Maxwell Media France. Publishing/communications company Editions Mondiales (Revcom) will take 2 per cent. The rest of the operator's 50 per cent block, costing approximately $490 million, is divided among banks, financial companies and a print media consortium. The remaining 50 per cent of shares are to be offered to the channel's employees and the general public at an as yet undetermined price.

The national Communications Commission's (CNCL) choice, announced earlier than expected, upset all prognostications. Everybody thought that the CNCL would opt for what was perceived as the government's candidate, the Hachette publishing concern. After a year-long competition for TF1's license that was a political issue as well as a commercial battle, Bouygues came to be seen as an honest outsider who would not upset the TF1 applecart. Francis Bouygues himself will become president director general of the station, but he has said that he would like to see the current president of TF1, Herve Bourges, stay on in some capacity or other. The station's general director will be Patrick Lelay, a Bouygues executive.

In London, publisher Robert Maxwell hails the decision as a triumph not only for TF1 and France, but also for European cooperation.

Naturally the losing candidates who were members of the consortium headed by Hachette, which seemed to be favored by everyone except in the end the CNCL, were less than overjoyed by the choice. There is expected to be an emergency meeting of the group to decide its future—whether it will dissolve or remain a consortium and seek other properties. In the words of one, "It would be a pity not to use the combined financial muscle" that the consortium represents. Hachette's president, Jean-Luc Lagadere, says he is very disappointed with the decision, while James Gatward, TVS (U.K.) chief executive, says his organization would continue looking around for other sensible opportunities.

Bonn

DBP orders second DBS satellite while still awaiting first

West Germany's public telecom operator, the Deutsche Bundespost (DBP), has ordered its second direct broadcast satellite. The first satellite still has not been launched following further delays in the launch schedule of the French Ariane rocket: TV-SAT 1's launch is now scheduled for mid to late August, more than one year late. The DBP wants TV-SAT 2 to go up at the end of 1989 and is likely to choose another satellite launch company if Ariane's schedule continues to be delayed. A spokesman from the DBP says it is currently considering American, Russian and Chinese launchers for TV-SAT 2.

The DBP seems to have resigned itself to the fact that it will be losing $189 million on its direct broadcast venture. The entire system will cost about $483 million, while revenues from leasing the transponders will amount to $294 million.

Germany last month named the operators of the five DBS channels allocated to each country by the 1977 World Administrative Radio Conference. Public broadcasters ZDF and ARD will get one transponder each on TV-SAT 1. The remaining two transponders have been awarded to two groups, one comprising Germany's northern states and one the southern states. A third group of western states was granted a transponder on TV-SAT 2.

Meanwhile, it now seems likely that there will be a split DBS transmission standard in Europe. Both the Germans and the French will use D2-MAC for their DBS ventures, while Britain's Independent Broadcasting Authority is backing a compromise Eu-MAC system.

London

TVS forms new holding company in diversification move

Commercial broadcaster Television South (TVS) has announced the formation of a new holding company, Telso Communications, to coordinate and develop its ambitious program of growth and diversification. James Gatward, chief executive of TVS and chairman of Telso, emphasizes that the expansion would not affect the running of the regional U.K. network. "Telso will have a completely separate economic existence to TVS television," he says.

The company, which has in fact been in existence for some time under the working name, Newco, is already handling all TVS International's distribution activities as well as Gilson International, the MIDEM organization, the Button Group (the international exhibition and design company which ran the London Market), and Satellite Technology Systems, a dish manufacturer 62 per cent owned by TVS. Peter Clark, currently, chief executive of TVS International, and Peter Thomas, currently director of finance at TVS, will be joint managing directors of the new company. Ken Page, Los Angeles-based director of TVS' North American operations, will join the board of Telso.

"We face a time of change during which major opportunities will occur," comments Clark. "We now have the structure to seize those opportunities and create a business for the 1990s and beyond."

Madrid

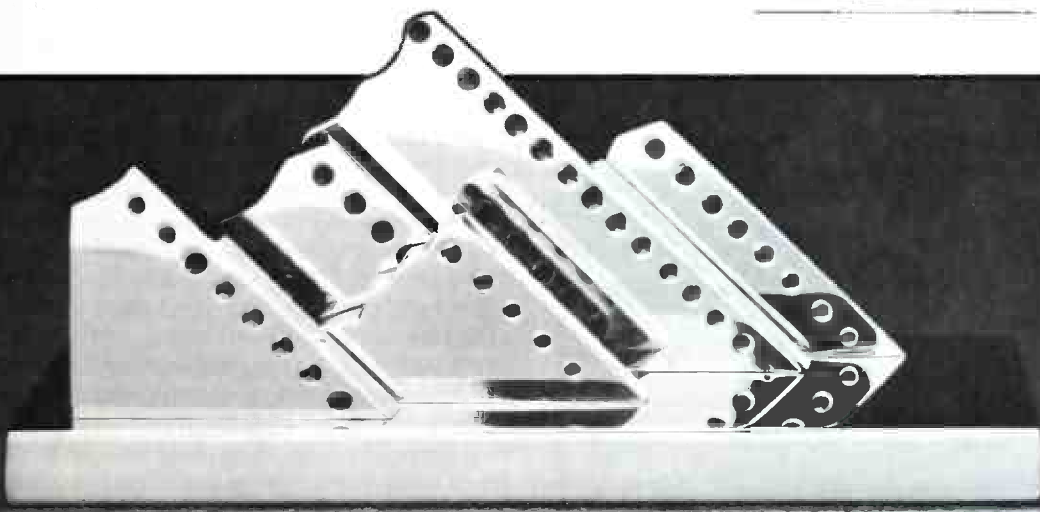
Cabinet approves legislation to legalize private television

The Spanish cabinet has approved legislation which will legalize private television in Spain. Three channels with nationwide coverage will be authorized. At present there are two state controlled channels financed by advertising and three regional channels controlled by the autonomous governments of Galicia, the Basque Country and Catalonia.

The new channels will have to provide a daily minimum of four hours of transmission: Advertising may not exceed 10 per cent of the total weekly hours of transmission, no block can exceed 10 minutes per hour, and there can be no more than four program interruptions in any hour, according to the proposed law.

Program content must be 40 per cent national production, though the future channels will have a couple of years leeway to run up to this level, and 10 per cent must be produced by the station or network itself.

An initial capitalization of $8 million would have to be found by contenders for the 10-year renewable licenses, with no more than 25 per cent of this sum held by foreign organizations.



Cable Report

Lifetime enters 'therapy' with LBS, Viacom strips

"We sort of snuck in the back door," says Lifetime's vice president, programming Charles Gingold, about his acquisition of two first-run half-hour "relationships" strips originally developed for network O&Os. The shows—*Our Group* and *People in Crisis*—will be telecast in tandem twice a day—morning and evening—starting June 8. Therapist Barbara Levy leads dramatized group therapy sessions in *Our Group*, while Dr. Dan Kiley interacts with real people on *People in Crisis*.

Our Group, originally titled *The Group in Session*, was developed for NBC owned TV stations by Chelsea Communications in association with LBS Communications. When the NBC O&Os decided not to go ahead with the series, Gingold says, LBS held off from syndicating it because of "a lot of interest from the ABC Network."

Gingold says that *People in Crisis*, produced by Lynch/Biller Productions in association with Viacom Enterprises, was similarly not offered at the NATPE convention once CBS owned stations management changed its mind about the show.

"These are two shows the broadcasters didn't have a shot at [in syndication]," Gingold boasts. Budgetwise, he says, the programs are "heavyweight" for Lifetime, since there are no joint ventures involved. Both deals are multi-year exclusive arrangements, with initial orders of 13 weeks (65 episodes). But, says Gingold, "If there ever was a good gamble, this is it." Both programs, he feels, fit in well with Lifetime's program niche—and, because of appeal to men as well as women, they can play in the evening as well as daytime. Gingold says he'll place them at either 7 p.m. or 8 p.m., but probably in prime access, where they'll run "primarily against game shows and sitcoms on the indies."

Our Group and *People in Crisis* were two of several "help"-type talk series being touted prior to NATPE. Others were Coca-Cola's *Good Advice with Dr. Joy Browne*, since withdrawn, Blair's *Strictly Confidential* and Baruch TV's *Getting in Touch with Dr. David Viscott*, both of which are still seeking stations.

Indie ire at CAB confab

The return of syndication exclusivity rules to cable would backfire on independent stations, United Cable Television president Fred Vierra claimed at the recent Cable Advertising Conference in New York. "If the cable industry is told they can't carry the syndicated programming currently available on the market," he warned, "we'll simply accelerate our efforts to develop new programming that will be available exclusively on cable. The independents don't have our buying power. While they will be stuck with reruns of *Dragnet*, we'll go out and buy the rights to the best of the networks' material, as well as develop proprietary product." Vierra, by the way, didn't mention that *Dragnet* has already become a cable fixture on the USA Network.

Ed Bleier, president of pay TV and network features for Warner Bros. Television, reminded cable executives at the conference that they don't have to "re-invent the wheel with first-run programming," since cable doesn't compete with the networks—it carries the networks .... There's nothing wrong with 36 channels of entertaining stuff, whether its on the USA Network or an independent station."

But many independent stations feel threatened by cable's current preoccupation with channel realignment. Bleier asked why cable operators—when realigning channel positions—should choose weak cable services over weak independent stations. And he noted that the much-maligned "duplicated network stations" offer 11 hours of non-duplicated programs per day that are "more popular than the cable networks."

Jerry Maglio, executive vice president, marketing & programming for Daniels & Associates, responded that, in most instances, UHF indies will be moved off VHF channel positions and onto positions that match their broadcast channel numbers. As for the weaker stations, USA Network president Kay Koplovitz declared that "just because the FCC gave fourth and fifth independents a license," it didn't guarantee their future success.

Trygve Myhren, chairman of both ATC and the National Cable Television Association, called for "affinity program grouping," in which like programming gets placed together on the dial. But Ted Turner, chairman of Turner Broadcasting System, suggested that, rather than grouping the most popular cable services around network affiliates, the affiliates "should be spread throughout the dial to give everybody an equal chance."

Area of Cable Influence

A big topic of conversation at the Cable Advertising Conference was the concept of ACI—Area of Cable Influence. Developed by the Cabletelevision Advertising Bureau, the ACI is designed to help sell local cable to advertisers who don't need to reach an entire ADI. The ADI formula arrives at an "effective cost-per-1,000" (E-CPM) by eliminating "wasted coverage and factoring in the greater purchasing power of the cable household." Finally, Ron Fischmann, CAB's vice president-local sales, told the conference, "We've given them [advertisers] justification in writing for making a cable buy."

Here's how CAB suggests cable operators use the ACI in comparison with the ADI:

First, taking the number of broadcast and cable households and the cost-per-point of each, arrive at the CPM for both media. "This is where we generally lose," explains Fischmann. So, he says, "Let's look at the uniqueness of cable."

The next step, CAB instructs, is to determine the "advertiser prospect area." Fischmann defines this as "what percentage of the market you can expect to draw from on a daily or a weekly basis." Because the advertiser being pitched has a product or service that sells to the entire cable area, but not to the entire ADI, this figure is 100 per cent for the ACI, but less than 100 per cent for the ADI.

By dividing the CPMs with the advertiser prospect areas, revised CPMs are determined for both broadcast and cable. But there's still another step before the E-CPM is determined. Cable operators are told to next insert a "sales index"—or product usage figure—for both broadcast and cable. This is always 100 per cent for the broadcast market, Fischmann says, since "broadcast reaches both the lowest and highest users of a product." For the cable index, CAB suggests using figures it provides from MRI. The revised CPM is then divided by the sales index to arrive at the E-CPM.

Even if this doesn't get cable's CPM down below broadcast's, Fischmann says, "it doesn't scare me, because . . . we have not even talked about broadcast underdelivery or the program environment."

ESPN's local NFL push

First, ESPN beats out a consortium of 26 MSOs for next year's NFL cable package. Then, to help offset costs of the games, it says it must increase local operators' per-subscriber fees by 10–20 cents per month, a hefty hike over the current 27-cent rate. To counter any opposition, the network is now telling operators that they can come out ahead through increased local ad sales. ESPN says cable systems can earn from $2–3 per subscriber per year—between 16 and 25 cents a month—from sales of the NFL package.

To help local sales efforts, ESPN will allocate twice as much ad time to affiliates during the NFL games as during its other primetime programming. Cable operators will receive 40 per cent of each game's commercial inventory, amounting to somewhere between 20 and 24 30-second units, according to Roger Werner, ESPN executive vice president. Explains Bill Grimes, ESPN president and chief executive officer: "Local cable systems have never had this quality of product to sell before on any basic network."

ESPN has retained the services of Thom McKinney & Associates to assist affiliates in selling the NFL availabilities. The firm plans to create merchandising and incentive packages for advertisers and affiliate sales departments, as well as marketing materials that demonstrate the value of the NFL package. McKinney, who formed the company in January, was formerly vice president, ad sales for Group W Cable, and has also been president of Sheridan Broadcasting Co.

Under terms of its NFL agreement, ESPN will telecast Sunday night games on the last eight weekends of the season, four pre-season games (including one Thursday contest) and the Pro Bowl. Werner predicts an average 9 rating for the regular-season contests.

Penetration positions

National cable penetration continues its slow march toward the 50 per cent level—reaching an estimated 48.7 per cent in February's Nielsen Station Index, and 48.2 per cent in the Arbitron Ratings. Nielsen pegs the total number of cable households at 42,820,780 and Arbitron at 42,215,900. Compared to November, Nielsen's figure rose 0.6 percentage points and Arbitron's 0.5 percentage points.

P&G pares cable ad bucks

Procter & Gamble slashed its cable spending in January, according to Broadcast Advertisers Reports' monitoring of six major cable networks. P&G, last year's top cable advertiser, was only the seventh largest advertiser during January. Its spending was down 45 per cent from January, 1986, when it ranked third, and down a whopping 124 per cent from the previous month, when it placed first on the list.

Of the top 10 January advertisers, Gillette had the largest increase over January, 1986—447 per cent; it was also up 359 per cent over December. Time Inc., the top January spender, was down 18 per cent from January, 1986 but up 31 per cent from December. On the other hand, Mars—January's second biggest advertiser—was up 34 per cent from the previous January and 18 per cent from December.

Other increases on a January-to-January basis included: General Motors (145 per cent), RJR Nabisco (91 per cent) and Anheuser-Busch (65 per cent). The National Rifle Association shot into the top 10, with spending increases of 37 per cent over January, 1986 and 94 per cent over December, 1986. Besides the NRA, Gillette and General Motors had also failed to place in December's top 10. The bottom three players in December's top 10—Johnson & Johnson, the U.S. Armed Forces and William Wrigley—fell off the list this time around. The order of the top seven advertisers in December were: P&G, Philip Morris, Mars, Time, General Mills, Anheuser-Busch and RJR Nabisco.

Estimated cable spending

January, 1987

Parent co.	Est. spending
1. Time Inc.	2,095,287
2. Mars	1,991,637
3. Philip Morris	1,724,448
4. Gillette	1,209,366
5. Anheuser-Busch	1,167,880
6. General Mills	1,153,367
7. RJR Nabisco	952,904
8. Procter & Gamble	949,979
9. General Motors	649,470
10. National Rifle Assn.	521,080

Source: Broadcast Advertisers Reports (Note: BAR monitors only six cable networks: CBS, CNN, ESPN, MTV, USA and WTBS)

Radio Report

Government advertising, retail helped spot in 1986

Despite a gain of only 1.2 per cent in national spot radio last year, several categories, led by government and retail chains, were responsible for boosting spot expenditures significantly. And this year will see the kickoff of massive remedial action to boost national spot's market share, spearheaded by the National Radio Marketing Group. NRMG will be acting on results of the Butterfield survey of advertisers and agencies unveiled at the Radio Advertising Bureau's Managing Sales Conference in Atlanta in February.

Kenneth Costa, vice president, marketing information at the Radio Advertising Bureau, reports Radio Expenditure Reports data showing state lotteries, political advertising, armed forces recruiters and postal marketers among the major segments contributing to the government category's 1986 national spot investment of $29 million, up 102 per cent from the previous year. And a 57.6 per cent increase was reported for retail chains and mass merchandisers, who placed nearly $58 million in national spot radio last year. Costa notes that it's those marketers "with specific targeting needs, unique distribution or dealer setups and/or geographic concentrations" who are using spot radio most effectively to "achieve maximum coverage against specific targets at excellent cost efficiencies."

Drug items. Other categories increasing their use of spot radio last year included drug and proprietary items whose $27 million was 48.2 per cent ahead of the 1985 figure; communications, up 10.8 per cent at $69.5 million; soft drinks and water, up 8.2 per cent with a spot investment of $38.2 million; and gasoline and oil, whose placement of over $36 million was 14.6 per cent above the 1985 investment.

Among individual advertisers, Costa's RER figures show Anheuser-Busch's 1986 spot radio outlay of $50.4 million to be 25.5 per cent ahead of the brewer's 1985 investment, when it was also the Number 1 spot spender. It also makes Anheuser-Busch one of the 18 of the top 25 spot radio users who boosted their spot investments last year.

Other big radio spenders increasing their antes last year included General Motors, up 25.8 per cent to $35.2 million; Miller Brewing, up 60 per cent to $28.7 million, and Sears, Roebuck, 31.3 per cent ahead of last year, with $21.9 million in spot radio. Pepsico placed $22.3 million in national spot last year, but that was 25 per cent less than its '85 investment.

Biggest percentage jumps were registered for People Express Airlines, whose $16.4 million was 599 per cent ahead of '85; Pabst Brewing, 182 per cent ahead with its $17.9 million; Coca-Cola, whose $16.6 million was 86.3 per cent ahead of 1985; and Pillsbury, 65 per cent ahead with $18.2 million in national spot. Overall, says Costa, the leading users of spot radio last year increased their use of the medium by 15 per cent.

Quality information. Meanwhile, at the National Association of Broadcasters' recent Dallas convention, Don Macfarlane, director of marketing for CBS Radio Representatives and chairman of the National Spot Radio Task Force of the Station Representative Association's National Radio Marketing Group, reported that the Butterfield survey of over 100 key advertiser and agency executives in Chicago, New York, Boston, Cincinnati, Detroit and Dallas pointed to the need for station and rep executives to come up with quality information and reasons to use spot radio. Consequently, the task force has used results of the survey as guidelines in developing an action plan that will include:

- Organization of sales management teams from different radio stations in all sizes of markets to call on more advertisers and agencies.
- Creation of an in-depth presentation for agencies that updates them on "how easy, effective and profitable spot radio can be," and another presentation to impress creative people at agencies with radio's full potential when used with imagination and flair.
- A strong presentation to help advertisers and potential new radio advertisers become more aware of what spot radio can do for them.
- Development of a new spot radio planning guide to help increase advertisers' use of the medium.
- Development of a resource booklet for advertisers and agencies with information on such areas as farm radio, stations with play-by-play sports franchises, and a summary of RAB information pertinent to national business.
- A publicity campaign promoting the values of spot radio.
- To pay for these projects, a fund drive for $250,000 to be raised from among stations, broadcast groups and from the RAB.

Marketing the medium

Although radio has been and will continue to be the "first love" of Jeff Smulyan, the president of Emmis Broadcasting is on the verge of expanding into television station ownership. In an interview during the recent National Association of Broadcasters convention in Dallas, Smulyan said he is negotiating to buy financially-troubled WTTV(TV) Indianapolis because he is confident the techniques that have made him successful in radio can easily be transferred to TV. "Radio operators that have gone into television," he said, "have done well. Many of the sales, marketing

Jeff Smulyan

and promotion techniques are applicable."

Marketing, particularly, is a key to success, in Smulyan's opinion. "We're teaching our people to solve the needs of the clients. In an era of marketing, you can't succeed dictating to an audience or to a media buyer. You have to provide a service they want."

Another key to Emmis' success, Smulyan said, has been the fact that, "we've had no pre-conceived notions about the markets we've entered. We've said, 'let the market tell us.' "

Acquisition formula. Smulyan's formula for evaluating possible station acquisitions was outlined at an NAB panel entitled, "Radio Acquisition: How to Determine the Value of Radio Station." He pointed out that there is a big difference between the number of radio stations in a market and the number of 'viable' stations. Recalling Emmis' decision to purchase KMGG(FM) (now KPWR) Los Angeles, he said that of the 110 outlets there, there are "really 22 stations sharing in the revenue of that market." He estimated that 80 per cent of total market revenue "should go to [those] viable players."

Other key factors in determining whether or not to make a specific acquisition, he said, are possible changes in the market and the overall health of the market. Los Angeles radio was so healthy, he said, that in the first two years Emmis owned, KMGG, "we went from a 2.3 [share] to a 1.8, but our billings tripled." (In January, 1986, the station changed call letters and format, from adult contemporary to a CHR/urban hybrid and went from fall '85's 1.8 to a 6.0 in spring '86).

Importance of signal. Signal, Smulyan emphasized, "is everything. Most radio listening is done on a $9 radio where the cord is wrapped around a toothpaste tube." And he warned against thinking movement of a tower will help correct signal problems. "I would rather invade Austria than move a tower," he said.

While he's bullish about radio and over-the-air broadcasting in general, Smulyan is not that optimistic about AM radio. "We need to reeducate a whole generation about AM radio," he said during the TV/RADIO AGE interview. The keys to that, he added, are "innovative programming and improved fidelity.' However, his pessimism is based on the fact that those two elements won't do it alone. "So many AM frequencies are broken up," he explained, "that there are many AM stations licensed to cities but that serve only 30, 40 or 50 per cent of the area."

On the advertising front, Smulyan believes there needs to be "a major effort from all elements of the industry to increase the awareness and share of market for radio. The advertising business doesn't understand our industry as well as they should. The success of Pattiz [Norman Pattiz, president of Westwood One] and Verbitsky [Nick Verbitsky, president of United Stations] has been that these guys live with clients. In the spot business, we're [reps] out dealing with the media buyers when we need to reeducate the chairman of the board about the medium."

Once that education process begins, Smulyan feels radio's distinct advantages will come to the fore. "It's a medium that creates a bond, a loyalty that's unique. Everybody has a favorite radio station; nobody says, 'I only watch channel 4."

Biggest co-op guide

A new listing of all products made by each manufacturer, rather than merely listing the parent company, has created a 1987 Co-op Sources directory from the Radio Advertising Bureau with 5,604 plans, 10 per cent more than last year's volume says Joyce Reed, RAB's vice president, retail and co-op advertising. She adds that the new edition includes 1,609 plans that offer 100 per cent co-op to radio stations, or 868 more than the 1986 edition. The directory, compiled and edited by Beverly Banks, also has "a sharp increase" in the number of plans listed "as a result of extensive manufacturer contacts, improved data storage and retrieval, and a standing commitment to co-op by RAB," says Reed.

Making co-op work

How does a small-market station mount a successful co-op program? The answers are provided in great detail, via a case study, in the most recent issue of The Programming Consultants' newsletter. The stations profiled are WDAD/WQMU(FM) Indiana, Pa., which, according to TPC's national programming consultant Jim Radford, have found that having a full-time co-op coordinator definitely pays off.

Michael Sherry, director of co-op for the two stations, has been in that position for nearly five years. Emphasizing that a commitment to co-op takes patience, Sherry said it was five months before a marginal profit was realized from the program. "If you've got full management support," he said, "you can introduce the changes that have to be made. Without it, it's very difficult to organize a successful program."

As part of his initial training, Sherry spent two full days at the RAB in New York. Then when he started on the job, he discovered that "a lot of the advertisers in our area were rather uneducated in regard to co-op, both in how the basic system worked and the possibility of dollars available to them. When we found money, it was usually on the phone to the manufacturer or the distributor."

A key factor in the stations' success with co-op, Sherry added, is their policy that all co-op advertising is guaranteed, i.e., "We promised if a retailer failed to be reimbursed for their co-op advertising for whatever reason, we would 'eat' the mistake.

"Then," he continued, "we advertised our co-op coordinating services over the air and through the salespeople. We also developed a co-op brochure designed to explain co-op to the accounts and sort of jumped in feet-first from there."

A manufacturer's co-op plan, Sherry warned must be "studied inside and out . . . If you mess up, the manufacturer isn't going to cover you."

Radio Business Barometer

Network radio up 10% in February

Network radio continued its healthy sales trend in February, according to figures from the Radio Network Association. The increase over February of last year was not as sizable as the January figures, but it still fell in the double digit realm—if just barely. For one reason or another, sales in the heartland were off, while sales on both coasts were way up. This had to do with where sales are made, not necessarily with regional economic trends.

The time sales increase for the second month of the year was 10 per cent, compared with 18 per cent in January. Dollar volume was about the same in February as in January—$25,303,850 and $25,250,785, respectively. The total for February, '86, was $22,986,582.

For the two months, network radio stood at 14 per cent ahead of last year, with time sales of $50,554,437. The comparable figure last year was $44,367,933. The first quarter of '87 appears to be copying the pattern of last year, when the monthly increases were, in chronological order, 21, 14 and 11 per cent. The same general pattern occurred in the second quarter, but there was no single apparent reason for this.

Of the four regional territories, the best performance in February was turned in by the West Coast (Los Angeles), where billings increased 36 per cent to $1,942,324. In January, West Coast time sales were up 46 per cent.

Next in performance was the East Coast (New York), where the February increase came to 24 per cent. Time sales in February totaled $16,179,021. This compared to $16,044,556 in January. However, January showed an increase of 32 per cent.

The poorest showing was made by the Detroit territory. Sales were down 26 per cent in February, following a 35 per cent drop in January. In both instances, the drop was caused to a great extent by the moving of General Motors buying of network radio from the Motor City to the Big Apple.

As for the remaining Midwest territory (Chicago), the second biggest sales area, February registered a decline of 13 per cent to $5,921,107. In January, Chicago showed a 4 per cent increase.

Two-month totals

The year-to-date figures for the four territories now stand as follows: New York was up 28 per cent to $32,223,577, Chicago was down 6 per cent to $11,980,895, Detroit was down 31 per cent to $2,699,830, and Los Angeles was up 41 per cent to $3,650,135.

The RNA figures cover the networks of ABC, CBS, NBC, Satellite Music Networks, Sheridan Broadcasting Network, Transtar Radio Networks, United Stations Radio Networks and Westwood One/Mutual.

Network **+10%**

(millions) **1986: $23.0** **1987: $25.3**

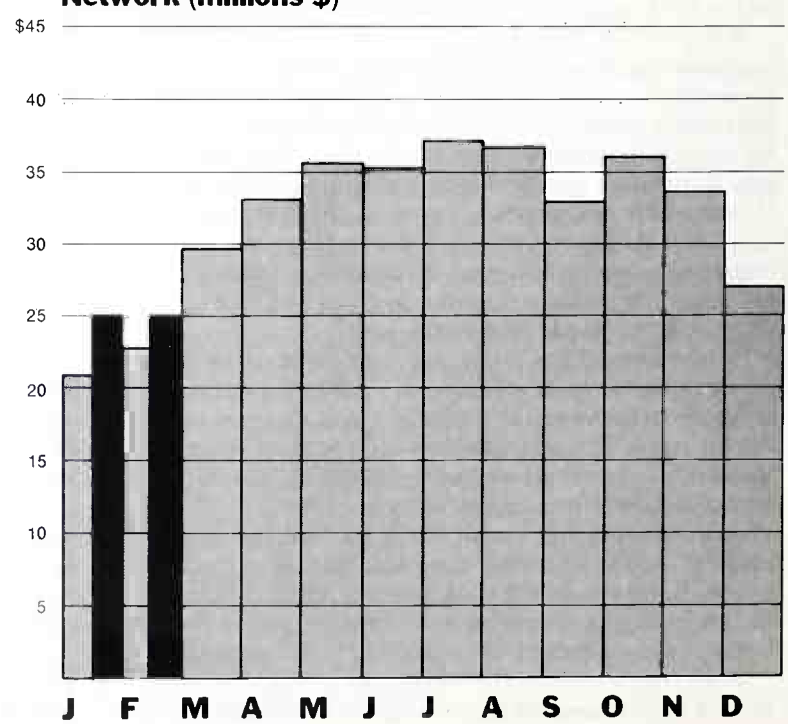
Changes by territories

Territory	*Billings (000)*	*% chg. 86–85*
New York	$16,179,021	+24%
Chicago	5,921,107	−13
Detroit	1,261,398	−26
Los Angeles	1,942,324	+36

Source: Radio Network Association

February

Network (millions $)



Don with Marketing/Promotions Mgr. Sharon Hansen.

Don Hall knows more about KSMG because he's been there.

AE Zana Paiz, Don, AE Fred Stockwell and SA Pat Delgado.

McGavren Guild Radio salespeople will spend two weeks this year working at our client stations.

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

That's why Don Hall, Sales Manager from our Dallas office, recently traveled to San Antonio to work at KSMG.

"Media buyers across the country hear from radio representatives, 'The market is unique – the station is unique.' By visiting, working and learning at MAGIC 105, I can now turn a tired cliche into reality and position the station accordingly."

At McGavren Guild Radio we believe the best way for a national rep to sell beyond the numbers is to have reliable, first hand station and market knowledge through regular visits to our client stations.

GSM Joyce Scheer-Marshall, Don and National/Regional Sales Mgr. Steve Schoppa.

McGAVREN GUILD RADIO
Innovative Leadership
AN INTEREP COMPANY

Don, Traffic Director Diane Garibay and Assistant Bookkeeper Linda Gutierrez.

Don with Chief Engineer Richard Schub.

Don with Morning Air Personality Bruce Hathaway.

The world is not as big as it was once. Technology has seen to that. Far-away places seem a lot closer, and have more impact on you, than they used to. That's why you need **TELEVISION/ RADIO AGE'S** "International Newsletter."

When it comes to broadcasting around the world, the "International Newsletter" speaks your language. Every other Monday, you'll get updates on the minute twists and turns of a big business story and reports from experts who intimately know their little corner of the communications industry . . . and how to relate what it means to you . . . with nothing lost in the translation. Edited in London with input from

OUR SPHERE O

New York and Hollywood, and from the communication capitals around the globe, the "International Newsletter" will give you the information you need for a fresh perspective on world activities in programming; on trends and developments; and hot news of who's buying and who's selling in each and every market.

There's a world of information out there just waiting to be explored and unraveled. And the "International Newsletter" puts that world within your grasp.

Return the coupon. There is a money-back guarantee. You can cancel any time and receive a refund on the unused portion of your subscription. And with your new subscription, you will receive our current **TV/RA SOURCEBOOK**, a directory of US Commercial Stations, regularly $40. This directory is yours with our compliments with your paid order.


F INFLUENCE

NEW TV MARKETS OVERSEAS

■ Late next summer or early fall, Anglovision, in which NBC News has a 30 per cent interest, is expected to begin transmitting *NBC Nightly News*, *Today*, *News at Sunrise* and *Meet The Press* to an expected 5,000 hotel rooms in Western Europe. NBC News is also working at getting additional takers for its NBC News Enhancement Package.

■ In an ad-supported service, like the new ventures for CBS and NBC, CNN has just penetrated China, on the heels of an exclusive deal for DBS carriage of Headline News by NHK of Japan. Meanwhile, Turner Program Services is working at expansion in the Far East and Latin America and increasingly penetrating Western Europe hotel rooms with its news service there.

■ The Newsfeed Network, at the beginning of this year, launched a daily European feed throughout Western Europe via an exclusive agreement with Transworld International, based in Paris. Not new to the international scene, the operation recently formed an arrangement with two stations in Puerto Rico and expects to have a deal shortly in Australia for its 15-minute *The Entertainment Report*.

■ Conus Communications, newsgathering consortium of which Hubbard Broadcasting is general partner with 55 per cent interest, has just brought NHK into its cooperative. While the Headline News deal with NHK involves only DBS, this also involves broadcast. Last September, Conus reached an agreement with Mitsubishi in Japan under which it will provide Conus expertise for Mitsubishi to provide Japanese TV news operations with transponders, master control operations and vehicles for news relay.

■ Lorimar Telepictures' N.I.W.S. discloses negotiations are underway with an unnamed organization to carry its material throughout Western Europe. Meanwhile, its Spanish-language service for Latin America is expected to soon be sold to Spanish-language stations in the U.S.

■ LPN (Local Program Network), owned by WCCO Television, is now pitching its weekly feed of in-depth feature material overseas and signed a deal in Puerto Rico a couple months ago. Its foot in the door is an arrangement it already has with the U.S. Information agency, which buys its material for use in its Worldnet programs.

The only relatively quiet U.S. newsgathering operation, where the international scene is concerned, is ABC News. ABC for some time has owned 40 per cent of World Television News. It has a reciprocal arrangement with WTN to feed it with ABC news reports and to use WTN video from areas where it has no correspondent of its own. Additionally ABC licenses segments and individual programs overseas from its *20/20* and *ABC News Closeups*.

China's TV will use CNN reports on two channels reaching 300 million viewers.

Departure at CBS

According to Rainer Siek, vice president, sales and marketing, CBS Broadcast International, the deal with Canal Plus is a major departure from the way CBS usually sells its news product overseas. In various arrangements, it sells packages of stories and features to select from. But Canal Plus is retransmitting the entire *Dan Rather Evening News* in one piece five days a week. Because it is received overnight, this is a Tuesday–Saturday schedule.

Canal Plus was expected to beam the newscast sometime between 7 and 8 a.m., one of the three times during the day when the otherwise pay service broadcasts in the clear—as a "teaser" for its pay service. As the CBS newscast is already going to U.S. military bases in Europe on an Intelsat satellite, Canal Plus is able to take down the signal in France, transfer it from NTSC to the PAL standard and subtitle it. The sub-

An agreement *between CNN and China Central Television (CCTV) is signed in a ceremony at CNN's Atlanta headquarters. Welcoming CCTV executives are Sidney Pike, l., senior vice president, Turner Program Services, and R. E. "Ted" Turner, chairman, Turner Broadcasting System.*

Newsfeed Network personnel set up European feed

The Newsfeed Network has launched a daily Western Europe feed through Transworld International.

titles, though, come from CBS' own translations "because we want editorial control."

U.S. advertising is deleted so that Canal Plus can sell advertising for its market. CBS and Canal Plus share equally in profits after their individual costs are taken off the top. At presstime, three advertisers had been signed up—Austin Rover, American Express and Mobil Oil. Siek notes government approval was necessary for the arrangement fôr a subtitled newscast because Canal Plus' charter otherwise requires it to broadcast only in French.

CBS has a number of other arrangements allowing insertion of its material into foreign newscasts. A major one is with the European Broadcasting Union, which pays a lump sum quarterly on behalf of its members throughout Western Europe. The members themselves pay EBU based on population, sets in use and the number of newscasts the member broadcaster airs.

Seven days a week, CBS provides EBU with its news menu, and EBU selects the stories to go on one of its three satellite feeds each day. Not included is any material CBS gets from EBU, for which it pays a fee to use in the U.S.

CBS news is also transmitted to the Soviet Union, Bulgaria and Hungary, with EBU transmitting it to the Prague facility of Intervision, its Eastern European equivalent. CBS has separate deals with each country in this instance, Siek notes, but each country gets the news through Intervision, which acts as a screening facility for the Iron Curtain countries.

CBS has similar fee arrangements in Latin America. It's in Brazil, Peru, Venezuela and Columbia, with discussions underway in Argentina. Each country is responsible for its own satellite transmission. CBS assembles a Latin America feed of 10–20 minutes seven days a week minus commentary. It also has similar arrangements with The Nine Network and ABC in Australia and with four networks in Japan.

Also, Mexico and Canada (CBC and CTV) pay to take down the signal from the domestic satellite distributing to U.S. affiliates of the network. The Bahamas and Guadeloupe recently came aboard on this basis, and Siek says deals are under consideration in Trinidad and Jamaica.

Siek adds that *60 Minutes* and *West 57th Street* are sold on a country-by-country basis, where the buyers excerpt items for inclusion in their own magazine shows. Although he declines to disclose revenues for worldwide news product sales, Siek indicates that, with minimal additional expenses, this area is profitable.

NBC and Anglovision

Speaking of the NBC deal with Anglovision, Joe Angotti,, vice president, NBC News, says the network bought a 30 per cent interest in the operation in the fourth quarter of last year after signing a licensing agreement with it the preceding June. Other owners are Shearson American Express, 30 per cent; Independent Newspapers of Ireland, 30 per cent; and smaller investors, 10 per cent.

Although this involves English-language telecast of NBC News' four programs, this is not directed to English-speaking countries. Angotti notes, for example, that NBC has a news exchange agreement with BBC and that transmitting the NBC newscast to London conceivably would entail bouncing BBC material back to its place of origin. As their countries would not be recipients of the material, Anglovision is having discussions with BBC, Canada's CBC and Australia's Channel 7, hoping they will join NBC as news suppliers.

With a hotel distribution goal of 5,000 rooms initially throughout Western Europe, Anglovision also has an agreement with one cable system in Paris. Unlike the CNN operation, which charges hotels on a per-room basis for its service, Anglovision will be purely advertiser-supported, with Anglovision doing the selling. With start date not yet firm, Angotti notes, ad sales so far haven't gotten beyond expressions of interest. He speculates it will take a minimum of two years before the venture shows a profit.

According to Jerry Wexler, president, NBC Enterprises, NBC News has had a reciprocal agreement with Visnews for about 25 years, but an extension of that for broadcasters overseas who want greater depth is the NBC News Enhancement Package, in existence for about five years. Here foreign broadcasters pay an annual fee and are responsible for making their own arrangements for taking down the signal.

Among the countries taking the package are Canada, Mexico, Puerto Rico, the Dominican Republic, Ecuador, Italy, Australia and St. Maarten. Now that there is greater accessibility to satellites, Wexler notes, NBC is making a greater effort to sell the service elsewhere, and he reports some new deals are pending. To promote the service, at the Monte Carlo TV market last February, NBC satellited its news at its own expense to Tele Monte Carlo during the event.

The Enhancement Package is used primarily for excerpts to be used in local newscasts, but the Seven Network in Australia runs the full two hours of

(*continued on page 67*)

Program suppliers, advertisers settle for lean short-term results, bank on future

Chinese television getting oriented to U.S. programs

By ROBERT SOBEL

Chinese television is becoming Americanized rapidly. At least a half-dozen major U.S. suppliers of television programs have jumped into deals with China within the past year, and other American producers are expected to join in the groundswell. Almost all the connections with China are being made on a barter basis, reflecting the weak economic climate in the country, and have been made with the China Central Television Network, the state broadcasting corporation. But a few of the new U.S. players are entering the China marketplace through barter deals with one or with all of the five major regional networks, located in densely populated cities opening even more opportunities for programming exposure.

International congress

One development which will probably speed the process of U.S. program supplier and advertiser ties with China will be the first international advertising and marketing congress to be held in the country. The congress, called Beijing '87, will be held in the China's capital on June 16–20, in conjunction with the Chinese government and *South* magazine. Speakers set for the conference, which is designed to encourage two-way trade between China and the rest of the world, will include Alexander Brody, chief executive officer of Dentsu Young and Rubicam; Robert L. James, chairman of McCann-Erickson Worldwide; and Ted Turner, president and chairman, Turner Broadcasting System.

Sessions centering on the broadcast industry and related communications areas include "The Media and the Message: The Latest Developments in World Communications," with Michael Solomon, a member of the office of the president at Lorimar Telepictures, as one of the speakers. Other sessions include public relations, marketing trends and setting up an advertising agency in China. More than 1,000 people are expected to attend.

What makes China so glitzy to Americans, both programmers and TV ad buyers alike, is that it is virtually an untapped marketplace, representing a potential viewership of 600 million who own 80 million television sets. The potential is even more impressive when industry estimates tally that about 90 per cent of the 1.2 billion Chinese have access to a television set via centrally located "centers" and other public places. Encouraging, too, is that the Chinese are producing TV sets at a record clip, says one observer, as a way of unifying the country. "They see television as a method of homogenizing the 50 or so separate minority groups that represent the people."

Still another reason for the Americans' bullishness on Sino-American relations is that many of the U.S. suppliers view their business with China as "calling-card diplomacy," in which to build strong ties in a market of immense potential. This is true of U.S. advertisers as well.

Nonetheless, doing business in China at present represents a juggling act on the part of the Americans and can be as problematical as trying to figure out a Chinese jigsaw puzzle. This includes how to work with the sparse information they can get from a country which has no TV technology sophistication, what to offer in programming fare, how much to charge U.S. advertisers for barter programs, and how to judge the Chinese government in terms of culture and politics—both of which have gone through much turmoil. Of utmost importance to would-be and present advertisers of U.S. programs in China is whether there is enough consumer demand for their product in a country where the average per capita income is roughly $300 per year, or the price of a TV set in the U.S.

Also, making things sticky for the suppliers of programming is that revenues generated from ad time are only a pittance, compared with the ad monies received from buyers of similar U.S. programs. This is due to three reasons, primarily: The going price for a 30-sec-

"Little House on the Prairie"

Unique in the "Little House" buy from Worldvision is that CCTV itself is selling time to U.S. advertisers —through International Broadcast Systems, Dallas.

ond spot on the CCTV is, at maximum, $6,000, or $10,000 per minute; there are only five or six regularly scheduled American-imported programs on the air; and, under their agreement, the U.S. programmers are obliged to pay half of their ad dollars from the shows to CCTV, although they usually get billboards to sell without sharing in the income.

Using various industry sources, TV/RADIO AGE estimates that about $8 million was spent by American advertisers on U.S. programming in China in 1986. This includes some $3 million reportedly spent on CBS International programs by nine sponsors, which amounts to about $320,000 per advertiser for the year. But this year's revenues from all advertising in China is expected to rise sharply, as new deals take shape, to at least $16 million, according to TV/RADIO AGE estimates.

CBS Broadcast International made its deal with CCTV in 1984 for 64 hours yearly including made-for-TV movies and miniseries.

Miniseries "If Tomorrow Comes"

Immediate results

However, no supplier interviewed expects to make it big in dollars from the Chinese in the short run. At LT, one of the new players, Solomon says, "I don't expect to really make enough money there so that it will affect the price of the company's stock over the next two years. But over a five-year period, we will grow with the industry there. That's the main reason for Lorimar Telepictures going into China, where the growth potential is astronomical."

Other major U.S. companies making a China TV connection recently are Worldvision Enterprises; MCA Enterprises/Paramount Pictures, which were joined a few weeks ago by MGM/UA as a consortium selling theatricals to China moviehouses as well; The Disney Co., via Buena Vista Television; and 20th Century Fox. Others making commitments recently are ESPN, cable-TV programming company; and ProServ Television. On the U.S. network side, CBS Broadcast International and ABC Enterprises have had a China arrangement for a few years, and NBC International has made an occasional deal. Exploring ties with China broadcasters are LBS Communications and Orion Pictures, among others.

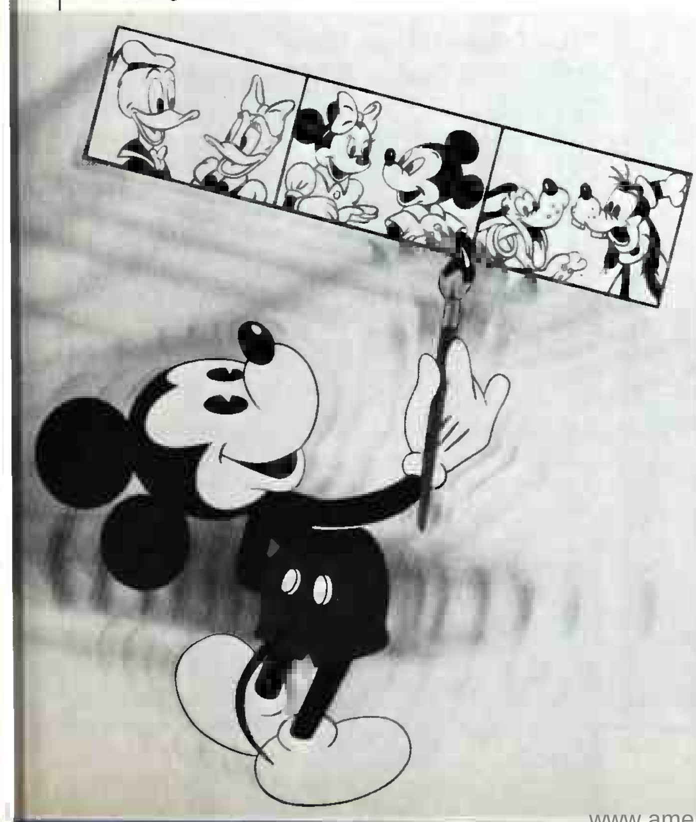
The MCA/Paramount/MGM pact was completed only a few weeks ago and represents one of the largest Sino-American barter programming arrangements, encompassing 100 hours in the first year of the pact. The deal, which was made with the CCTV, calls for a programming range of various types, including dramas, miniseries and films, notes Colin Davis, MCA TV International's executive vice president.

While specific product has not been nailed down, it's understood that CCTV has already selected Paramount's *Star Trek* as one of its choices. Other product is likely to include series such as *Marcus Welby, M.D.*, and *Columbo*, from MCA; and *Family Affair*, from Parmount; plus *Space*, *The Winds of War* and *The Jessie Owens Story*, in the way of miniseries. In films, CCTV reportedly has selected *Love Story*, which will probably air during China's primetime (7–10 p.m.), called the golden time by the Chinese.

But Rick North, vice president, advertiser sales at Buena Vista Television, a Walt Disney Productions subsidiary, questions whether movies going to TV will attract large viewing audiences in China, although he

(*continued on page 70*)

"Mickey and Donald"



Feedback to Walt Disney shows "Mickey and Donald" is attracting strong audiences and may mean expanded presence.

New programs offer impressive roster of Hollywood talent to 105 affiliates

Fox 'network' makes cautious bow with modest goals

Just having started out with a swift kick at the Big Three networks' soft underbelly, Fox Broadcasting Co. is hoping the webs' weaknesses on weekends and in spring—because of reruns—will give it the edge it needs to expand its "network" schedule.

On Sunday, April 5, Fox officially kicked off the primetime section of it's so-called "fourth network" (a technical misnomer, since FBC is really a program supplier, not a network per se) by airing the first episodes of *Married ... With Children* from the Embassy comedy shop, and *The Tracey Ullman Show*, starring the British pop singer/ personality and produced by *Terms of Endearment* director James L. Brooks.

Just to make sure that nobody missed the point, and aided by a promotional campaign estimated at $12 million, FBC not only aired *Married* and *The Tracey Ullman Show* at 7 and 7:30 p.m. (ET) respectively, it repeated the new shows between 8 and 9 p.m. and again between 9 and 10.

Fox knows it has a formidable task ahead of it in combatting the network viewing patterns of the American public. Hence it has opted for the unusual strategy of repeat airings so that viewers can check out the new programs without disturbing their usual diet of *60 Minutes* and *Murder She Wrote*.

Fox also knows that when Australian magnate turned American citizen Rupert Murdoch made his epochal gamble in May 1985, buying six television stations from Metromedia for $1.85 billion, that not all of those stations were dominant in their markets by any stretch, stacking the odds against short-term success.

Although that deal proved too rich for Denver oilman Marvin Davis' blood, and he subsequently sold out his half-ownership of Fox, Murdoch, who has global TV ambitions was gambling on the future—and on Fox chairman and chief executive officer Barry Diller's track record, not only as a film executive at Paramount, but as a TV maven responsible for such Paramount projects as *The Winds of War* and *Shogun* along with such half-hour sitcoms as *Happy Days*, *Taxi*, *Cheers* and *Mork and Mindy*.

Diller, who had flirted with the idea of a fourth network during his Paramount years, also helped that studio's syndication success by bringing *Entertainment Tonight* and *Solid Gold* into existence. While at ABC, where he was vice president of primtime television, he launched the *Movie of the Week* format and was partly responsible for the growth of the miniseries.

Moderate expectations

Despite such past success, the Fox team is softpedaling its expectations

To combat network viewing patterns, Fox opted for repeat airings of its first two series on their Sunday night debut on April 5.

FOX BROADCASTING COMPANY

"Married ... With Children"

"The Tracey Ullman Show"

"Duet"

"21 Jump Street"

FBC believes it has an advantage in starting at 7 p.m. on Sundays, where network programming skews to the two age extremes.

for the new venture—if a massive publicity blitz and petitioning the Los Angeles City Council to alter the Hollywood sign to read "Fox" for a week can be considered a soft-sell.

"Our goal for the [Fox] stations is for them to be Number 1 in their market. Period," says Jamie Kellner, FBC president and chief operating officer, who earlier was president of the Orion Entertainment Group.

Ad sales help

By enhancing the ratings and demographics of the Fox stations—WNYW-TV New York, KTTV Los Angeles, WFLD-TV Chicago, WFXT Boston, KDAF-TV Dallas, KRIV-TV Houston and WTTG Washington—Kellner stresses, the new programming will already be helping them make a huge ad sales jump irrespective of whether the shows get national ratings competitive with their network competition.

"On Saturday and Sunday nights, there's no real alternative to ABC, CBS and NBC, which leaves a large portion of the audience disadvantaged," Kellner says, adding that weekend primetime has shown significant slippage by the Big Three in viewing by teens under 18 and men 18–49. Now that the great cable boom of the early '80s appears to have passed, with cable viewership concentrated on watching movies shortly after theatrical release, a new competitor has a niche for siphoning off network viewers as well, the Fox strategists believe.

Fox's own new shows, to be seen on 105 affiliated stations, include an impressive roster of Hollywood talent, including new efforts from such Hollywood names as Stephen J. Cannell, Gary David Goldberg, Gene Reynolds and Ed Weinberger. They are being sold to advertisers with the help of a two-hour video loop including pitches from Murdoch and Diller, and an elaborate night-by-night demographic breakdown by Garth Ancier, the 29-year-old "baby mogul" and former Brandon Tartikoff protege who is FBC's senior vice president of programming. Programs include:

■ *Married . . . With Children*, executive produced by Ron Leavitt and Michael G. Moye for Embassy Communications, being touted as a comic antidote to the pat family scenarios of *The Cosby Show* or *Father Knows Best*. "Al [Ed O'Neill] and Peggy [Katey Sagal] Bundy have an equal partnership in marriage: everyone suffers," is FBC's description of the half-hour comedy, currently expected to be its most commercial outing.

■ *The Tracey Ullman Show*, a half-hour comedy/variety series executive produced by James L. Brooks (*Taxi*), Jerry Belson, Ken Estin and Heide Perlman, in which Ullman leads an ensemble cast including Julie Kavner (of Rhoda) in a series of playlets and sketches combining comedy and music.

■ *21 Jump Street* (formerly *Jump Street Chapel*), co-created by Stephen J. Cannell and Patrick Hasburgh (*Hardcastle & McCormick*). Hasburgh also serves as executive producer on this one-hour action drama, based on a real-life program of Los Angeles Police Department officers enrolling undercover in high schools in order to make drug buys.

Duet, a half-hour romantic comedy about a Los Angeles couple and their relationship. Ruth Bennett (*Family Ties*) and Susan Seeger (*9 to 5*) co-created and executive produced the series, from Gary David Goldberg's Ubu Productions in association with Paramount Television.

■ *Mr. President*, starring George C. Scott and produced by Gene Reynolds and Ed Weinberger (*Cheers*) in a comedy about life in the White House.

In the works

Also in the works are *Karen's Song*, a half-hour sitcom from MGM/UA, executive produced by Linda Marsh and Margie Peters and starring Patty Duke; *Werewolf*, developed by longtime Cannell associate Frank Lupo, a Tri-Star Production; and *The Further Adventures of Beans Baxter* produced by cult feature director "Savage" Steve Holland; Potential replacement shows including *A Single Man*, a comedy about the home shopping phenomenon

Sales pitch welcome at agencies

Whatever may be said about the programming of the new weekend service of the Fox Broadcasting Co., the sales environment is clearly positive. That is to say fortune has smiled on Fox's sales chief, John Lazarus, by way of a tight inventory situation on the Big Three networks.

This is not to say he's sold out. But his sales chore was considerably eased by the comparative lack of available scatter spots on the three networks for the second and third quarters. This diverted some money in Fox's direction, though it is not clear precisely how much.

Shortly before the weekend launch, Lazarus estimated that he was three quarters sold out for the second quarter and one half sold out for the third quarter. "We are the beneficiaries of a tight [network] marketplace," he acknowledged.

Buyer reaction to the new weekend schedule on the Fox "network" has been promising, if not overwhelming. An explanation for the buyers' attitudes comes from Michael White, senior vice president, director, media resources at DDB Needham Chicago. "Anything to increase the supply of time is good. It means more for our clients to choose from. Second, we need [the time] now, because the supply is tight."

Competitive cost

Alec Gerster, executive vice president, media and programming services at Grey, puts it a little more bluntly. The lure, he says, is the competitive cost of time. "The pricing," he says, "seemed fair compared to other sources."

Gerster compares the Fox pricing to "top-of-the-line [barter] syndication," perhaps a little cheaper. But he says it's more expensive than "run-of-the-mill" barter syndication.

On the plus side, in Gerster's view: "It's first run programming with a good [production] budget and the anticipation of good ratings." And, of course, he says, there are guarantees. Gerster refers to predictions of 6 ratings being "thrown around," though he points out that's not a guarantee.

Another DDB Needham executive in Chicago, Wes Dubin, senior vice president, director of national broadcast programming, feels the Fox sales force has "done a reasonably good job of selling. They've benefitted from the scatter market, but they've been buoyed by a number of blue chip clients who were not afraid to take a chance.

"This is not a crap shoot. [Fox] has the resources for the long haul and this attracts advertisers." Dubin was referring, among others, to the clutch of charter advertisers who signed multiyear deals.

Lazarus ticks off five charter advertisers: Anheuser-Busch, Bristol-Myers, Clorox, General Foods and Johnson & Johnson. This quintet, he explains, signed two- and three-year deals at a fixed costs-per-1,000. They incorporate a lower CPM than advertisers are now getting and it's no longer available, Lazarus notes.

The Fox sales topper, in citing the tight scatter market on the conventional networks, sees nothing available on ABC, a little bit for sale on CBS and while there's more on NBC, he says, the prices are high.

There seems to be a consensus that a key factor in the tight network marketplace is the large number of makegoods the webs were forced to place in the second and third quarters. DDB Needham's White argues that this can be exaggerated, but he still feels that there is a "meaningful" number of makegoods on the network schedules—enough to make a difference in its effect on the scatter market.

One fact made clear by Grey's Gerster—and echoed by other agency executives—is that he doesn't find any extra sizzle in the Fox offering. "When you take away the smoke, it is what it is." That is to say, it's just another program source. Putting it in terms of dollars and cents: "We won't pay a higher CPM because it's a quote, network, unquote," Gerster maintains. (Lazarus says Fox is pricing its time 15 per cent below the Big Three.)

The 'network' plus

"The fourth network concept is important to Fox, not to clients," Gerster goes on. "They have day-to-day control. They have shows on at the same time on their affiliates and they can promote on that basis. And they have backup shows." The issue of guarantees and people meters is simplified for Fox because there won't be much of a programming track record to relate to next fall. And that gives Fox an advantage, Lazarus points out. Fox will use the Nielsen people meter service as the basis for guarantees. Lazarus has been talking to AGB Television Research, "but there's no deal yet." Anyway, Lazarus feels, "Nielsen is still the accepted standard. AGB still has to earn its stripes." One factor that makes Lazarus feel more comfortable is that "people meters appear to favor independents and lower-rated programs."

produced by Cannell and written by Ian Praiser (casting remains in question, however, after the untimely death of co-star Dean Paul Martin in a plane crash) and *Deadline*, a live series about the news business.

Unmentioned in most of the hoopla about the new line-up *The Late Show With Joan Rivers*, which many feel has failed to live up to its initial hype (see accompanying story on late-night programming). Her show has a new producer and seems to be under renovation.

Ancier is looking forward to punching some holes in the existing weekend network primetime line-up.

He says FBC has an advantage at 7 p.m. (ET) on Sunday night, because the networks broadcast programming for children and older adults in that time period. "At 7 p.m. Sunday, NBC is showing *Our House*, which is gaining older men and women but losing kids and teens, CBS has *60 Minutes*, which is strong and is gaining older men but losing younger men, and ABC has *The Disney Movie*, which is losing men overall," Ancier points out. "We're coming in with an action show, *21 Jump Street*, that we feel will provide a valid alternative."

CBS follows with *Murder, She Wrote*, NBC with *Valerie* and *Easy Street*, while ABC's *Disney Movie* continues to 9 o'clock. FBC, targeting young adults and teens, will counterprogram with *Married . . . With Children*, which Ancier says has "no message and no hugs and tells you that it's okay to be miserable . . . most people are."

Married will be followed at 8:30 by *Duet*, at 9 p.m. by *Mr. President*, and at 9:30 by *The Tracey Ullman Show*.

Kellner responds to those who have questioned the wisdom of mounting an ambitious undertaking like FBC at a time of diminishing advertising revenues and network cutbacks by stressing the advantages of Fox's approach. "We don't have an expensive news division, and I question the reason for three networks putting on the same show at the same hour in the frantic pursuit to be Number 1," he says.

"We don't have a sports operation, either, which creates more overhead and is a loss leader these days," he adds. "We don't have layers and layers of bureaucracy, and the money we save from that we can put into the shows. We don't have to be Number 1 or even get the kinds of numbers the networks get as long as we reach the demographic audience we're targeting."

He stresses that FBC shows definitely skew younger, in a concerted attempt to capitalize on CBS' more con-

(*continued on page 74*)

Perspectives differ in comparison of service's attributes with Arbitron's

Birch's challenge: persuading agencies to base buys on it

By GEORGE SWISSHELM

Research directors at the radio reps generally agree on what Birch Radio should do to persuade more agencies to use it and actually base buys on Birch ratings. But they differ on how close Birch is to getting the job done. And the researchers also point to some bones they have to pick with both services.

The research directors of Blair's Radio Representation Division—Lori Adelsberg, vice president, research. Blair Radio; Mariann DeLuca, senior vice president, research at Torbet Radio; and Andy Rainey, senior vice president, research for Select Radio Representatives—pointed out in *Seller's Opinion*, TV/RADIO AGE, March 2, that the key to Birch's future is gaining not only agency acceptance in terms of subscribing to Birch, which many already do, but in convincing more agencies to actually *use* Birch in making buys. Only a handful, led by BBDO, do this today.

Eastman Radio's latest survey of agency media directors found 71 per cent agreeing that their buyers are free to use Birch to buy, or to use as a tie-breaker. But 45 per cent also reported that their buyers use Arbitron exclusively, and only six per cent use both Arbitron and Birch. On the more positive side for Birch, almost half, or 49 per cent, told Eastman that their buyers do not use Arbitron exclusively.

Deepest inroads

A recent Masla Radio analysis of avails requests by agencies during fourth quarter 1986 found Birch making its deepest inroads in New York and Atlanta. But even in New York, where the percentage of avails calls based on Birch reached 19.5 per cent, that means 80.5 per cent were still based on Arbitron. In Atlanta, 14.2 per cent of the buys were based on Birch. In the next best market for Birch, Los Angeles, only 0.5 per cent of the buys were based on Birch, and the score for Birch in the other buying centers reported by Masla was a goose egg.

Similarly, a survey of 2,000 broadcast buyers across the country by Blair's Radio Representation Division found 94 per cent of the buyers using Arbitron and 31 per cent using Birch (because some use both). And 88 per cent reported basing their cost-per-points on Arbitron.

A more favorable outcome for Birch was that, when asked about qualitative information, 84 per cent of the buyers said Simmons and MRI were useful in providing nationwide information and 88 per cent replied that local qualitative data such as that provided by Scarborough, Media Audit, Birch and Target AID was useful.

At Blair Radio, Adelsberg agrees that Birch "has a viable product," but believes that to increase agency use Birch "needs to work on its consistency and the thoroughness with which its interviewing is conducted. But I expect this to improve, now that their interviewers are concentrated in a centralized location under closer and more uniform supervision."

But Adelsberg adds, "until the effects of their new centralized interviewing takes hold, and improvement becomes apparent, Birch's problem will continue to be what it's been up to now: except for BBDO, Birch just doesn't get the respect or have the credibility that Arbitron has."

Among rep research chiefs more bullish on Birch is Charles Sislen, manager, marketing and research at Eastman Radio. Sislen notes, "Only three or four years ago, a station could walk

Concurring *that Birch's fate lies in actual agency use are research directors, l. to r., Mariann DeLuca, Torbet Radio; Andy Rainey, Select Radio Representatives and Lori Adelsberg, Blair Radio.*

A recent Masla Radio analysis of avails requests found Birch making its deepest inroads in New York and Atlanta.

Charles Sislen *of Eastman Radio points out Arbitron's advantage of being a comfortable "old shoe" will be negated when it brings out its redesigned local market report with its winter, '87 survey—looking just as different as Birch.*

into most agencies with a Birch report and they wouldn't even bother to look at it. Today, most agencies will at least give it the time of day. Most still don't buy based on Birch data, but most will listen, and that's progress, at least to a degree."

Sislen also points out, "Today, at BBDO in New York, they won't talk to a station that walks in with Arbitron numbers only. That's rock-solid progress, from Birch's standpoint. BBDO, including its divisions like BDA in Atlanta, is a big agency that buys a lot of radio."

Elaine Pappas, vice president, director of research at Hillier, Newmark, Wechsler & Howard, maintains, "Birch needs to work on its image but has already started to take positive steps in this direction. One is that it's finally applied for its EMRC (Electronic Media Rating Council) accreditation. At the same time, Birch still needs to correct the impression that, while its telephone interviewing does a good job of getting response from the younger demographics, it's still weak in tracking older listeners."

Accreditation's value

But at Republic Radio Bruce Hoban, vice president, director of research, says, "Arbitron has tried to blow EMRC accreditation up into a big issue, but there's a great deal of misunderstanding about accreditation. All it really means is that a measurement service tells EMRC what it does and how it goes about it, and then actually does what it claims it does. But a lot of people interpret it to mean the results of what it does are valid. They may or may not be. So people read more into it than the facts warrant."

Hoban sees Birch's qualitative data as its most important plus, pointing out that Birch "is the only source that provides both qualitative factors and radio ratings in one place and from the same sample of households, so that the qualitative is directly related to who's listening."

Torbet's DeLuca recalls that Torbet Radio "was one of the first reps to support Birch, because we and our stations are firm believers in the benefits of competition. We sponsored breakfast meetings in New York, Chicago and Los Angeles seven years ago when Tom Birch was just getting his start. He wanted to provide a forum where he could explain the benefits of his telephone methodology to the agency people."

Today, continues DeLuca, "We get questions constantly from stations who ask us why they shouldn't drop Arbitron for cost-benefit ratio reasons. Usually 80 per cent or more of their business is local, and they rarely use ratings to generate new retail business. But their rep really needs Arbitron because 90 per cent of national spot is bought on Arbitron. Sure, if a station is dominant in its market it will be bought anyway. But when there's a format change in a market, or some other kind of change likely to alter the station rankings, our sales people need Arbitron at the agencies."

At Major Market Radio, Jeff Wakefield, senior vice president, marketing/research, feels that while Birch "still has a way to go before it can overcome Arbitron's lead, I think Birch is here to stay. For the next five years, at least, I'm confident that radio will be served by two services."

Wakefield notes, "Most of the pieces have started to fall into place for Birch. The only question that remains is, 'Which is really superior—a telephone or a diary methodology?' Both have their own lists of advantages and disadvantages. The worst disadvantage for Arbitron is its weak response rate. Birch's worst is that, with 24-hour recall, we have to settle for a formula to generate cumes."

But aside from that, continues Wakefield, "Birch has been doing all the right things. The best was to buy up Nielsen's centralized phone interviewing facility in Sarasota and inheriting some of Nielsen's experienced interviewers and supervisors along with it."

He says this was "crucial to agency acceptance, and it's what sold Birch to BBDO. The quality of the telephone methodology is totally dependent on the quality of your interviewers. Spread out across the country, on their own and without direct supervision, some interviewers are great, and others are not so great. Now, all under one big roof, and under control, with the supervisors right there listening over their shoulders and correcting and instructing as they go along, the quality of interviewing can be standardized at a fairly high level."

Christal Radio research director Maggie Hauck observes that agency acceptance of Birch "is growing, but remains minimal at this point. Birch still has only a handful of shops that actually base buys on it."

Hauck sees better sales coverage of the agencies as one of Birch's more urgent requirements. "Arbitron has a huge sales staff," she says. "They can cover the agencies in depth—not just in New York, Los Angeles and Chicago, but in every buying center. Birch against Arbitron is like Apple going up against IBM. And of course Birch also needs its EMRC accreditation. They've applied for it, but it's a long, dragged out process before they get it."

Coverage limitations

Hauck also points out that Birch "still covers only the metro areas. They still provide no TSA or ADI measurements. And though some people do feel

(*continued on page 77*)

Jeff Wakefield *of Major Market Radio says the worst disadvantage for Arbitron is the weak response rate and that Birch's worst is in having to settle for a formula for generating cumes because of 24-hour recall.*

Agency bills $200 million with 21 accounts, benefits from megamergers

Bloom Companies sees rapid growth by thinking small

Despite its dazzling recent growth spurt, The Bloom Companies is one agency whose charter might well read, "Think small." With $200 million in billings—about $55 million of it picked up since September of 1986—it is now considered the 24th largest independent agency in the U.S. vs. 48th at the close of '85. Five years ago it was doing $102 million as a regional shop dealing with a multitude of print and collateral clients. Now it does just over that in broadcast billings alone, making it the 38th largest broadcast advertiser in the country.

But success isn't going to the head of chairman and CEO Robert H. Bloom. He doesn't want to add all that many more clients to the current roster of 21. He doesn't want to go public. He doesn't want an international capability—and, in fact, prefers not to add any offices beyond the current ones in Dallas and New York. He's set on remaining independent. And he intends to restrict his company's activities, aside from a small public relations operation in Dallas, to consumer advertising—spurning such collateral activities as hi-tech and medical advertising, direct marketing and sales promotion.

In short, The Bloom Companies is the antithesis of today's mega-agency, and that's exactly what Bob Bloom wants it to be known as. A major source of pride to him is that the six top people in New York and Dallas—including himself—are continuously involved with clients. "I was recently out with the president of an international company," Bloom relates. "He has five agencies—but what he's concerned about is that he wants somebody to love his brand."

Megamerger fallout

The attention Bloom feels his two shops can pay to a client's brands has been a major boon in this company's growth in the past and, he feels, the source of future growth: "We're getting those kinds of clients that can reward you [with additional brands] as you grow or whose brand or brands are growing." Clients that have done this include Nestle and Schering-Plough. A few months ago, Bloom became agency of record for Carnation Foods' spot TV buying. Four years ago, Bloom took on one small, new product for Airwick Industries; now it bills $10–12 million for that client.

Meanwhile, Bloom says a major factor in the addition of new clients of late has been the fallout from megamergers. Says Bloom: "Megamergers have helped us, and they're going to help us in the future. We're in the right place at the right time. All the philosophies that have helped us all along are now in vogue. But at one point, all those factors were being challenged. They said the future belonged to the global agencies. But they overlook the amount of domestic business being done by international companies. In fact, over half of our clients are owned offshore."

Robert H. Bloom

"Megamergers... helped us, and they're going to help us in the future. We're in the right place at the right time."

If Bloom's thinking is that of a small businessman, it's because he insists on stripping the entire advertising industry down to what he feels is a realistic assessment of its niche in the economy. For one thing, he explains, the use of billings as a measure is "a disguise." He points out that "thinking income" gives a truer measure. He adds, "There are only 85,000 people employed in the whole agency industry in the U.S., so even the biggest agencies are small businesses—yet they're trying to make themselves too complicated with all kinds of subsidiary organizations."

How it began

Nevertheless, Bloom has added a great deal of sophistication to the shop his father, Sam Bloom (deceased for three years), started in 1951 in Dallas. The younger Bloom had not intended to join him in the business, graduating from the University of Oklahoma with a B.S. in engineering, which he now says is "as antithetical to my being as anything you can imagine."

Bloom never went into engineering. After serving as a U.S. Navy gunnery officer aboard a destroyer, he joined the agency in 1957. At that time, it was "a retail bucket shop" with 12 people and about 90 clients vs. the current 320 people and 21 clients. Bob Bloom was named president in 1962 and chairman/CEO in 1980.

Bloom's family owns "over 50 per cent" of the company's stock, with Bob Bloom owning the majority of that. Employees own the rest. One of the employees is a daughter, Laura, a Northwestern graduate who works as an assistant account executive on the Sandoz account for Ex-Lax and Triaminic cough/cold remedies. An empty nester, Bloom also has two sons, one currently at the University of Virginia. He maintains residences in both Dallas and New York, with his wife frequently spending time in New York, where he was recently moving into a larger apartment at Beekman Place, five blocks away from his office at 304 East 45th St. The company recently renewed the entire seventh floor at that address for another 10 years and also took a lease on the sixth floor—initially for half and with an option to take the rest. An internal stairway between the floors is going under construction.

Airwick Stick Ups spot

Bloom continues to use 15s since a 15 for Airwick Stick Ups tested far beyond the norms for 30s.

The New York office has played a heavy role in the agency's growth and is responsible for some $60 million of the $200 million in billings expected for this year. In 1986, its billings more than doubled from $26 million to $55 million. For the past two years, it has been co-managed by Jeff Fine, chairman, The Bloom Agency—New York—who had held senior management positions with Doyle Dane Bernbach and Foote, Cone & Belding—and Penny Hawkey—a veteran of such agencies as McCann-Erickson and J. Walter Thompson. Hawkey, who was hired with Fine's stamp of approval as an equal a couple months after he joined the agency, is president and creative director. She's known as the creator of the Mean Joe Greene spot for Coca-Cola, the L'Oreal "I'm worth it" campaign and Listerine's Clio-winning "The taste people hate twice a day."

Bloom moved into New York five years ago by acquiring an agency that already had a strong creative thrust—Mathieu, Gerfen & Bresner. Although the New York operation has since been almost totally restaffed with people from large agency backgrounds, three of the original Mathieu, Gerfen & Bresner associate creative directors are still aboard.

The agency had about $17 million in billings when it was acquired "and was less than one-third our size, which made it digestible. Since it was our first—and hopefully our last—acquisition, we wanted something we could digest. We felt a presence in New York was important from the standpoint of being able to serve our clients." He notes, though, that the New York presence is more emotional on the clients' part than being a matter of proximity. The recently added Pentax account, while based in Colorado, wanted to be served by a New York agency, Bloom says, adding, "We now have only three clients in Texas and none in Manhattan. They're in places like New Jersey, Westchester County, Minnesota and Tennessee—and we don't necessarily serve these clients with the offices closest to them. Block Drug is in Jersey City, and we serve them out of Dallas because they like what our Dallas agency has to offer."

While Bloom doesn't look toward any additional offices, he came close once. In bidding for Honda business a couple years ago, the agency had to commit to opening a Los Angeles office if it won the account, which it didn't. The CEO asserts, "I think it's difficult to control quality in one office, more difficult with two and almost impossible with more offices."

While the Dallas operation, according to Bloom, is the largest independent agency in the South, much of the $50 million in new business added in the fourth quarter was a result of the New York office "coming into its own." During that period, it added Sandoz Corp. for Ex-Lax and Triaminic ($20 million), Sterling Optical ($7 million), three additional Airwick Industries products ($5 million) and Pentax ($7 million). Also during the quarter, Dallas picked up $10 million in spot media buying for Carnation and Skaggs Alpha Beta ($6 million).

For all of 1986, Bloom collectively won $119 million in new business and lost $40 million. Dallas won $64 million and lost $36 million, while New York won $55 million and lost $4 million. The biggest loss was the $25 million Dewey Stevens wine cooler and Baybry's champagne cooler business out of Anheuser-Busch—acquired in June and lost in November. While Bloom got this product at its introductory stage, the CEO states, A-B determined that it wasn't meeting its sales objectives and reassigned it to D'Arcy Masius Benton & Bowles. Noting that the product was a late introduction in an already declining wine cooler business, Bloom wonders aloud, "Is there a market for another wine cooler—and is there a market for a low calorie wine cooler?" Meanwhile, the agency retains brands from the A-B Beverage Group, including Sante mineral water, Saratoga Springs bottled water and Master Cellars wines, and from its Campbell-Taggart food group including Charrito frozen Mexican dinners, Kilpatrick's and Papa Dion's frozen pizza.

Client-oriented structure

The company's two offices operate autonomously except that all administrative functions are handled out of Dallas and all network buying out of New York. According to Lili Rodriguez, senior vice president, media director, the latter includes, network TV, national syndication buys, network radio and cable networks.

Freeing the top six people in the agency to concentrate on working for accounts, Marion Flores, chief financial and administrative officer for the company "handles everything that's not advertising," including financial, accounting, legal, data processing and human resources. Bloom points out her Booz Allen background allows her to take on a wide range of responsibility vs. "just being a green eyeshade person."

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Penny Hawkey

Creative groups are not pitted against one another: "This is a blow to the belly of creative morale."

The GRP trap: Where TV buying tool misses in radio

By BOB GALEN
Senior vice president/research, Radio Advertising Bureau

The use of gross rating points to plan and buy radio is among the most controversial issues in broadcasting today. Automatic reliance on the GRP formula can actually be a trap that reduces rather than improves the effectiveness of media planning. Planning radio by relying solely on "X" number of gross rating points and adherence to cost-per-point statistics are practices that deserve scrutiny.

Many agencies take the Gertrude Stein position: a point is a point is a point. Since they plan television on the basis of gross rating points, they automatically build similar planning guides for radio. Although a number of agencies have recognized the differences between the two media, too many ritualistically apply TV buying approaches to radio.

The basic GRP premise about television is 100 per cent true, if you buy 100 gross rating points in primetime, in a series of markets and tabulate the reach and frequency for those schedules, you get approximately the same reach and frequency for each market.

The differences between markets will be marginal because people tune to specific television programs. Even though a TV station carries many different programs during the course of a week, people tune in and out of each of the market's TV stations. Therefore, during the course of a week, most people in the market will tune to all of the network affiliates and to the leading independents during one time period or another. As people switch from one program to another, a station can lose all or most of its viewers and quickly gain a totally new and different audience.

Radio's difference

Radio is different. Radio *stations* are like television *programs*. Listeners select a specific station or format to meet their needs. Rarely will a radio listener tune to more than three or four stations during a week (the average is under three). Major radio stations only reach a portion of the market while major television stations will reach well over 90 per cent of the market. People use radio differently than TV.

This phenomenon is a very important factor in drawing up media plans. Just as a person will tune to a situation comedy on channel "A," He will then go to an entirely different station for a dramatic program. People will listen to radio stations in mood-oriented ways. In some cases, listeners will tune to a radio station for a long period of time. This is especially true of an ethnic, easy listening, album-oriented rock or talk station. Other stations by nature of their programming encourage people to listen for relatively short periods of time. In the case of an all-news station, people come in and out of the audience very quickly and listen for comparatively short periods of time.

In many cases, stations with relatively short listening spans (in average quarter hours) are successful in developing a very large circulation (measured as cume). Radio has two dimensions; average quarter hour—how much time people spend with radio, expressed as average quarter hour—and the number of different people who tune into the station—known as cume. Reach represents the number of different people delivered by a specific schedule.

What does this mean to a planner? For television its says GRPs are a reliable planning tool over a series of markets. Since all of the stations reach most of the people in the market, with good program dispersion, you get a very good reach on a multiple station buy or even on a single station. In contrast, 100 radio GRPs would probably not get good reach against a broad-based demographic. Similarly, 100 GRPs on a single radio station would net a very low reach and a very high frequency. Therefore, GRPs are markedly less reliable indicator for planning and buying purposes.

Not only do people use radio and TV differently, but people use radio stations differently. As a result, radio stations develop different size cume levels. If you rely on rating points, each point will not contribute identical reach. The technique that works so well in television breaks down when applied to radio.

For example, chart A shows two radio stations with identical average quarter hour ratings—a measure of how long people listen. As a rule, the longer people listen, the bigger the average quarter hour audience. In this case, the major difference between the two stations is the size of their cume audience. Station "A" has a larger number of different people who tune in, though they listen for shorter periods of time. Station "B" has fewer listeners, but they stay with the station for longer periods of time. A schedule of 48 announcements (12 spots a week for four weeks) develops a 16.7 reach using station "A" and a 9.3 reach using station "B." Station "A" reaches 80 per cent more different people than station "B."

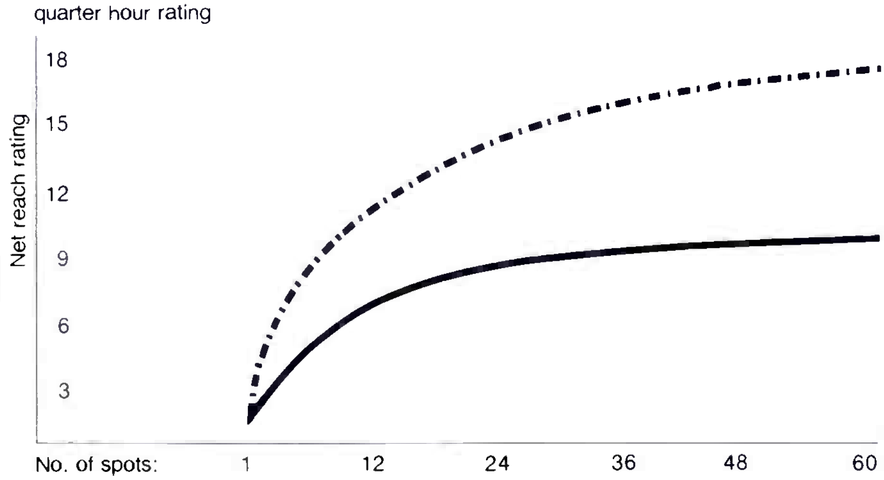
With 48 spots both stations develop 91 gross rating points. But in spite of similar GRP levels, station "A" would require more spots since their audience tunes in for shorter periods of time while station "B" can be reached with fewer spots since listeners stay tuned for longer periods of time and are easier to reach.

Mathematical probability

To effectively buy radio, you must determine the mathematical probability of reaching someone in a given station's audience. A person tuned in for long periods of time is relatively easy to reach with a small number of spots. To

A. How stations' reach differs

Station reach comparison by number of announcements and equal average quarter hour rating



B. Equal gross ratings points may not give you equal reach

Four week reach & frequency

Station	No. of spots	Avg. ¼ rtg.	Cume	GRP's	Reach	Frequency
Medium size midwest mkt.						
WAAA	12	0.7	46,700	31.4	8.3	3.8
WBBB	12	0.7	26,000	33.4	5.4	6.2
WCCC	12	0.6	19,800	30.5	4.2	7.2
Large eastern market						
WDDD	12	2.1	195,800	99.1	17.4	5.7
WEEE	12	2.1	137,400	99.3	12.9	7.7
Large northwesten market						
WFFF	12	1.3	111,400	64.6	13.2	4.9
WGGG	12	1.3	77,500	61.3	9.7	6.3
WHHH	12	1.3	65,700	60.0	8.4	7.1
Medium southwestern market						
WIII	12	1.1	60,400	51.9	10.1	5.2
WJJJ	12	1.1	36,600	51.7	6.6	7.9

Source: Arbitron fall '86, adults 25–54, 12 spots per week for four weeks—M-F 6 a.m.–7 p.m.

reach listeners who tune in only for short periods of time, you need a large number of spots. This varies from station to station and is a critical planning difference between radio and television.

Buying equal numbers of gross rating points on radio will distort rather than clarify the planning process. Each radio station accumulates reach differently based on how people use the station.

Chart "B" displays a number of different radio stations with the same average quarter hour audience in each market. Twelve spots on each station will net out approximately the same number of GRPs. The difference between the stations is their cume potential. Buying the same number of points on different stations yields different reach and frequency levels.

Chart "C" offers examples where less is more. Fewer points on a lower-rated station yield as much or more reach than a higher rated station. WBBB, WDDD, WFFF and WHHH have lower ratings and deliver fewer points but develop a higher reach. The reason is simple. GRPs don't necessarily equate to radio reach. Therefore, average quarter hour and cume (the other page in the Arbitron) both have to be considered when buying radio.

To maximize the results for a radio campaign, decide what you want radio to accomplish. Then build a plan to accomplish your goal. The goal should have reach and frequency, and even

In radio a point is not a point. If you buy 100 points a week for four weeks you can do a number of different things. You can get different results from a campaign of 400 gross rating points. For example, you can get a 50 with an 8 frequency, an 80 reach with a 5 frequency, and even a 20 reach with a 20 frequency.

though reach times frequency equals gross rating points, the important consideration is that the campaign be bought in such a way to avoid building a pile of hollow points.

Radio can yield any combination of reach and frequency levels. In radio, a point is not a point. If you buy 100 points a week for four weeks (400 points) you can do a number of things. You can get different results from a campaign of 400 gross rating points. For example, you can get a 50 reach with an 8 frequency, an 80 reach with a 5 frequency, and even a 20 reach with a 20 frequency.

Radio's flexibility can be demonstrated by three plans, as shown in Chart "D," all using 72 spots per week. Plan III uses six stations with 12 spots per station. Plan II uses three stations with 24 spots per station and plan I uses six stations with 36 spots per station. Chart "D" shows the vastly different results. Plan III nets high reach and low frequency, plan I develops the lowest reach and the highest frequency, and plan II is in between. To achieve great frequency, don't buy too many stations, but buy a lot of spots on each one. To maximize reach, buy a lot of stations and keep the spot load per station down. If all you buy is a big pile of rating points, you may not know what you are getting—which could squander the impact of a radio buy.

How can you determine how many spots to assign to each station? A simple rule of thumb is: Divide a station's cume by the average quarter hour to calculate "turnover," or the number of

(continued on page 80)

DRUGSTORE SPENDING
Spot TV rises 16.2% in '86; Walgreen up 50%/51

RETAIL REPORT
Stations urged to go after newspapers' 60% of revenue/53

BUYER'S OPINION
Computers could create 'home programming zone'/54

TELEVISION/RADIO AGE

Spot Report

April 13, 1987

Spot Report

April 13, 1987

Drugstore spot TV rises 16.2%; Walgreen up 50%

Drugstore spot TV advertising in 1986 rose 16.2 per cent to an estimated $78,250,300, compared with $67,317,100 in 1985, according to the Television Bureau of Advertising, based on data from Broadcast Advertisers Reports. Leading the drugstore TV pack was Eckerd, which was the only retailer to use network in addition to spot TV. Eckerd spent a total of $18,658,700 in 1986 (93 per cent of it in spot) for an increase of 24 per cent from TV ad investments of $15,048,200 in 1985. Walgreen was the second foremost TV advertiser in the drugstore category, placing $7,866,400 in the medium last year, a 50 per cent increase from 1985's $5,261,100.

Osco, the third-ranked advertiser, spent $6,123,800 in TV ads the past year, a 21 per cent increase from $5,056,000 in 1985. The fourth-ranked advertiser, Thrifty, increased its 1985 TV ad budget by 2 per cent, from $5,002,000 to $5,102,300; Drug Emporium took up the fifth slot, with ad investments totaling $5,045,400, up 14 per cent, from the 1985 TV ad investment of $4,431,800.

Other advertisers which had large gains, according to TvB/BAR, include Perry, which more than doubled its TV ad spending of $1,168,700 in 1985 to $2,428,900 in 1986. Treasury's spending rose to $2,428,900, for an increase of 114 per cent, from $847,800 in 1985; and Super X placed a total of $945,500 in 1985, an increase of 75 per cent, to $1,653,800.

Selling older demos

"It's the surprisingly active and youthful lifestyle of people 45–64, plus more discretionary time and discretionary income to pursue it," that persuades many advertisers to target these older brackets, says James DeCaro, executive vice president, general manager of WEAZ(FM) Philadelphia.

"Once the kids grow up and leave the nest," notes DeCaro, "these consumers have more money to spend and time to spend it on a lot of things they were too busy to enjoy before, from sports to eating out more, to travel and pleasure trips. And when I say 'sports,' " he adds, "the accent is on do-it-yourself sports like jogging, golf, tennis and fishing, and the health interests that go with an active life, like improved nutrition and watching their weight. Contrary to popular belief, they're not so set in their ways that intelligent marketing can't persuade them to switch banks, or make the next car a sportier, younger looking model."

DeCaro, participated earlier this year in the Marketing and Mature Audience Seminar sponsored by the 35–64 Committee at the RAB's Managing Sales Conference in Atlanta. He told the packed session that on every call his people pitch the older, 45–64 market, even if the call is in response to a request for 25–54, as most are. DeCaro emphasized that, "Only by constantly reminding agencies and clients can we turn them around."

Dan O'Day, general sales manager of KTTS AM-FM Springfield, Mo. says his response to 25–54 requests is to "emphasize the vital need to balance the buy by including an older skewing station, since many stations that can show good 25–54 numbers actually have little coverage beyond age 35. Then contrasting the value of 55–64 with 18–24 usually gets our point across."

Group W joins. Meanwhile, in the March newsletter from the 35–64 Committee, executive director Maurie Webster reports that Group W Radio has joined the committee for all 13 of its AM and FM stations.

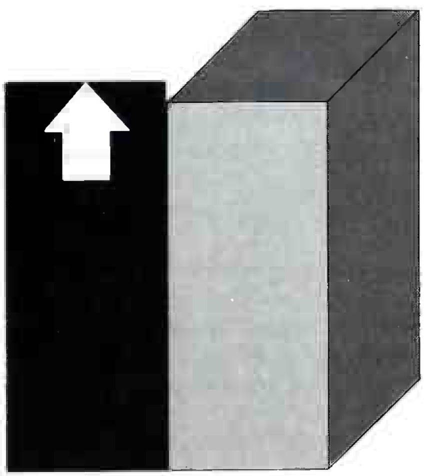
In addition, Webster says the committee is working with several of the micro research companies on development of software programs that can show an analysis of a buy in 10-year age cells. This, he points out, "can quickly prove your station is needed to balance a schedule."

The newsletter also lists over a dozen advertisers who target mature demographics. They include Delta Airlines, Mercedes Benz, Moore Paint, Brinks Home Security, CBS Entertainment/Videos, Air Canada, Blue Cross of Illinois, Hughes Aircraft, and First Texas Savings, Gibraltar Savings, and Great Western Savings.

February

National spot business

+2.5%



1987: $335.7 1986: $327.5

Complete TV Business Barometer details p. 22

Spot Report

Campaigns

Frigidaire Co., TV
DDB Needham Worldwide/Chicago
SELECTED APPLIANCES are sharing seven to 12 weeks of spot appearances that began in early April in a nationwide spread of television markets. Media worked with fringe and news inventory to reach adults 25-plus.

Goody's Manufacturing Corp., RADIO
Van Winkle & Associates/Atlanta
HEADACHE REMEDY is being prescribed for six weeks that started in early April in a good many southeastern and Texas radio markets. Target audience is men 25 and up.

Hershey Foods Corp., RADIO
DDB Needham Worldwide/New York
MR. GOODBAR is being advertised for 16 weeks that started in late January in a select but nationwide list of radio markets. Target is young adults.

Our Own Hardware Co., RADIO
Fischbein Advertising, Inc./Minneapolis
HARDWARE CHAIN is featuring various products for six weeks that started in early April in a good many markets in the midwest and upper midwest. Media aimed for adults 25-plus.

Shell Oil Co., RADIO
Ogilvy & Mather/Houston
CREDIT CARDS are being promoted for four weeks during April in a long and nationwide spread of radio markets. Broadcast target is adults 25-plus.

New for hair

Spot television in about 20 markets, targeted to women 18 to 34, is backing the network introduction of Revlon's improved new hair care product, Flex Conditioner with Panthenol. The network introduction broke March 30, appearing in the primetime telecast of the Academy Awards. Agency is Grey Advertising.

The 30-second spot, directed by Leslie Dektor, who did the commercials for Maxwell House and Levi Strauss' 501 jeans, features a production number that piles on more glamour and style to that brought to the product by its spokeswoman, top model Ashley Richardson. Richardson, says Grey, "personifies the wit, vibrancy and fun of the contemporary Flex woman."

Appointments

Agencies

Joseph W. Ostrow has been appointed executive vice president, corporate director of media at Foote, Cone & Belding Communications after 32 years with Young & Rubicam, which he leaves as executive vice president, director of communications services and a member of the agency's Board of Directors.

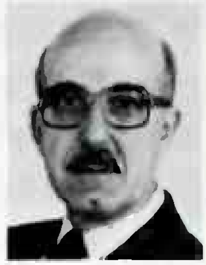
Chris Dickens has been named to the new post of worldwide media director of Young & Rubicam. He also assumes Ostrow's former post of director of communications services for Y&R New York. Dickens will transfer from London where he has been Y&R's European media director.

Len Lipson, group director, media planning at SSC&B; Lintas USA, has been elected a senior vice president. He joined the agency 15 years ago as an assistant buyer.

Diane E. Aleman has returned to Gulf State Advertising Agency in Houston as media director. Before her first hitch as broadcast director at the agency she had been with the sales staff of KYND(FM) Seabrook, Texas.

Deborah A. Bozsa has been promoted to associate media director at D'Arcy Masius Benton & Bowles/St. Louis. She came to the agency as a buyer in 1981 and now moves up from media manager.

Ellen Berka has been elected a vice president at SSC&B: Lintas USA. She joined the agency in 1983 and is currently an assistant media director assigned to Lehn & Fink division products of Sterling Drug.



Gene Accas has been named director of network programming and purchasing at Rubin Postaer and Associates/Los Angeles. Accas formerly held the post of vice president, network relations and programming at Leo Burnett USA, and has also worked for Grey Advertising; Foote, Cone & Belding, and for the ABC TV Network.

Susan Rowe has joined Busse & Cummins Advertising/San Francisco as media director. She moves in from Allen & Dorward, also San Francisco, where she had been a senior broadcast buyer, and before that she had been a senior buyer for D'Arcy Masius Benton & Bowles.

Media Services

Dave Hatt has been promoted to associate group director with Advanswers Media/Programming, Inc., St. Louis. His responsibilities include media planning for IC Industries, Ralston Purina Puppy Chow and Chex cereals, *The National Enquirer* and syndication clients.

New network

The Midwest Radio Network has been formed by 14 of the largest radio stations in the Upper Midwest. Jim Rupp, president of Midwest Communications, Inc., says the combined reach of these stations is over 1.7 million listeners in 155 counties. He also points to the new network's ability "to instantly transmit stereo commercial material which can be tailored to each of the eight markets covered."

Member stations are WCCO Minneapolis-St. Paul, KNSI/KCLD(FM) St. Cloud; KDAL AM-FM Duluth; KEEZ(FM) Mankato; KFGO AM-FM Fargo; KWLM/KQIC(FM) Willmar; KROC AM-FM Rochester; and KXRB/KIOV Sioux Falls.

Representatives

Jacqui Rossinsky has been promoted to executive vice president at Hillier, Newmark, Wechsler & Howard in New York. She started with the company as an account executive at its inception five years ago and is now Eastern Division manager, responsible for overseeing sales in Boston and Philadelphia as well as in New York.

Don Williams and **Sid Brown** have been promoted at Blair Television. Brown, vice president, manager of the rep's Dallas sales office, becomes Southwest regional manager, overseeing both the Houston and Dallas operations. Williams, who has been director, sports sales since 1984, is now vice president, director of marketing, working out of New York.

Toni Kirk has stepped up to sales manager for the Denver office of Petry Television/Petry National Sales. She came to Petry in 1981 as an account executive in the Los Angeles sales office, and now transfers from Petry National's Red team there.

Tom Hetherington has been appointed sales manager of the new Minneapolis office opened by Independent Television Sales. The former Katz manager has most recently been with KITN-TV Minneapolis-St. Paul.

Mark A. Masepohl has joined Blair Radio as manager of its Houston sales office. He moves in from the Houston regional manager's desk at Hillier, Newmark, Wechsler & Howard. Before joining Interep's McGavren Guild Radio in 1985, Masepohl had been with Dean Witter Reynolds.

Craig Iwaszko has been named regional manager of the Minneapolis sales office of Hillier, Newmark, Wechsler & Howard. He opened the Minneapolis sales office for Select Radio Representatives two-and-a-half years ago, and before that he was sales manager for KGBB(FM) Minneapolis-St. Paul.

Retail Report

'Quit fighting each other'

Newspapers continue to account for more than 60 per cent of retail advertising. This statistic is not new, but every time it's mentioned it sends stings of recognition through the ranks of broadcast sales executives—recognition that, despite all the efforts, the development of new dollars for the medium still has a long way to go.

This statistic was cited recently by Charlie Pittman, vice president and general manager of Jefferson-Pilot Retail Services, during a session on "Broadcast Marketing in the '80s" at the National Association of Broadcasters convention in Dallas. He was trying to convince his audience that the key to attracting new business is not to try and carve up each other, but, instead, to sell the medium of television. Pointing out that TV currently attracts only 7 per cent of the retail budget, he criticized station sales managers for being primarily concerned with fighting for their share of that 7 per cent, rather than utilizing a creative marketing approach to go after new dollars. "Let's quit fighting each other," he said.

One method he advocated for attracting new-to-television dollars is the development of vendor support—"promotional allowances turned over by the manufacturer to the retailer, over and above co-op allowances, which are tied to purchases." Pittman stressed that vendor funds can be generated by "retail-driven events that give the retailer total flexibility."

He also urged that stations consider hiring a retail marketing director who's "creative, aggressive and understands the retailer." And he warned that, "you're not going to see quick and dirty short-term results."

One station committed to developing new dollars via a full-time retail marketing person is WKRN-TV Nashville. The Knight-Ridder outlet, under the guidance of consultant Tom Frick, started its vendor-driven market development program in January, 1986. According to Ed May, general sales manager, the cost of selling in the first year of such a program is "real expensive. We anticipated we would be six months into the program before we saw any new business." For that entire year, the station attracted a little over $300,000 in new-to-TV billings and this year has budgeted $850,000.

Many stations who say they have a retail marketing program just go through the motions, in May's opinion, because "they put a junior person in the retail development post. You have to have a dedicated person at a staff level equal to the local and national sales manager." Steve Glover, director of market development at WKRN-TV, believes that a lot of stations "mess up [in attracting vendor support] because they think they have to go to traditional outlets." Glover developed a vendor support program for a retailer-manufacturer of wood stoves, Ashley Stoves, by going to suppliers such as producers of gaskets and raw metals. It was all part of a "pre-winter warmup" promotion from September 30–October 30. The program, which also included stations in Knoxville, Chattanooga, Huntsville-Decatur-Florence, and Bowling Green, Ky., increased the retailer's sales by 13.5 per cent over the previous year.

In a more traditional vein, WKRN-TV has had continuing success with vendor programs for a local supermarket chain, Piggly Wiggly. Glover says the strategy is to "look at an aisle and develop a week around it—baby weeks, cleanup weeks . . . We just finished one that should bring in a quarter of a million dollars." And the beauty of it is that the store "had never used television before."

These types of success stories don't develop overnight, however. "Our general manager really supported us," says May. "We had a salary, production costs, printing costs—everything that an agency has. We had to have management that believed in the concept and had patience." That patience is apparently paying off.—**Sanford Josephson**

One Buyer's Opinion

Phelps

If you think zapping is bad today, take a look at tomorrow

Grab your people meter and hold on to your product wand. What I'm about to say could well shake our industry down to its "single source." In my opinion, if the current vision of the home media center of the future ever becomes a reality, we media professionals had better brace for what could be a profound change in the way we plan and execute broadcast media.

What techno-culprit will be responsible for achieving this transformation of our business? None other than our friend(?) the personal computer. This all-powerful pacesetter of technology, if ever allowed to "fuse its circuits" with our two favorite home companions—the VCR and the television monitor—could, I believe, potentially transport us to that hostile media land of the media future, the "home programming zone."

Try this frightening tableau: The person of the house arrives home after a hard day of pencil sorting, kisses one or more of (his) (her) spouse, pet or offspring, then settles down to scan the evening's viewing choices. Following some head scratching and calls back and forth to the kitchen for advice, they reach for the PC's keyboard and punch in such items as:

■ "Line" on selected sports contests	—videotex—	6:19 p.m.
■ Classic Movie, re-colorized	—cable-pay per view—	8:05 p.m.
■ Sports Highlights	—cable-ESPN—	9:51 p.m.
■ Nightline	—ABC affiliate—	10:20 p.m.

But, you might ask, what's so frightening about this vision of tomorrow? Haven't cable and the VCR already transformed our viewing habits in much the same way? To which I would respond, "Yes—but look again: Isn't there something just a bit unusual about the playing time column?" A close look will reveal that rather than starting and stopping on the half hour, with programming neatly filling the time space between, our previously passive viewer has instead displaced the schedule to fit his/her own information and entertainment and timing needs.

In effect, by means of the computer "talking" to the VCR, as well as to the other electronic components in the room, the viewer has not only been able to re-arrange the broadcast times, but also at his or her whim seen fit to cross back and forth between media alternatives while at the same time (horror of all business-related horrors) being able to automatically edit out the commercials.

Further, all of this has been accomplished by spending less than a quarter hour on the PC keyboard, without once picking up the remote control to send commands to the various pieces of broadcast hardware. (Didn't there used to be a people meter?)

So, while the stage is still set and the crystal ball is warmed up, take a look and let me know what you are able to see: Is our destiny to become a broadcast nirvana where the consumer reigns supreme? Or could the vision instead portend a Poltergeist III for the media planning and buying community?—**Stephen P. Phelps,** *senior vice president, deputy director of media services, D'Arcy Masius Benton & Bowles, St. Louis*

Stations

Eric Ober has been appointed president, CBS Television Stations Division, responsible for WCBS-TV New York; KCBS-TV Los Angeles; WBBM-TV Chicago, and WCAU-TV Philadelphia. He had been vice president, public affairs broadcasts for CBS News.

Thomas N. Ryan has been promoted to vice president, general manager of WOR-TV Secaucus (New York). He joined the station six years ago and now steps up from vice president, station manager and general sales manager.

Bill Burns has been named vice president, general manager of Gannett Radio's KKBQ AM-FM Houston. He moves in from similar responsibilities at WWBA(FM) Tampa-St. Petersburg to succeed **Jay Cook,** now president of the Gannett Radio Division.

Allan C. Buch has been named vice president, general manager of Kansas State Network's KSNW-TV Wichita. He moves in from Miami where he had been news director at WTVJ-TV.

Dennis Kelly has been named general manager of KNMZ-TV Santa Fe, N.M. The one-time vice president, West Coast, for Top Market Television will continue as director of sales for the New Mexico independent.

David Liston has been promoted to vice president and general manager of WTHI AM-FM Terre Haute, Ind. He moves up from station manager of the Wabash Valley Broadcasting radio stations.

Media Professionals

Kid audience fragmentation laid to more barter shows

Russell P. Gilsdorf

Executive vice president,
Director of media services
Geers Gross Advertising, Inc.
New York

Russ Gilsdorf, who heads media operations at Geers Gross Advertising, says, "Many of us who have purchased kids' programming during the fall of 1986 are most likely experiencing great difficulty in rationalizing to our clients the surprising underdelivery of kids that many schedules generated."

In order to provide some additional insight into what caused these shortfalls, Gilsdorf points to "a variety of topics that could be discussed as contributing factors to the ratings decline, such as cable growth, sample size and distribution, station time period clearances, HUT levels, and so on." But he concentrates on "what we believe to be the primary cause—simply an increase in the number of bartered kids' programs."

Gilsdorf notes, "The fact is that, as the number of viewing alternatives increases, the more fragmented viewing becomes. If you examine the number of syndicated kids' properties aired during a similar period six weeks in 1985, and compare that to 1986, you will find an astonishing 45 per cent increase in the September–October 1986 period. Further, total kids' gross rating points for bartered kids' syndicated programs in 1986 exceeded that reported for the similar period in 1985. However, the average program rating declined by nearly 20 per cent in 1986, and programs that were common to both years record a 25 per cent decline."

He suggests, "Perhaps a new corollary for kids' television could be developed—'As the number of children's vehicles increase, the total number of viewers will increase. But the individual ratings for each program will decrease.' "

The upshot, concludes Gilsdorf is that the kids are still there, but no longer will it continue to be the exclusive reign of the *Thundercats*, *GI Joes*, *Transformers* and *He-Man* in the upcoming season. Therefore, says Gilsdorf, "We are advising caution in program selection and in lining up the mix of programs in order to assure meeting a campaign's television audience goal."

New Stations

On the Air

WSYT-TV Syracuse, N.Y.: Channel 68; ADI, Syracuse. Licensee, The Flatley Co., 1,000 James Street, Syracuse, N.Y., 13203. Telephone (315) 472-6800. Vincent Arminio, general manager; Tom Disinger, station manager; Bernie Aiello, program director. Represented nationally by Seltel. Local sales consultant, Antonelli Media Sales. Air date, April 5, 1987.

Buyer's Checklist

New Representatives

Blair Radio has been named national sales representative for Scripps Howard Broadcasting's WBSB(FM) Baltimore. The station carries a personality-oriented mass appeal contemporary format in stereo.

Christal Radio is now the national sales representative for WLOH/WHOK(FM) Columbus Ohio and for four stations in Alaska. They are KYAK/KGOT(FM) Anchorage and KIAK/KQRZ(FM) Fairbanks. KIAK, KYAK and WHOK are country music stations. KGOT and KQRZ offer contemporary hits, and WLOH programs Classic Gold.

Eastman Radio has been appointed national sales representative for KXKX(FM) Dubuque and for WKCN/WDXZ(FM) Charleston, S.C. WDXZ features easy listening, WKCN is a news/talk station, and KXKX airs a modern country format.

New Affiliates

NBC Radio Network has added WBT Charlotte, N.C. to its affiliate lineup. Addition of the 65 year old Jefferson-Pilot station brings NBC's affiliate count to 385.

New Call Letters

WJAZ is the new call designation of WYRS(FM) Stamford, Conn. The station, and sister station WSTC, are owned by Chase Broadcasting of Stamford, Inc.

Transactions

Infinity Broadcasting Corp. has agreed to acquire KVIL AM-FM Dallas-Fort Worth from **Sconnix Broadcasting Co.** for $82 million, subject to FCC approval. Broker is Wertheim-Schroder & Co. Completion of the transaction would give Infinity nine FM and four AM radio stations in 10 major markets.

Ralph Guild Broadcasting has acquired WOOD AM-FM Grand Rapids, Mich. from **Grace Broadcasting, Inc.** of Southfield, Mich. for $18,250,000, subject to FCC approval. Harvey Grace is president of Grace Broadcasting and Ralph Guild is also president of the Interep Group of radio rep companies. Broker in the transaction is The Mahlman Co., Bronxville, N.Y.

Home Shopping Network's Silver King Broadcasting Co. has agreed to purchase religious station KLTJ-TV Dallas-Fort Worth from CELA, Inc. for approximately $16 million. Communications Equity Associates represented the buyer and CELA was represented by The Divine Image.

Viewpoints

Martin Umansky

Retired chairman of KAKE-TV Wichita-Hutchinson in recent speech upon accepting National Association of Broadcasters' Distinguished Service Award.

Fragmentation of business makes local commitment more important than ever

If there was ever a time that broadcasters should be beefing up, improving, enlarging the local effort, it's now. As we all well know, there are more choices for the American public to watch and hear than ever in the history of mass communication. Not only is there more over-the-air competition, but the many cable services, the satellite receivers, tapes, discs, video games, computers—all are taking pieces of the public's time that formerly was allotted totally to broadcasters. And many are taking pieces out of the advertising pie that formerly went to broadcasters . . . local stations and networks alike.

One sure way, I believe, of recovering much of that time and revenue is through "localism." People are more interested in themselves, in what affects them locally and in what can be done to improve the quality of their lives than in anything else. Broadcasters are best equipped to serve these needs, if they'll do it . . . if they will dedicate their energy, time and money to it . . . to become skillful in the art and craft of local service.

Whoever coined the phrase, ". . . serve the public interest, convenience and necessity," of the Communications Act deserves five Distinguished Service Awards. That's what our industry is about. That license requirement never was a burden to good, serious broadcasters who do not live in a vacuum. They ascertain . . . they see the problems and address them. They know that serving the public well is good broadcasting and that's good business . . . It's the key to success.

And when you develop a Number 1 news department . . . when your local programming hits the mark . . . when you get deeply into community activities and you are recognized as a committed, effective broadcaster . . . that's when you become the Number 1 "favorite station" in the market . . . which leads—almost without exception—to your network's news and primetime programming becoming Number 1, too, irrespective of where the network stands nationally. The station makes the network, more often than the network makes the station.

Technology warning

And that relationship between a station and its network's news service . . . or a station and its independent news service may need a little more redefining of who is supposed to do what. The technology of satellite transmission that make possible miraculous remotes—and, incidentally, helps us get even with AT&T for their outrageous connection and line charges of yesteryear—may be running the operation more than it should and distracting us from our primary goal. It is glamorous to send an anchorperson, staff and trucks out a thousand miles to cover a news story.

But it may be wiser, cheaper—and time better spent—if the anchor and staff were digging into the local county's files on a tip of possible malfeasance of office . . . or developing an understandable analysis of the city's budget.

The bluebird of successful news coverage is in your own backyard, not flown off to remote places where—if a story needs to be covered—the network or national service may be in a better position to do it.

I am concerned that the lifting of the three-year [trafficking] rule has attracted financially-oriented speculators to what they perceive as a cash-cow industry to be milked for all that it's worth—the leveraged buy-out experts, the fast-buck artists and others—who have no real feeling for or understanding of broadcasting. Their bottom-line morality may justify extensive staff firings and wholesale cutting of expenses to satisfy boardroom budget decisions, but they may be seriously damaging the ability of their operations to serve and attract an audience that is already somewhat disenchanted with traditional broadcasting.

That bottom line may be better served in the long term, if investment is made in investigative reporters and public affairs people. Money spent on developing a sound and respected relationship with the community and becoming the trusted, relied-upon communicator . . . will come back many times over.

Sales opportunities

For most stations, localism could help alleviate the budget problem, too. Expense-cutting is not the only way to improve the operating statement. Increasing sales does it also . . . and much more satisfactorily. A better local sales job can be done in most markets through designing innovative sales ideas—creating new business, converting newspaper dollars. The enemy is your local newspaper more than your fellow broadcaster. In most markets that local newspaper does more business than all the radio and television stations in the market combined . . . often much more. Why are you letting them get away with it? We are the stronger and more effective sales tool.

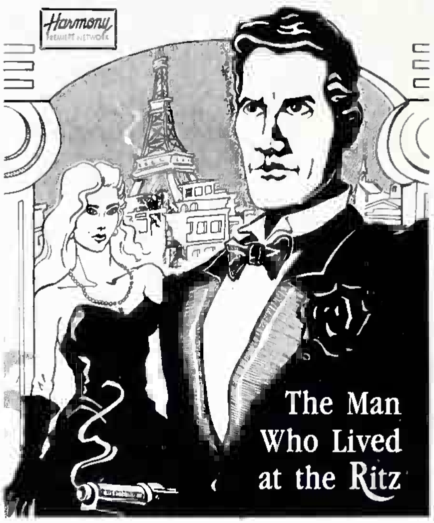
Programming/Production

Syndicated miniseries a minitrend

First-run miniseries made for syndication are seeing a production burst which has developed into a minitrend. At least two suppliers are moving into the miniseries arena, and there are rumblings that a few other producer/syndicators are looking into doing likewise. The two suppliers which have announced production go-aheads are Harmony Gold and Daniel Wilson Productions, whose miniseries will be sold by Curran-Victor. Harmony Gold's new venture is a follow-up to its success, obviously, with *Shaku Zulu* the 10-hour miniseries which cleared about 60 per cent of the country and amassed high ratings in many of its markets. HG's production slate for its new undertaking is by far the most ambitious since the days when Operation Prime Time was launched. In fact, Harmony Gold is planning to set up an Operation Prime Time type of operation, with plans calling for the production of three to four miniseries per year, in a co-financing arrangement with two foreign partners. The shows will be produced under the name of the Harmony Premiere Network and will be pre-sold to stations. The first broadcast groups have already been signed. These are Gaylord Broadcasting, Group W Television Stations and United Television, according to Robert Lloyd, president of domestic television at Harmony Gold. The groups cover some 30 per cent of the country, and deals are being negotiated for Chicago and New York. The charter stations will offer input on projects, as part of the network's programming advisory board.

Each project will be sold by HPN on a cash-plus-barter basis, with the network retaining one national minute each hour. Miniseries will be six hours at maximum. The first two projects have already been set, and each will cost about $8 million, according to Lloyd. These are *King of the Olympics* and *The Man Who Lived at the Ritz*, both four hours each. *Olympics* will be released close to the summer of 1988, to take advantage of the 1988 summer Olympics, while *Ritz* has a fall, 1988 launch.

Deal. The deal with stations calls for a 30–45 day window over two runs. In its arrangement with the two partners—BetaEuropa, West German network, and Societe Francaise de Productions, TV and film studio and French TV producer—HG will shell out $30 million over the first three years. The two partners will also contribute about one-third each to the network production pie. The miniseries are expected to be sold internationally.



Line art *of "The Man Who Lived at the Ritz," a miniseries to be sold by the Harmony Premiere Network.*

Curran-Victor, the San Francisco based company, will distribute *Hemingway*, six-hour miniseries co-produced by Wilson and Alcor, Munich producer, and looking to capitalize on the successes of *Shaka Zulu* and Operation Prime Time. Herb Victor of C-V says the $12 million production, which stars Stacy Keach in the title role, will begin filming this month in Switzerland and is tentatively scheduled for the May, 1988 sweeps. It will have location shooting at such famed Hemingway haunts as Paris, the South of France, Pamplona, Key West, Boise and possibly Cuba. Curran/Victor has domestic distribution rights to *Hemingway* and Alcor, which financed the project, has the international markets.

Stations. Stations which have already signed up for the miniseries include Tribune Broadcasting's WPIX New York and WGN-TV Chicago, Chris-Craft's KCOP-TV Los Angeles, KMSP-TV Minneapolis, KBHK-TV San Francisco, and KPTV Portland, Ore. Other stations which have agreed to carry the miniseries are KPHO-TV Phoenix, KVVU-TV Las Vegas, KTRV-TV Boise and WQTV-TV Boston, and Victor says are more on the way.

The miniseries "will be marketed much the same way as OPT, on a market-to-market basis, to both independent and affiliate stations," he says. "The stations will air [episodes] in April '88, and retain rights to a number of runs over a number of years," he says.

What makes the miniseries-for-syndication development so noteworthy is that the moves come at a time when the major networks are trimming their development of the longforms because of the pivotal year miniseries experienced in the current season. A report prepared by FCB/Telecom notes that the networks are finding it difficult to attract and keep an audience for one miniseries that runs over several days. "The fickle viewer has too many choices and very little loyalty."

Ratings. Too, the report points out, "the disappointing ratings of *Amerika* on ABC has had a definite impact on this type of programming genre. These mega-long features are not gaining the ratings they once did, so the very cost-conscious networks are not going to dish out millions for a product with an uncertain first run and a doubtful residual value." FCB/Telecom notes, too, that ABC has a 30-hour miniseries in the wings, *War and Remembrance*, a 1984 commitment which began production in early 1986 and is scheduled for the 1988–89 season. It remains to be seen how ABC will schedule the program, notes FCB/Telecom in its report.

At NBC, the network insists that "the miniseries are not dead," the report says. "But out of the four currently announced, three were held over from last year, two of which are already in production. The new entry is only four hours long."

Grey: no LBS deal yet

Grey Advertising has confirmed one report and denied another regarding LBS Communications. A Grey spokesperson says the ad agency is considering the sale of LBS, but denied that Grey had approved an offer to sell LBS to Marvin Davis, Denver oilman. Churchill says Grey has received several offers but has not chosen the player as yet.

LBS had been the focal point of speculation during the past NATPE convention, when rumors were strong that LBS would be merged into a Coca-Cola Telecommunications/Paramount Television Group consortium to handle their barter deals. A few weeks ago, however, it was announced that Orbis Communications would take over barter for both companies in a merger arrangement.

Cannell: Plugger with new projects

Stephen J. Cannell started writing for television because he didn't want to take over his father's business.

But these days, with pilots and series on at all three networks, as well as the fledgling Fox Broadcasting Co. and HBO, writer-producer Cannell seems to be a big businessman despite himself—and not doing too badly at it.

Sitting in his spacious office, decorated in an English country style at sharp variance with the high-tech power suites around town, Cannell talks about new projects and gives his analysis of some of the recent changes in television.

His company's current slate, estimated at close to $80 million, includes:

- *Hunter*, the NBC series, which has recently been renewed with a 22-show order for its fourth season
- *Wiseguy*, a two-hour CBS pilot co-created by Cannell and Frank Lupo, about an undercover police officer infiltrating an organized crime family
- *J. J. Starbuck*, a one-hour show which grew out of discussions with NBC's Brandon Tartikoff, for which the network has made an initial commitment of 13 episodes. Dale Robertson stars.
- *Sirens*, for CBS, executive produced by Cannell and Ian Praiser, with Dinah Manoff (*Soap*) and Loretta DeVine (*Dream Girls*), which is currently being shot in Vancouver. ("It's a female buddy comedy about two disparate women partnered as uniformed cops," explains Peter Roth, president of Cannell Productions. "It's about what happens when a black jockette meets a Jewish princess").
- *21 Jump Street*, co-created by Cannell and Patrick Hasburgh, who is the executive producer, this one-hour action show for Fox is about undercover police investigating drug traffic in high schools. Cannell also has a half-hour comedy pilot, *A Single Man*, with Ian Praiser, aimed as an FBC back-up but its fate was not known because of the death of Dean Paul Martin, set to costar with Steven Lee.

An untitled pilot commitment for ABC for next midseason.

- *Byte The Bullet*, an HBO half-hour pilot about the computer industry.
- *Dilbert & Sullivan*, a half-hour pilot about the relationship between two comedy writers, written by Lowell Ganz and Babaloo Mandel (*Splash*). "They are supposed to be working exclusively for [Ron Howard and Brian Grazer's] Imagine Productions, but our discussions pre-dated that and they created a window so we could work together on this project," says Roth.

Cannell, who recently revamped his organizational structure to allow himself more writing time, seems most enthusiastic about *J. J. Starbuck*. "It came about after probably a year of humorous discussions with Brandon Tartikoff," he recalls. "He had an idea for a show about a character called Charlie Bullets that for the life of me I couldn't understand. He'd say, 'You know Lee Marvin in *Cat Ballou*?' I'd say, 'Yeah.' He'd say, 'There's something in that character. . ."

Hunches. Cannell had been burned once before by disregarding one of Tartikoff's hunches ("It was something about MTV cops, and I live in Pasadena, which at the time didn't have MTV, so I turned it down because I didn't know what he was talking about and he turned it over to Michael Mann"), so he finally sat down with the NBC *wunderkind* and focused the show into an account of the adventures of a Texas billionaire (Robertson), who wears a 10-gallon hat and drives around in a "joke Cadillac" with steer horns on the fender.

Stephen Cannell

"I'd always loved fish-out-of-water characters, and I also love to write about a wolf in sheep's clothing," Cannell says. "He's a billionaire who owns an airline company and hotels, but he lives in a trailer park after his wife and son have died and turns his empire over to his best friend, who in a fit of nostalgia, I named Charlie Bullets."

Cannell does quite a bit of his television filming in Canada, to take advantage of the tax breaks and lower labor costs there, but sees the current financial instability of the television business as cyclical.

"The hour shows are doing pretty well in the ratings, the problem is in the after-markets," he says. "We did well with *The A-Team*, and *Hunter* will be coming out shortly, and I expect to do well in syndication with that, but certainly we have to be concerned with the fact that the marketplace has softened up for hour shows. At some point it will come back, but whether it will come back to the highs of a year-and-a-half ago, I don't know."

Concern about such vagaries, Cannell acknowledges, "made me intensify my desire to diversify programming by doing more half-hours and Movies of the Week and miniseries, which have become more attractive to me as they become more valuable commercially and we see a stronger foreign marketplace." An additional advantage is that they can be shot during the summer hiatus.

Syndication. The company also has *Ultracross* and *Dinosauriers*, two animated projects for first-run syndication created by Jeffrey Scott, despite the current glut on animated product.

It also has *Christina Onassis: An American Heiress*, a two-hour movie for ABC written and directed by Steve Gethers, and *Something Special*, which has a script commitment from NBC, about a family with a dyslexic child. Produced by Joyce Bulifant and Linda Elstad, the project has special meaning for Cannell, who is dyslexic and heavily involved in charitable work in connection with the disease.

And SJC is also developing *Three for the Money*, a game show for CBS produced by Sande (*$200,000 Pyramid*) Stewart.

Cannell has also formed TeleVentures, a new distribution company with Tri-Star Television and Witt-Thomas-Harris that will distribute work by all three production entities. "The companies I've been with up to this point as distributors have done a very good job for me, but they've also made a lot of money off my work, and I would prefer to make the lion's share," Cannell observes.

"I'm not impatient, and I don't view myself as a wheeler-dealer," he says. "I'd much rather be the tortoise than the hare. I've always viewed myself as a plugger, and the same is true of how I'm trying to build this company—not by going public and getting $150 million and trying to buy television stations. I want to be methodical and have a good plan."

"If I do it well, then it will be real profitable," he says thoughtfully, then laughs. "And if I don't do it well, then I'll go off and be a novelist . . . ."

Programming/Production

(*continued*)

Baker to WNET-TV

Although William F. Baker, the newly-appointed president and chief executive officer at WNET-TV, New York public television station, comes from the commercial broadcast sector, he doesn't see the PBS station as taking on a commercial look. In an interview, Baker says that he expects the New York outlet to maintain its image of being different from the commercial sector, and he's not contemplating any changes in programming at this time. Also, he continues, he sees the station remaining virtually commercials free. "My own feeling is that I don't like to have commercials on the station and it would be a distant option for the station."

William F. Baker

As far as production by WNET-TV is concerned, Baker says he hopes for the status quo to exist for both the local and national levels. Baker admits he took a substantial cut in salary to take the WNET-TV post, but he says the opportunities are too vast at the station to be passed by.

Baker joins WNET-TV in May. He is president of Group W Television and chairman of Group W Satellite Communications, a position he held for eight years. Before that, Baker was president of Group W Productions and general manager at WJZ-TV Baltimore. During his 25-year broadcast career, Baker won numerous awards for production. Baker has a Ph.D. and is a fellow of the Explorers Club. He succeeds John Jay Iselin.

ITC buy on HBO films

ITC Entertainment has acquired the domestic TV rights to eight theatrical films owned by Home Box Office: *Sweet Dreams*, *Volunteers*, *Flashpoint*, *Heaven Help Us*, *The Hitcher*, *Head Office*, *Odd Jobs*, and a yet-to-be-released *The Trouble with Spies*.

MGM films spark Turner's barter cast

Secrets of the Titanic, the National Geographic special that set basic cable ratings records for SuperStation WTBS in March, will run on broadcast stations next month. And Richard Goldfarb, vice president/syndication sales for Turner Broadcasting Sales, feels now is also the time to reveal the "secrets" of Ted Turner's syndication efforts.

Goldfarb says Turner Program Sales, the distribution arm of Turner Broadcasting System, has quietly become a leading barter syndication player. Before this season, he notes, TBS' barter syndication efforts were "sporadic"—*Jacques Cousteau* specials and regional sports events. In calendar 1988, by contrast, TIP will have six barter series: *Jacques Cousteau's Rediscovery of the World*, *National Geographic: On Assignment*, two "Color Classic Networks," a "Turner Entertainment Prime 1" movie package, and Southeastern Conference football.

Goldfarb came to Turner last July following the acquisition of the MGM film library with its enormous built-in syndication potential. Barter syndication had previously been sold by the WTBS sales force, but Goldfarb brought with him nearly a decade of experience selling syndication to both advertisers and stations—with Ed Libov Associates, Viacom Enterprises and Bocass Communications.

Movies from the MGM library will be the mainstay of Turner's barter business, Goldfarb says. TPS' first movie package, the "Color Classic Network," began in January and will continue with one release monthly through December 1988. Due to the success—albeit controversial—of these colorized films, TPS will launch "Color Classic Network II" next January. It will overlap with the initial package for a year and then continue through the end of 1989.

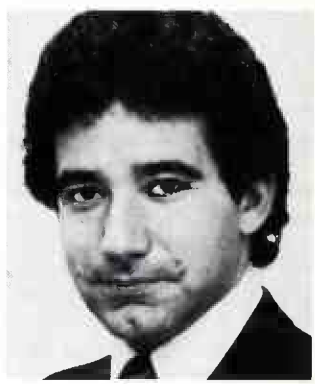
Package. Also starting in January 1988 will be "Prime One," an unusual one-year package of 30 titles, 12 of them on a monthly barter basis—and all with prior syndication exposure. Goldfarb explains that, with the MGM purchase, Turner "inherited some existing deals, giving these films a limited syndication window and necessitating a creative marketing plan." He says the films—including such barter titles as *Ben Hur* and *Ryan's Daughter*—have performed very well for stations in the past, and "Prime One" will allow them to run the titles again before they enter a pay cable window.

Unlike movie packages with more recent films, Goldfarb notes the Turner packages pose "no contents problems" to advertisers.

National Geographic: On Assignment, a one-hour monthly reformatting of SuperStation WTBS' *National Geographic Explorer* shows, began in January. The Titanic show is a special instance where the program ran in the same one-hour version on cable. Originally scheduled to be syndicated next November, it was rescheduled for May prior to its record-shattering performance on SuperStation WTBS. "We thought it would be advantageous for stations to air it during the May sweeps," explains Goldfarb, "as ammunition going into the fall season."

Windows. Most of Goldfarb's properties enter syndication following exclusive cable windows on SuperStation WTBS. During the syndication windows, however, they again appear on SuperStation WTBS—but this time as part of the syndication package. The difference between SuperStation WTBS' seemingly identical "cable" and "syndication" telecasts may mean little to viewers—or angry broadcast competitors—but is of prime importance to Goldfarb. While the programs—except for *Geographic*—are identical in both instances, the commercials are not; spots sold by SuperStation WTBS run in one version, those by Goldfarb's team in the other.

"The syndication advertiser gets the WTBS audience," Goldfarb points out. So what advantage would an advertiser have buying the "cable" version of a show when it could instead still reach SuperStation WTBS viewers—plus the rest of the syndication audience—through a single barter buy? Goldfarb answers that the programs usually premiere during their "cable" windows, at which time SuperStation WTBS may schedule multiple airings—as opposed to two runs at most during the syndication window.



Richard Goldfarb

Goldfarb would like to structure

some kind of arrangement where advertisers could run in both the "cable" and syndication windows via a single buy but notes that most clients find it easier to make separate cable and syndication buys. In any case, he adds, several sponsors have bought both windows on their own.

In the future, Goldfarb reveals, TPS will look at the possibility of producing properties specifically for first-run syndication, "which may or may not include the involvement of WTBS."

"We're almost totally sold out in everything for the first three quarters of 1987," Goldfarb states. He says upfront selling for 1988 has already begun, and "going into the Olympic/election year of '88, we'll have to make an internal decision as to how much inventory we hold back for scatter."

Goldfarb points out that there's normally not a lot of barter inventory available in primetime—and all of TPS' barter properties are designed for primetime play.

Syndication shorts

Columbia/Embassy Television has made its second major acquisition deal with **HandMade Films,** owned by ex-Beatle George Harrison. The new agreement involves three films: *Mona Lisa*, *Withnail and I* and the upcoming thriller, *Five Corners*, starring Jodie Foster.

LBS Communications will distribute a series of 10 first-run animated half-hours, *Maple Town*, for stripping in a barter window in the weeks of April 13 and 20. The barter series was produced by *The Maltese Companies* in association with **Saban Productions** on behalf of Tonka Toys. The barter split is two minutes for national sale, four for local in each half-hour program.

The Entertainment Network has cleared 10 additional stations in the top 30 markets for *Top of the Pops*, hour weekly series. New stations confirmed include Scripps Howards WXYZ-TV Detroit, Gannett Broadcasting's KPNX-TV Phoenix, McGraw-Hill's WRTV(TV) Indianapolis and WCPO-TV Cincinnati.

D. L. Taffner/Ltd's. *Three's a Crowd* has added 11 markets, for a total clearance of 81. New additions include WAWS-TV Jacksonville, WFLX-TV West Palm Beach, WVNY-TV Burlington, WVTV(TV) Milwaukee and WXIX-TV Cincinnati.

King World and **Motown Productions** will wait until the May books are in before deciding on a renewal for *Nightlife Starring David Brenner*. Meanwhile, production will continue of the 195 episodes, as committed. The series is currently in 101 markets.

The New Celebrity Bowling, an updated version of *Celebrity Bowling*, is set to roll for the fall, with 26 half-hours scheduled for taping next month. The series will be offered for Saturday or Sunday afternoons on a barter basis.

Satellite Bingo has added 10 markets to its lineup. New stations signed for the half-hour interactive TV game show include KAYK-TV Orlando, WEVU(TV) Atlanta, WTTO-TV Birmingham, KTRV(TV) Boise, WGMT-TV Kailua, Hawaii and KATN(TV) Fairbanks, Alaska. *Bingo* is produced by **Television Marketing Consultants.**

MCA TV's the *Home Shopping Game* has added new clearances and is approaching the 60 per cent clearance level. In addition to the four CBS-owned stations, the growing lineup includes WSBK-TV Boston, KTVT-TV Dallas-Fort Worth, WUAB-TV Cleveland, KHTV(TV) Houston, WPXI-TV Pittsburgh and KIRO-TV Seattle.

Also at MCA TV, Tribune Entertainment's WPIX(TV) New York has joined the station list licensed to carry *The Bionic Six*, first-run animation series, set to air this month. *Six* has cleared in 77 per cent of the country, including 24 of the top 25 markets.

Blair Entertainment's Fan Club is a production go for a September debut. Markets cleared include four network-owned stations: ABC's KABC-TV Los Angeles; CBS' WBBM-TV Chicago, and ABC's KGO-TV San Francisco, WTVD-TV Raleigh-Durham, WTOC-TV Savannah, WSPA-TV New Orleans, KTVK-TV Phoenix, KATV(TV) Little Rock and WSVN-TV Miami.

Sunbow's 'Visionaries'

A breakthrough computerized multiplane technology will launch a new animated half-hour weekly series from Sunbow Productions. The new series, *The Visionaries*, will debut in the fall, with Claster Television as distributor. *Visionaires* takes place on the planet Pyrsmos, where the Visionaires, Knights of Magical Light, seek a solution to the planet's chaos by journeying to the mystical world where magic exists.

Each knight's magical power will be represented by the use of animation which produces illusions of knights being transformed into beasts. The knights and their alter-beings are depicted by animated versions on holograms and on both figures and vehicles. *Visionaires* has already been cleared in 72 per cent of the country, according to Claster. Sunbow produces *G.I. Joe*, *The Transformers*, *JEM* and *My Little Pony and Friends*.

Zooming in on people

Terry Mackin has joined **Columbia/Embassy Television** as account executive, southeastern region. Before coming to C/E, Mackin was vice president of Blair Television's regional office in Houston, for one-and-a-half years. Before that, he was an account executive for Blair Television in Atlanta.

June Burakoff-Smith has been appointed vice president, advertising, publicity and promotion at **Coca-Cola Telecommunications.** Previously, she was director of advertising and promotion for Columbia Pictures Television's network and syndicated programming.

June Burakoff-Smith

Joseph F. Kiselica has been appointed central division sales manager at **Coral Pictures Corp.** For six years, Kiselica owned Kiselica Advertising, a Dayton agency. Prior to that, he had eight years of time sales experience

Programming/Production

(*continued*)

with affiliates of CBS and NBC.

Melvin "Bud" Getzler has retired as chairman of **Viacom Entertainment Group** and will serve Viacom in a consulting capacity and as senior vice president of the group. He joined Viacom in 1980 as senior vice president, Viacom Entertainment Group and was promoted to president of the Group in 1983, a post he held until his appointment as chairman in 1985.

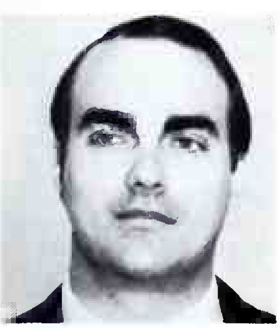
Lance Thompson has been appointed vice president, business affairs, at **Four Star International.** He previously was business affairs counsel at Orion Television.

Gary Wendt has been appointed sales executive, western region, at **MCA TV Enterprises.** He comes to MCA from ITF Enterprises, where he was director of national sales for the past two years.

Richard Golden has been promoted from vice president of sales for the West Coast to vice president, general sales manager, and **David Friedman** has been appointed to the newly created position of senior vice president, network and group development, at **Lionheart Television**. Friedman was senior vice president of sales, commercial syndication division. He joined Lionheart in 1985 as vice president, Eastern U.S. sales and marketing, in the same division. Golden, prior to joining Lionheart, held various jobs at Lexington Broadcasting Services and Katz Communications.

Rich McAvoy has been appointed chief financial officer at **Peregrine Entertainment**. He joins the company from Aaron Spelling Productions, where since 1977 he held a variety of posts, including most recently as controller.

Mark Zoradi has been named to the newly created position of vice president and general manager at **Buena Vista Television.** He had been director of sales administration at Buena Vista Distribution. From 1982–84 Zoradi was director of affiliate marketing at The Disney Channel.



Mark Zoradi

New York Emmys

WCBS-TV won Emmy awards, WNBC-TV had eight and ABC took five as the New York Chapter of the National Academy of Television Arts and Sciences presented its local Emmys to 25 programs and five individual craft achievements for excellence as seen on TV in New York during the period covering September 1, 1985 to August 31, 1986. The 25 program awards were selected from a list of 289 entries, while the craft winners were chosen from among 170 craft submissions. There were no nominees or winners in spot news, entertainment programming, shortform programming, magazine format segment and program, and editorials.

The winners are: **News Broadcast**—News 4 New York, WNBC-TV; **Single News Feature**—*Dragnet Catches Scofflaw Mayor* (The 10 O'Clock News), WNYW-TV; **News Features**—*Is God Punishing Us?* (News 4 New York) WNBC-TV, and *Morry's Cheap Fills All American Vacation* (Channel 2 News at 6 p.m.), WCBS-TV; **Investigate Reporting**—*Medicaid Scam* (Eyewitness News), WABC-TV; **News Special**—*Lady Liberty*, WCBS-TV; **Live Sports Coverage**—Mets Baseball '86, WOR-TV.

Documentary Program—*In the Best Neighborhoods*, WABC-TV, *No Place to Go*, WCBS-TV, and *The Lady Next Door*, WCBS-TV; **Documentary Series**—*The Lifesavers*, WCBS-TV; **Discussion/Interview Program**—*The Morning Show*, WABC-TV and *Only in America With Greg Jackson*, WCBS-TV; **Discussion/Interview Series**—*The Morning Show*; **Magazine Format Series**—*Innovation*, WNET-TV; **Children's Programming**—*America Is*, WCBS-TV, and *Kids Just Kids*, WNBC-TV. **Special Interest Programming**—*Another American*, WNBC-TV, and *Profit and Laws*, Channel 20; **Promotional Announcements**—*Best Dressed Al Roker*, WNBC-TV, *How to Live Longer*, WCBS-TV, and *Divorce Court—The Best Fights on TV*, WCBS-TV; **Public Service Announcements**—Anti-Crack Campaign, WNBC-TV, and *Hands Off Crime*, Channel D; **Community Outreach Progam**—*Courtesy of New York*, WNBC-TV.

In individual Crafts Achievements, WCBS-TV won four and WNBC-TV took one.

CABLE

USA bags Benny

Three one-hour *Benny Hill* specials, from Thames Television via D. L. Taffner, will make their American premieres on the USA Network, highlighting a series of USA program announcements. The first *Benny Hill* special is set to air May 22.

Nick's new knack

Nickelodeon has begun airing Paramount's *The Bad News Bears*, which ran on CBS in 1979–80. The kids' service has also picked up 24 episodes of *The Shari Show* from The Art Greenfield Co. Shari Lewis and her puppet Lambchop star in the series, which first ran on NBC in the mid-'70s.

TNN goes fishing

Outdoor News Network, a half-hour fishing show in limited broadcast syndication, has joined The Nashville Network's "Sports Sunday" schedule. According to Sandy Rice, vice president of production for distributor Sean Foxen Productions, TNN will now air episodes of *Outdoor News Network* a month or two before they get reformatted for broadcasters. In Arbitron's November Syndicated Program Analysis, the series was in seven markets, earning an average .4 rating and 12 share.

HOME VIDEO

RCA/Columbia Pictures Home Video has concluded a deal with **Crown International** for the U.S. and Canadian home video rights to three new Crown releases. The package consists of *Hunk*, comedy fantasy film; *Jocks*, comedy; and *Scorpion*, action/adventure film which stars Don Murray, Robert Logan and Billy Hayes.

Fries Entertainment has formed Fries Home Video, with **Leonard S. Levy** as executive vice president and chief operating officer.

Levy most recently was with International Video Entertainment. Headquartered at Fries' corporate offices in Los Angeles, he will be responsible for the new divisions product, which he expects to be introduced by late 1987. He also anticipates the division will attend the Video Software Dealers Association meetings in Las Vegas in August.

Levy indicates that Fries Home Video's beginning thrust will be in direct sales/rentals of acquired and internally produced product, as well as in educational, children's and how-to-areas.

First releases include *The Howdy Doody 40th Birhtday Special* and *Born Famous*, with future releases to include *The Alamo*, with James Arness and Lorne Greene; *Toughlove*, with Lee Remick and Bruce Dern; *Timestalkers; Blood Vows: The Story of a Mafia Wife; LBJ: The Early Years*, and *Terror at London Bridge*.

New prescription for drug spots

Consumers welcome prescription drug advertising on television and are highly likely to follow through by requesting specific brand names from their doctors or pharmacists. But a major problem is that current advertising by prescription drug manufacturers is plagued by low recall of the actual message.

This all came to light in a survey conducted by Scott-Levin Associates, Newtown, Pa., a specialist in marketing research services in the healthcare field. CEO Joy Scott says the findings are of particular interest in an environment where manufacturers of ethical pharmaceuticals are testing the waters in consumer advertising, including TV. While the U.S. Food and Drug Administration does not allow naming of actual prescription drug products in consumer advertising, this could change, she says. Meanwhile, manufacturers have been running TV commercials associating their names with diseases and afflictions for which they have remedies.

The survey involved mailed questionnaires to 2,016 consumers across the country, asking general questions and also gauging results of combined TV and print campaigns of four drug manufacturers. When respondents were asked where they most preferred to hear about the benefits of prescription drugs, TV was the top choice, with 24 per cent. After that, it was "pamphlet available in the doctor's office," 24 per cent; "pamphlet available in the pharmacy," 22 per cent; newspaper, 13 per cent; magazine, 9 per cent; and radio, 2 per cent.

Scott infers that TV probably ranks so high because consumers are familiar with seeing over-the-counter drugs advertised on TV—and may not make the differentiation between prescription and OTC medications—and because print media require more time and motivation to get to the message.

When consumers were asked whether they recalled seeing or hearing advertising by specific manufacturers, Upjohn got a 24 per cent recall, Pfizer 7 per cent, Merrill-Dow 4 per cent and Burroughs-Wellcome 3 per cent. All had recently run both TV and print advertising, generally heavier in print—with Merrill-Dow the most TV-oriented. A fictitious company thrown in for validation purposes got a 1 per cent recall.

Problem. But recall of the actual theme of the advertising was low. No more than six respondents, and as few as one, could actually recall the theme of specific advertising—while the lowest general awareness rate of 3 per cent represents 60 respondents.

"It seems the pharmaceutical companies have in general elevated the awareness of their companies, of diagnoses and of diseases," Scott points out, "but the consumer tends to confuse this advertising with public service campaigns and, for example, a Pfizer commercial on diabetes with something published by the diabetes society."

Scott recommends that this advertising has to become more like that of other consumer goods—in both frequency and in use of product name. She observes the pharmaceutical industry is yet to come up with a strong coalition to lobby for changes in drug advertising regulation, although its ultimate aim is to get the consumer to influence the doctor's prescription of a drug—the only way there can be a return on the advertising investment.

While this development was unheard of several years ago, Scott observes, "Doctors are losing influence in prescribing because of controls coming from HMOs (health maintenance organizations) and third party insurers—and because of the increased availability of generic drugs and the related pressure for cost savings. Doctors are a lot more receptive to patients' requests and demands than before."

From the consumer's perspective, 25 per cent of those who recalled seeing any advertising related to prescription drugs said they called it to the attention of a doctor or pharmacist—indicating recall was highly influenced by experience with the affliction involved. Asked if, having seen advertising for a prescription drug, whether they would be inclined to discuss it with their doctor, 78 per cent said they would, according to Scott.

Looking at radio

A new package of 10 radio spots promoting the medium to advertisers is being made available to members by the Radio Advertising Bureau. Produced by the American Comedy Network, the package of 30s and 60s includes five comedic spots and five with straight voices.

The comedy spots include a confron-

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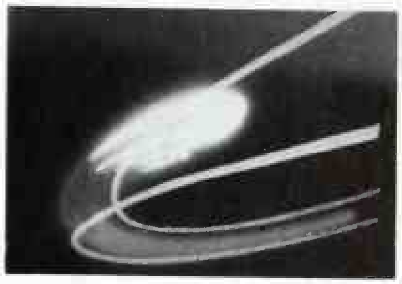

BANDELIER, INC., Albuquerque, NM

Handy's • W. B. Doner & Co.

BANDELIER, INC., Albuquerque, NM

New York Telephone • Young & Rubicam

KCMP PRODUCTIONS, LTD., New York

New York Telephone • Young & Rubicam

MARK ZANDER PRODUCTIONS, New York

Commercials *(continued)*

tation with a car dealer who charges, "People don't see cars on the radio"; the insistence on television of the owner of Sylvia's Sophisticated Sportswear: "Don't you see the *Mr. Ed* reruns at 3 a.m.? . . . "That's all I can afford"; and a restaurant owner who traps himself into admitting the power of radio by describing in tantalizing fashion how he makes his barbecued ribs.

All spots have the musical tag line, "I saw it on the radio." Among the straight messages in the package are that radio: breaks through the clutter and speaks to customers on a one-to-one basis, is like a full-page ad in a newspaper, talks to customers when they're out shopping, and provides an answer to TV commercial avoidance techniques. One message is that half the people reading newspapers flip through them in 11 minutes, while the same people are tuned to radio more than two-and-a-half hours each day.

Modern day knights

The search for "a few good men" doesn't quite reach back to the days of King Arthur, but the U.S. Marine Corps and J. Walter Thompson USA have found a basis for comparison. In a new recruitment commercial, a hushed crowd in a torchlit, medieval hall watches in awe as a man in armor rides triumphantly down the center aisle. A king stands ready to dub him into knighthood with a lightening-charged sword.

Explains Lt. Col. Jim Luken, who heads the marketing effort at Marine corps headquarters in Washington, "We wanted to stand apart, not only from the other armed services but indeed from the other advertising that young people see. And the knight embodies the time honored virtues of pride, honor and courage—virtues that are still strong in the Marine Corps today."

The knight is played by Marine Capt. Thomas R. Kean, currently stationed at a Marine Reserve unit in Anchorage, Alaska. he also starred in the "Sword" commercial that has been airing for the past two years. Luken explains, "We always use Marines, as opposed to actors, in our commercials. We did have a stuntman on hand for the riding scenes, but Capt. Kean is an excellent horseman, and he insisted on doing all the riding required, despite wearing authentic armor."

Because of the difficulty in finding an authentic-looking knight's hall in the U.S., the commercial was shot at Kirkstall Abbey, just outside of London. Editing, special effects, music and post production were done in the U.S. The Marines have a budget of approximately $17 million to support recruitment. The account is handled out of JWT's Atlanta office.

Top stars in PSAs

Twenty major film, TV and music celebrities are participating in the Will Rogers Institute's latest package of PSAs, being sent to TV stations throughout the U.S. Ten of the spots focus on substance abuse and another 10 on a range of health issues.

Among those delivering substance abuse messages are Stacy Keach, William Daniels, Pearl Bailey and Judy Collins. Other messages include Gregory Peck on cholesterol, Edward Asner on AIDS, Beatrice Arthur on the need to learn CPR and Ali McGraw on emphysema testing. An associated radio campaign was produced by Doug Wyles Productions.

High definition center

David Niles, founder and chairman of the Captain Co., production facility headquartered in Paris that was the first to install a Sony high definition video system, has opened a production center in New York at 3 East 54th Street. It will feature the Sony HDVS for production and post production work.

The New York facility, 1125 Productions, will offer mainly HDVS production capabilities with off-line editing in one-inch. The studio has four HDVS VTRs, two HDVS cameras, video switchers, digital effects and equipment to transfer high definition images to standard broadcast formats. The studio will also offer post production services in various formats and an insert stage. A final shipment of three additional VTRs will be made this year.

Mal Albaum, formerly executive in charge of production at Home Box Office, has been named president of the new company. Initial applications anticipated for the studio will be production of commercials, feature films and high quality industrial programming.

Back in the dough

The Pillsbury doughboy is back in action in a new dessert-oriented commercial out of BBDO. "Dance" opens with a zoom into the Pillsbury logo and dissolves into live-action ballroom dancing. A shadow encroaches as the doughboy, brought to life by R/Greenberg Associates, walks into the frame surrounded by a field of desserts.

Wall Street Report

Walsh Communications goes public with heavy emphasis on game shows

Game show production will be one of the major efforts of Walsh Communications Group, whose stock recently went into over-the-counter trading. Of 9 million shares outstanding, 3 million are traded publicly. The company has four divisions—television, feature films, music and international distribution and licensing.

Three of the company's top executives are alumni of Goodson-Todman Productions—Tom Walsh, 30, chairman, CEO and president; Lloyd Gross, 55, senior vice president of television production; and Roger Peterson, 57, vice president of television production. For the past seven years, Walsh has been president and CEO of Tom Walsh Productions and Walsh-Gross Productions, both independent, New York-based entertainment companies. During this time, Walsh reportedly created, wrote, produced and packaged a variety of TV shows including the ABC primetime special *We Dare You!*, the NBC game show pilot *House to House*, the Time-Life Television game show pilot *Mismatch* and a documentary on *To Tell the Truth*, called *The Whole Truth*, distributed by Films, Inc.

Gross has directed game shows for Goodson-Todman and other major production companies, including *To Tell the Truth*, *Beat the Clock* and *Break the Bank*. Peterson has been production supervisor on such shows as *Family Feud*, *Hollywood Squares* and *Cardsharks*.

Entertainment projects

Walsh Communications Group reports its projects include 13 new fully-developed game show concepts, three additional game shows already produced in pilot form, six fully-scripted feature films, six new situation comedies in full treatment form with sample episodes, five comedies developed for cable television, three magazine shows, three talk shows, seven specials, the rights to one comedy special which has aired on ABC in primetime and a late-night music-dance-comedy program. It also reports it has several music groups and artists signed to management.

Walsh reports its properties comprise 57 television programs and movies. Among its game show offerings are such titles as *Hunt!*, *Fast Clips*, *The Ungameshow* and *Tongue Tied*. Sitcom titles include *Aardvark*, *The Peppermint Lounge* and *Looney Productions*. Other properties are talk show *A Better You*, late night variety program *Manhattan Moon*, specials such as *Home Movies With the Reagans* and magazine show *Travel World*.

But the company's management indicates game shows, "which produce the most profits in proportion to production costs," are its major thrust in TV. It looks to revenues from network licensing, domestic syndication, prize income, national advertising in bartered shows, foreign franchising and merchandising.

Walsh Communications Group, Inc.
Balance sheet

Assets	
Current Assets:	
Cash	$ 215,000
Total Current Assets:	215,000
Other Assets:	
Entertainment Properties	340,000
Notes receivable	700,000
Organizational costs	1,000
Total Other Assets	1,041,000
Total Assets	1,256,000
Liabilities	
Current liabilities:	
Accounts payable	0
Total current liabilities	0
Long term debts:	
Notes payable entertainment properties	340,000
Total liabilities	340,000
Total net assets	916,000

Feature films

The company's feature film projects lean in the direction of low-budget exploitation movies. For example, it reports its *G.A.G.S.* (The Great American Game Show Movie) employs the same concept as the low-budget features *Kentucky Fried Movie* and *The Groove Tube*. Other films developed are *Presidents Shouldn't Play With Knives*, a rock musical and based on the Macbeth story line, and *The Dorm*, tied to the success of *Animal House*.

The music division has defined its three areas of business to be artist management, publishing and production/product acquisition. Walsh says it will focus its activities on seeking music performers to manage and represent, acquiring—by purchase or development—valuable intellectual property rights, and converting those rights into master recordings or other commercially viable vehicles for sale or license to record companies or other distributors.

Walsh says it will take a multimedia approach to music talent, which includes using music properties acquired as well as performers in its film and television properties. It adds that it would also seek to maintain control over merchandising, tour equipment leasing in connection with touring activities, commercial production and music video production.

News deals (*from page 37*)

Today from midnight to 2 a.m. It also appears in its entirety in Puerto Rico and St. Maarten. Additionally, NBC licenses documentaries on a one-by-one basis to markets where they have relevance.

CNN expands reach

CNN service was expected to begin in China about this time, with China Central Television (CCTV) just completing reception tests on two six-meter earth stations in Beijing. CCTV will be using CNN reports during its daily newscasts on two channels to a present audience of some 300 million, with a future potential audience of over 1 billion throughout China. CCTV is responsible for downlinking CNN's signal from Intelsat's Pacific Ocean V-F8 satellite, on which an Armed Forces Television & Radio Services transponder carries 12 hours a day of CNN.

As some of the Headline News product is carried by AFTRS, according to Pike, CCTV may be using some of this as well. With CCTV responsible for the cost of downlinking and conversion to PAL, TPS has only sales and administrative expenses in the proposition. As there is no charge to CCTV, TPS revenue is expected to come from ad sales. On this basis, Pike says, it will probably take a year to turn a profit.

But, according to New York-based Dietrich Ginzel, manager of international sales for CNN, the ad sales proposition for China is a slow go. Already in the Chinese market were CBS' *60 Minutes*, with advertisers like Colgate and Boeing, and several entertainment programs.

Ginzel admits, "We've been talking with everybody who's spending money in China for over a month and haven't yet sold one dime's worth of advertising. There's an oversupply of time because CCTV takes product from one and all—and all of us are scrambling after the same eight people who do advertising in China."

He believes, though, that CNN has good long-term prospects, being the only direct daily broadcast to China: "I'm selling the entire CCTV network, while the others are only selling time in their own product." While the advertising from CNN could be placed anywhere on CCTV, Ginzel believes CCTV would honor requests to place the spots in areas that clients prefer. CNN is charging $5,000 for a primetime 30 and $3,000 in fringe, which Ginzel says amounts to a highly efficient CPM with 300 million people watching every night.

Pike has noticed a big change in China recently, compared with how things were when he made a trip there two years ago: "They're at a stage where they want to know more about what's going on in the world. And they had only been getting 10 minutes of international news a day—I believe from Visnews—which isn't enough to really tell you what's going on in the world."

Pike says one of CCTV's goals is to send some of CNN programming out in English, both for foreign visitors and to help teach English throughout the country. For now, CCTV is experimenting with both subtitling and narration for the bulk of CNN news that it will transmit. And not too far down the road, it's expected that CCTV will be pulling down a full 24 hours a day of CNN. Pike says the network expects to build a nine or 10-meter dish for better reception.

Another prospect for facilitating 24-hour reception is through Australia's Seven Network, which receives CNN on Intelsat V F-8 in a vidaplexed mode (using half a transponder and alternate lines so that two broadcast quality signals can be transmitted). Vidaplexing means a larger dish is needed, but Pike hopes Seven will revert to a full signal in the future, meaning that China and smaller countries could receive the 24-hour signal with smaller dishes.

Still another barrier has to be surmounted, Pike adds. CNN has to enter the various countries through their PTTs, and most of them don't have rates for 24-hour service. He says CNN is working with Comsat and Intelsat to set up such rates.

Arrangements with Japan

At the beginning of this year, Japan's NHK signed an agreement to take four half hours daily of Headline News to beam to satellite dish owners across Japan via its own transponder on the Japanese domestic satellite. NHK collects the news in New York, puts it on a domestic satellite across the U.S. and then on an Intelsat bird across the Pacific.

NHK pays an annual fee, and no ad sales are involved for TPS. Pike observes that DBS currently is experimental in Japan and that NHK is mandated to provide service to parts of Japan that cannot receive broadcast signals. CNN and Headline News receive news from World Television News, and NHK can use this because it has its own arrangement with WTN, while CCTV has to screen it out from the CNN feed.

Also in Japan, TV Asahi takes down 24 hours of CNN for insertion into newscasts that go out to affiliates. Interestingly, TV Asahi has reversed its practice of deleting English language content after receiving a considerable number of letters and phone calls from viewers who were partly interested in the CNN-originated news as a means of learning English. Now the volume of the English track is merely turned down but is still distinguishable underneath the Japanese narration.

Meanwhile, Japan Cable TV (JCTV), a subsidiary of Asahi, is delivering CNN strictly in English to hotels and cable systems. It brings down all 24 hours and puts out about 17 hours—currently through fiber optics but ultimately, Pike says, via satellite. Currently involved are about 50 hotels, mostly in Toyko, and 15–20 cable systems within a 100-mile radius of Toyko. This service will become more widespread, Pike believes, when in 1988 Japan sends up a new domestic satellite that can carry CNN 24 hours a day for transmission throughout the Japanese islands.

CNN has similar arrangements with both the Seven Network and the Ten Network in Australia. This month, he reports, Taiwan began downlinking a few hours a day to be translated into Chinese, and other recent deals are with Guam and American Samoa—the former for 24 hours a day on a low power television station.

Pike adds, "We've had off and on negotiations with the Philippines, but lately we haven't been able to determine who owns the TV stations." He also expects discussions to be held with Indonesia and Malaysia in the next few months. Another objective is to get back into Thailand. The service was discontinued about six months ago, after five or six months of activity, because of the high cost of downlinking, Pike reports.

"We know we're being brought down across the Pacific," Pike adds, "in hotels and bars that are not paying. We're going to start encountering this when we put up our own signal. We're analyzing this now and will do it hopefully within a year—probably on the Intelsat satellite." He notes this would cover the Far East as far as India, Hawaii and New Zealand.

Counting Europe, Turner's news services are now in 54 countries, Pike reports. "We have all of Central America and most of the Caribbean—we're finalizing some arrangements with Jamaica—but no arrangements south of Columbia and Venezuela because of the downlinking costs." He hopes this is something that can be worked out in the future.

CNN in Europe

In Europe, the hotel service that CNN initially concentrated on is diminishing in relative importance, according to London-based Bob Ross, vice president and managing director of CNN International Ltd. He notes the sales staff is still forging ahead in that area, though, with CNN presently in 50 hotels with approximately 15,000 paying rooms. He adds that probably hotels with another 7,000 rooms are stealing the signal. He hopes a recently signed contract in Italy will result in CNN being in place in Venice hotels this spring in time for the Western Economic Summit.

With CNN making money in the hotel business through both per-room fees and ad sales at $500 a spot (also the rate for the JCTV hotel/cable service in Japan), this is still a growing business, according to Ginzel: "Advertisers have found we're the only ones out there who can reach the traveling businessman." He notes he recently got unsolicited ad dollars from a man who was putting together a trade fair in Dubai and had seen CNN in hotel rooms. Overall, he reports 10–15 advertisers "who come and go," mostly European and including Polaroid and *International Herald-Tribune*.

Meanwhile, Ross is in the process of expanding his London-based sales staff five-fold from six to 30 members and reports embarking on a program of introducing new concepts and trying to deliver the service to a wide variety of unrelated businesses. For example, he was expecting shortly to close an agreement with a financial firm.

Plans include utilization of either the yet-to-be-launched Astra satellite or Eutelsat to make the 24-hour news service available throughout Europe, increasing the European content, establishing sales offices outside of London (Ross expects Stockholm to be the first), a push into Africa and the Middle East next year and satellite service to India by 1989–90.

While Ross says he isn't certain when all these activities will make CNN International (whose name was recently changed from CNN Europe to reflect a more global approach) profitable—and he realizes that profitability of any one element of his master plan is minimal at best—he forsees economies of scale making the whole venture more than worthwhile. He expects cost of these activities to more than double, hitting at least $9 million annually once CNN is one of the European satellites late next year.

Recent accomplishments include five of London's largest newspapers becoming subscribers, along with seven newspapers in Sweden, *The International Herald-Tribune* and the London commercial radio station Capital Radio. CNN has just begun going into cable. Ross' people have signed a contract with Sweden's largest cable network, Televerket Kabel-TV, under which CNN will be in 110,000 homes by the beginning of May and another 50,000 by fall. With ad sales part of the cable plan, the service will be a free part of the cable package for the first year, but both parties expect to charge for CNN after that. CNN already is on two smaller cable networks in France and two others in Sweden.

The Newsfeed Network

Already distributing news to Canada and Australia, and more recently Puerto Rico, The Newsfeed Network on January 13 launched a daily European feed through Transworld International in Paris, covering all of Western Europe. According to Sabreen, for a monthly fee, Newsfeed delivers its signal to Intelsat in Bangor, Maine, and it goes from there to the French PTT, from where it is distributed to the rest of Western Europe.

Every evening before midnight, Newsfeed transmits on a computer system a menu of everything covered or to be covered around that time, which Transworld retransmits to affiliated stations. Based on their responses, it tells Newsfeed which stories to provide. Then at 5 a.m., a 15-minute transmission of all stories requested is sent, and Sabreen states 15 minutes is always sufficient to cover all requests. Newsfeed also sends text of the stories for translation and incorporation into European newscasts. Transworld converts from NTSC to PAL in Europe.

For Transworld, Sabreen notes, there are fairly considerable extra expenses. The Washington office has to be staffed 24 hours a day to handle European feeds and requests for custom reporting. Although the greatest additional expense is in personnel, he says, Newsfeed also pays for downlinking in Bangor, extra satellite uplinking time, data transmission and additional telephone charges and shipping of dateless material.

He says Newsfeed's international ventures are profitable—"However, no one's going to get rich in this end of the business." It not only doesn't get the kind of returns that syndication and station ownership get, he says, but the logistics and expenses of dealing with overseas clients are greater than they are domestically.

"The biggest reward is the cooperation we get from stations overseas," he adds. Global Network in Canada and Network 10 in Australia, in addition to subscribing to Newsfeed, provide it with considerable content, Sabreen notes, adding that a deal is being worked out to get content from Europe as well. While admitting there's a lot of competition from other U.S. TV newsgathering operations, he contends, "We distinguish ourselves as a custom news service that works on requests of clients."

Global, in Toronto, Ottawa, Vancouver and Winnipeg, has been a client for nearly four years. It takes Newsfeed's entire three feeds a day of news and one of *The Entertainment Report* on weekdays, plus one feed a day of news on weekends. It downlinks from Telstar 301, Newsfeed's domestic satellite. While *The Entertainment Report* is a bartered product in the U.S., it's a cash deal overseas.

Australia's Network 10, meanwhile, has two correspondents in the U.S. The network downlinks in New York and Los Angeles from the domestic satellite, and its people select what they want and retransmit it either in its original form or repackaged for their audience—selecting only what they know will be used. Sabreen says he expects an Australian deal shortly for Entertainment Report.

In a situation similar to the one in Canada, Newsfeed also has an arrangement with Puerto Rico's Multi-Media for its stations in San Juan and Ponce.

N.I.W.S. expanding

Don Ross, president of Lorimar Telepictures' News and Information Group, reports negotiations are underway for a European news service to carry N.I.W.S. content, which he describes as "topical subject matter—not evergreens, but not day-and-date news." He notes this arrangement would eliminate the need to sell his product on a station-by-station basis.

Ross says N.I.W.S. had been serving the U.S. Army and Air Force and had sold library material to Europe and Asia on a one-time-only basis and, for about six years until a year ago, had been in seven or eight European and Asian countries on a weekly delivery basis. The latter service was concluded, he recalls, because the material was more "evergreen" then, "they weren't sure we were serving their needs and it wasn't cost effective."

Meanwhile, the arrangement with 22 subscribers in Latin America and the Caribbean, he says, is highly cost effective, aided by the fact that his company owns two stations in Puerto Rico—"so we know the Latin American market." The Latin American venture has been in operation for six years. Here the member stations send their news content, and the N.I.W.S. staff does some editing, rewriting and updating and sends it back to Latin America along with content from member stations in the U.S. Written translations into Spanish are sent on U.S. news.

Latin America is served by overnight delivery of video tape once a week, Ross notes. One of the reasons for the demand for the service, he points out, is that "Viewers in Latin America want to see how their relatives are doing in the U.S." The stations there pay a cash license fee on a one or two year basis. Also, N.I.W.S. pays for any product it uses from these stations—$300 for a fully produced package, which can run anywhere from 30 seconds to 10 minutes, and a declining scale for video plus interview and video only.

Now, Ross reports, some Spanish language stations in the U.S. are showing interest in becoming subscribers and suppliers. The only other area where N.I.W.S. has a prominent franchise is in Canada, where 14 stations and/or networks receive the domestic service, he adds.

LPN looks abroad

In the last couple of months, LPN has been pitching its in-depth feature material abroad. So far, the initial success has been in Puerto Rico, according to Jim Hayden, director.

The U.S. Information Agency, meanwhile, pays to subscribe to LPN's 80-minute weekly feed and uses the material in its Worldnet programs. LPN also serves USIA with an "idea bank," which consists of interactive panel meetings on broadcast industry topics, transmitted live by satellite—mostly C-band transponders owned by Bonneville International Corp. For embassies, the content often involves public policy issues, while the broadcast-oriented subjects help the USIA establish better relationships with the broadcast media overseas, according to Hayden.

Conus in Japan

At Conus Communications, Charles H. Dutcher, III, vice president and general manager, reports the arrangement with NHK may be the beginning of expansion of Conus into a worldwide news operation. NHK is expected to be fully operational as a participant in Conus by the end of this month, Dutcher reports. NHK, with nearly 50 stations, is Japan's largest network.

Dutcher says NHK will pay a retainer plus payment for each use of services—uplink trucks, satellite services and news stories, while Conus also has the right to purchase news from NHK. He says NHK will have access to Conus' three daily national newsfeeds and breaking coverage by Conus members in 30 states and Washington, D.C. It will also be able to participate in shared Conus coverage of major events.

NHK will have access to special Conus satellite services such as transponder coordination and technical support for transmission. Conus will make available to NHK its four U.S.-based, Conus-owned Ku-band satellite news vehicles as well as Ku-band flypack uplinks for use by NHK and its bureaus in covering the U.S. and other countries. Live satellite transmissions between Conus and NHK will be uplinked and downlinked from multiple locations across the U.S.

Dutcher discloses that, because the agreement with NHK is non-exclusive, Conus is negotiating with two other Japanese organizations for secondary contracts.

In the arrangement with Mitsubishi, that company is becoming a limited partner of Conus, which will offer its technical and operational expertise in selling transponders, master control operations and vehicles to Japan's six TV networks and their stations. In a separate agreement with Hubbard Communications, Mitsubishi becomes an agent for sale of uplinking vans. □

"Marcus Welby, M.D."

One of the largest Sino-U.S. barter pacts is a three studio deal to include drama series, films and miniseries.

Chinese *(from page 39)*

doesn't discount that Disney may sell theatricals to China TV down the road. He says that movies may be appealing from an American point of view, but he's "having a hard time coming to grips with movies such as *Love Story*" being dubbed into Mandarin. On the other hand, he continues, Mickey Mouse and Donald Duck are two cartoon characters which have proven to be universal over the years and will have broad audience appeal.

Buena Vista's China connection began last year with CCTV, and developed into the network's running a program featuring the two Disney characters starting last October 26 as a weekly half-hour. A total of 104 shows are involved over a two-year run, with Buena Vista retaining two minutes of commercial time in each half-hour program, which runs on Sundays at 6:30 p.m.

Although there's no scientific method of measuring ratings in China, Irwin Okun, vice president, corporate communications, Walt Disney Productions, says the company has been getting feedback from various sources indicating that the program is doing well. If *Mickey and Donald*, which consists of three eight-minute segments of the irascible duck and irreplaceable mouse in separate episodes, continue their winning viewership ways, Disney expects to expand its presence eventually on CCTV, points out Okun. But Okun declines to give specifics.

Film deal

Another supplier, 20th Century Fox, reached an agreement with the CCTV (TV/RADIO AGE, December 8, 1986) which calls for the network to select 52 features to air over one year, from a list of 3,000 film titles from the Fox library. China has an option to renew after the initial year. The first feature is due to air in October, notes Harry Mulford, vice president, advertiser sales, TV syndication, who is in charge of coordinating the selling of the barter time on the films. Fox is offering six minutes for international sale for each feature.

At this point, Mulford has no firm ad commitments, he points out, because the specific features to be run on CCTV have not yet been selected by the network. "I can't go ahead until I have an absolute proposal for advertisers as to what the features are and when they will run." But Mulford adds that he has been contacting a number of major ad companies, including Nabisco, Procter & Gamble, Coca-Cola, Pepsi-Cola, Stouffer Foods and American Cyanamid, which have all expressed interest in buying time on the Fox films.

Mulford projects he'll be able to go into the marketplace soon because discussions on a schedule between Peter Broome, vice president, 20th Fox in Sydney, and the CCTV are nearly completed. Brome, along with Len Grossi, senior vice president of 20th Fox distribution, was one of the primary negotiators of the deal.

The CBS Broadcast International arrangement with CCTV began in the summer, 1984, and involves CBS-produced made-for-TV movies, such as the miniseries *If Tomorrow Comes*, and CBS sports programming and several of its news programs, points out Jane Ferguson, director of ad sales, for a total of 64 hours yearly. A small portion of the programming comes from foreign companies. CBS gets four minutes of commercial time to sell in each hour.

At NBC International, Michael Perez, vice president, international sales, says that the company "is very active in the marketplace" and recently made a barter deal with CCTV that involved a classical music program. Perez adds that NBC is exploring more ties with China.

ProServ Television, Dallas, another new CCTV programming supplier using barter, has cleared *Countdown '88*, 38 half-hours leading up to the Olympic games, for China and Korea. The show is part of an overall commitment for about 40 hours of programming in China this year, points out Robert Briner, president of ProServ. Also included in the arrangement are sports/music programs and other types of shows either produced or distributed by ProServ for other suppliers. BBC music shows are part of the mix as well, as is *Hero*, the story of the 1986 World Cup in soccer, and a two-hour special on indoor soccer. Other sports programs are *The International Year in Sports—1986*, a one-hour special which has been cleared in more than 90 per cent of the U.S.; and an NBA playoff game, says Briner, to which ProServ has the overseas rights.

Briner says that two of the shows already aired, the NBA playoff game and the indoor soccer special, and got very high viewership, according to the CCTV, whose measurement methods Briner admits are not very scientific. Primarily, ProServ is testing the CCTV waters and is using its programming as a learning experience, says Briner, on how the programs are received and to provide information to potential advertisers. The programs have run advertiser-free, but Briner expects to solict U.S. advertisers shortly for future programming.

Cash sales

Meanwhile, two U.S. suppliers are going the cash route in their dealings with the CCTV. One, ABC Enterprises, just sold *Who Will Love My Children*,? a made-for-TV movie which was also released theatrically, says June Shel-

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ley, director, theatrical sales. Also, CCTV has renewed the Academy Awards telecast, and ABC is negotiating with CCTV on additional films. As for barter, Shelley doubts that ABC will change its policy. "We are not really set up for barter—it's not our thing, and I don't know whether our management wants to do business that way."

The other cash dealer is Worldvision Enterprises, which recently concluded a license deal with CCTV for one year of *Little House on the Prairie*. The espisodes ran on NBC in the 1974–75 season, says Bert Cohen, senior vice president, international sales. CCTV will air the 24 episodes over one year.

While it's Worldvision's policy not to disclose prices on its product, it's understood that CCTV is paying only $1,000 in fees for each episode. But what's unique is that CCTV is itself selling time on the series to U.S. advertisers, retaining two minutes before and two minutes after each episode, it's been learned. International Broadcast Systems, Dallas-based company, has been hired to clear the advertising for CCTV.

According to authoritative sources, IBS is said to be getting a minimal fee from the CCTV for its services. The rate-card price is understood to be $6,000 per 30 or $10,000 per minute. If all pans out for CCTV, the network could stand to make a considerable amount of money in the deal, points out one source. However, ad sales, according to another source, are weak at this time, and IBS is said to be offering the program at a large discount from the rate-card fee. Calls to confirm its deal with CCTV were not returned by IBS.

While *Prairie* represents a cash license fee deal with CCTV, Cohen doesn't rule out setting up barter arrangements in the country, but with various provisions. He says that Worldvision is having meetings with the Chinese regarding barter, "but a lot will depend on the kind of deal we could arrange."

Cohen adds that China is different from other countries. "It's a market that is just opening. There are financial exchange problems there, and television is in its infancy there, so China has to be treated differently from other countries."

Also, he adds, one of the problems in dealing with the Chinese is that they "don't quite understand the significance of airing a commercial at an allotted time period. And China is highly motivated politically, so anything can change at any moment."

Solomon at LT believes that barter is the only route for U.S. suppliers to travel in establishing a business tie with China. "The Chinese don't have the currency, and if they pay cash, it will be very little, which doesn't excite me." LT, as is the case with ESPN, is hooking up with China via a regional deal.

Newer developments

While news has been relatively quiet since last December, when Lorimar Telepictures announced an arrangement to supply one of the regional networks, the Shanghai network, with programming, Solomon says the network has chosen the product it will air from LT's television library. Also, Solomon notes that several new developments have occurred since the initial announcement of the five-year pact with the Shanghai network. But he adds he will not give any details until the end of April, at which time a press conference will be held in Washington. "We want to announce it in a way that will get the most promotion and publicity."

Plans call for the announcement to be made at the China Embassy, with the head of the Shanghai Television Network coming from China for the press conference. The conference had been set for April 10, but was postponed because of a visa delay incurred by the Shanghai network chief, says Solomon.

Solomon believes his deal is "superior" to other U.S.-China commitments in programming. Although the arrangement is only with the Shanghai network, Solomon emphasizes that "it is a national deal, which is structured so that it reaches the entire country." In addition, Solomon sees the arrangement has the potential of garnering more ad dollars than if LT had made a deal with CCTV. "I'm allowed to sell much more ad time that what the CCTV allows. We don't have the same restrictions as imposed by the network regarding commercials time."

In the case of ESPN, the cable-TV sports network recently struck a deal with Apple Television, Chinese-lan-

The Chinese audience in focus

While the Chinese are not up to snuff on measuring audiences and other television data, a major study recently completed by DFS-Dorland's research department sheds light on the China viewer. Highlights of a consumer research study on the characteristics of the television market in the country indicate the following:

■ Television in China shows "remarkable" development among the urban populations of all five cities included in the survey. Virtually all Chinese, aged 15–64, were found to be regular viewers of TV, and to own TV sets.

■ Demographically speaking, Chinese TV viewers are evenly divided by sex and are better off economically than the population at large. Thirty per cent of viewers are in the 25–34 year-old age group, which is essentially China's "baby boom" generation.

■ Television has become a "family medium" in China, with the typical viewership group consisting of three to four family members who have a voice in the selection of specific programs. Almost all Chinese interviewed watch at home, usually with their families.

■ Regardless of demographics, Chinese TV viewers are "extremely involved" with the medium, with the clear majority (60 per cent) watching daily, while 63 per cent plan in advance to watch particular programs and 53 per cent admit to paying careful attention to TV programs most of the time.

■ The typical Chinese viewer watches TV two hours per day, between 7 and 10 p.m., as time and preference allows.

■ The most widely viewed types of TV programs in China include TV series/soap operas (93 per cent of viewers "usually watch"), news programs (85 per cent), movies (75 per cent), sports (68 per cent), music (62 per cent) and variety shows (57 per cent). Within most of these program types, there is a decided viewer preference for foreign-produced shows, which are seen as superior in quality to local programs. They have a fundamental need for quality programming, and want shows that stimulate their minds and imaginations.

■ The majority of TV viewers (68 per cent) don't like watching programs in the English language. They are very hard on commercials, and the spots must show how they can benefit the viewer.

■ Consumer awareness of many foreign companies is quite high. Toshiba and Hitachi were on top, 96 per cent and 95 per cent, respectively, followed by American companies such as Kodak, (85 per cent), Coca-Cola (85 per cent) and General Foods (61 per cent). Kodak was called the clear image-leader. Leaders in awareness of TV advertising were Hitachi, Toshiba, Kodak Coca-Cola and General Foods, parallelling the company awareness scored.

But very few Chinese consumers connect foreign company advertising with the specific shows the advertising appeared on. One reason is that foreign products are not affordable to them and is critical to their buying if they deem it so.

guage cable broadcaster serving New York's Chinese-speaking communities, and China Communications, specialist in TV, advertising, market research and public relations in China, for the launching of an hour sports series. The weekly series, *ESPN Global Sports*, will be seen on Saturday nights in China during primetime. The barter series is being offered via eight minutes previous to the program and eight minutes post-show, says Steve Watson, vice president, at China/USA Communications, which is partly owned by DFS-Dorland.

The series was scheduled to debut on April 4 on stations which are on the five regional networks, Shanghai, Beijing, Guagzhou, Wuhan and Guangi Province, which encompass 70 per cent of China's TV viewers and cover all the major commercial centers of interest to foreign countries, says Watson. Watson notes there are about 200 TV stations in China, but only 60 provide original programming, while the rest comprise of booster stations.

CCTV programs are retransmitted by stations, points out Watson, which is a plus for U.S. deals made with regional outlets. "The booster stations have a practice of covering over the network's commercials with their own so they can sell the time themselves. Research has shown that some of the companies spending money on national advertising with CCTV aren't getting their money's worth because the ads aren't seen in many markets."

Watson says that ESPN has three U.S. multi-national corporations interested in sponsoring *Global*. He says deals are pending with the three, which have plants in China, but he declines to name the parties involved. Sponsors of the ESPN show will be charged $2,400 per 30-second spot.

Under its agreement, China Communications is allowed and plans to expand the program's coverage into other territories. Also, China Communications is planning to broaden its vistas into entertainment and educational programming according to Watson.

Down the road

As for U.S. distributors planning China TV explorations, Orion Pictures International's Charlotte Ermoian, vice president, sales, says she expects Orion to do business in the country. "We haven't contacted the Chinese yet, and when they were in New York a few months ago we were on our way to the Monte Carlo event." The LBS Broadcast Group and its president, Phil Howart, says that LBS International is planning a China connection down the road. He points out that, LBS International's director, Mark Mascarenhas, had worked closely with the Chinese when he was with CBS International a while ago, "so we do have some experience with them."

The Chinese government is alert to U.S. advertisers coming into the market with a number of brands, says NBC International's Michael Perez, but it fears that this could cause economic havoc, with consumers prefering imports. But he adds interest in U.S. products is low at this time.

Specifically, he adds, Mascarenhas was involved in an arrangement with CCTV for Procter & Gamble. But making deals with the Chinese, Howart adds, is harder than its sounds. "They have their own culture and have a limited number of programs they will accept." Ferguson at CBS adds that, although the network has achieved most of the goals it had planned, there is always room for improvement. "Any company that looks at barter with China must really use all the resources necessary to make it work. We have made a lot of progress, but it takes patience."

What has to be considered, she continues, is that the Chinese are interested in being educated in worldwide advertising techniques. "They are not just interested in what is acceptable to a U.S. advertiser. They may not take that information and execute it because they are interested in forming their own policies and evaluating worldwide advertising practices on programming rather than just copy the way it's done in America."

Brody at Dentsu Y&R sees the market for U.S. programming as vast in China, "which is the good news. But the bad news is that they don't have currency to pay for them. They are, on the other hand, able to pay for some programs on a cash basis, such as CBS'." But, he adds, "The important question facing advertisers sponsoring U.S. programming in China is how many Western advertisers want to have major campaigns over there. This puts the buying cart before the horse."

Also, points out NBC's Perez, the Chinese government is alert to U.S. advertisers coming into the market with a number of brands, which may cause economic havoc because the consumers will split their buying and imports will far outweigh the purchases of Chinese-made items. At present, however, Perez says, there isn't enough consumer interest in U.S. products to support the companies which have business in China. "Maybe some day they will buy Mercedes and GM trucks. Taking into account the standard of living and the restrictions in China, this is a long way off. The consumers in China have not been exposed to a lot of U.S. product, and they won't buy the product, because they have never even seen it before. China is not consumer-oriented."

Perez points out that barter will work in a country which doesn't have restrictions on dollar flow to outside sources. "It doesn't make sense for Coca-Cola, for example, to invest dollars to make Coca-Cola more popular in Thailand, where the government doesn't allow Coca-Cola to take its dollars out of the country. You're putting in good dollars to chase bad dollars. In the end you have to keep the money in the country through investments."

But "investments" are part of the overall programming expansion plan in China of companies such as Disney, which believe that closer ties on the non-broadcast end are building blocks for the future. Indeed, Disney's North says that arrangements are being made in the consumer products area that would involve manufacturing in China of various Disney-licensed items.

Furthermore, North says that consumer awareness is essential for U.S. advertisers if they want to begin to achieve any substantial impact in selling their product via television. Therefore, he recommends that dollars coming from Americans for advertising on Chinese TV stem from a company committed to either a joint venture with a Chinese company or from an advertiser that wants to build its product. In the case of Disney, North continues, there are a lot of businesses which work well in a society such as China's, where family ties are strongly stressed. All in all, however, he says, "our programming will be the cornerstone." □

"We don't have an expensive news division, and I question the reason for three networks putting on the same show at the same hour in the frantic pursuit to be Number 1."

Jamie Kellner
President
Fox Broadcasting Co.

Fox (*from page 42*)

servative programming, adding that until the advent of NBC's *Golden Girls*, the Big Three were not doing particularly well on Saturday night.

The long haul

"The VCR revolution, like pay TV, is starting to wind down," Kellner contends. "After a while, people get used to these things and go back to what's available and want to watch good shows. Fox is in business for the long haul, and we have something to prove to these people, which is that our programming is as good or better as what's on the three networks. We think we can do that."

The Saturday night primetime schedule will be launched May 30, with the introduction of two new half-hour comedies followed by a Fox special, which has yet to be announced. The remaining two half-hour programs will premiere on June 6.

The Saturday night lineup will be:

Down and Out in Beverly Hills, based on the hit movie, from 8 to 8:30 p.m.

Karen's Song, from 8:30–9 p.m.

Werewolf, from 9 to 9:30.

The Further Adventures of Beans Baxter, from 9:30–10.

FBC is concentrating its first assault on weekends but hopes to take on an additional night of primetime programming each year, with Monday and Friday nights the likely next targets.

"Initially, we don't expect to be in a household ratings war," Kellner says. "We're not guaranteeing households, we're guaranteeing demographics. But we're very determined, and we expect to be competing in every time period."

Views of others

It is perhaps a token of the respect that FBC has won, even before its launch, that none of the three competing network programming chiefs—CBS' Bud Grant, NBC's Tartikoff or ABC's Brandon Stoddard—were willing to be interviewed about the new network prior to opening night. And a clearly reluctant Grant Tinker, happily away from the ratings wars as he sets up his new Culver City production company, would say only, "If I had to make a comment, it would be that Barry's a very bright guy and Garth and his guys are too, and if anyone can do something with it, they can." Noting the current fiscal crunch, Tinker concedes, however, that "it's not an easy time. . ."

But at least some observers of the new entity are surprisingly sanguine. Larry Gebhardt, an analyst with Carmel-based Paul Kagan Associates, says, "We had done some research which showed that if FBC met its projected ratings, it could generate $90 to $95 million in gross ad revenues. It's strictly a case of ratings. If they can deliver those numbers, there will be a potential for them to be a success."

"Strangely enough, there's a potential for them to be a success from an affiliate standpoint and fail as a network," Gebhardt adds. "Even on a break-even basis, there's a possibility for the affiliates to improve their numbers, which can offset what it costs at Fox. But the numbers have to fall somewhere in the five to six ballpark."

The analyst doesn't see the fallout from independent stations which have paid too much for product hurting FBC and predicts the new shows may help the weaker stations affiliated with the fledging service. "The real competition is going to be when they go after the heart of the network schedule," he says. "Right now, they're targeting Saturday and Sunday nights, when the networks are vulnerable, which is the smartest approach."

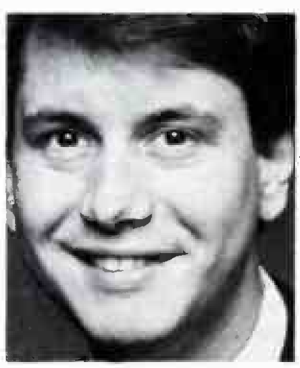
"What we have seen over the past eight years is that there's an increasing demand on the part of the public for programming," he adds.

The number of viewer hours-per-week is increasing, and program diversity has fragmented the viewing audiences. With cable now in over 40 per cent of all TV homes, most people have access to at least 12 channels, and usually more like 24 or 36, so there's a wider sampling of programming.

"The other factor is the phenomenon of remote control, which is a great equalizer making one channel almost as successful, and certainly as accessible as the others. But cable has never had a Rupert Murdoch, who was willing to plunk down $100 or $150 million at one time for programming and take the financial risk. The closest they've come is the money they put down recently for the NFL football package. They've had Ted Turner, but Ted has mainly focused on equipment possibilities more than programming per se."

David Johnson, Fox's senior vice president of marketing, points out that

"We're selling a 6 rating and holding back inventory in case we don't meet it. But we want to be sure we don't expect too much too soon."



Garth Ancier
Senior vice president, programming

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"We don't have to try to be Number 1, which means that we have an opportunity to put on programs . . .

for which we do not have to introduce elements of appeal to old people."

David Johnson
Senior vice president, marketing

FBC's young, hip programming strategy is targeted at the affluent, 18–34 viewing audience and agrees with Kellner that the lack of overhead makes it possible for Fox not to have to cater to the widest imaginable audience for every show it puts on.

"When [CBS chairman Larry Tisch] dismantles to 70 employees, he'll be where we are now," Johnson laughs. "The networks have layers and layers of overhead independent of the cost of programming, 40-story buildings and everything that goes with them. Every program that they put on has to be designed to make a maximum contribution to reduce that overhead."

"We don't have to try to be Number 1," he adds, "which means that we have an opportunity to put on programs that will not have the same kind of household ratings and for which we do not have to introduce elements of appeal to old people. Our shows are specifically designed to reach young, affluent viewers, so when they have story meetings, they're not sitting around talking about how we can get the household numbers up—which gives us more credibility when we're dealing with the creative community."

That community seems to be responding.

"We look at it as a fourth store that we can shop in," says Cannell, despite having to recast *21 Jump Street*, reportedly at Diller's insistence. "I'm interested in selling TV programming, so it's better to have four places you can go to instead of just three."

"Look what happened when the networks tried to cut their news operations; they get called in front of a Congressional committee," Johnson says. "They've inherited the dividends of two decades of inflated expectations. We have the advantage of starting new."

He says such major advertisers as Bristol-Myers, Johnson & Johnson, Kraft and General Foods, among others, have responded to FBC's new siren song.

"When we went out to potential affiliates, we told them that we are in exactly the same position as them," Johnson adds. "We own six or seven independent stations that will do better because of our shows, 'just as your stations will do better with them than they would on their own.' The networks are isolating them with an adversarial stance on affiliate compensation, which works to our advantage."

And David Simon, vice president of the Fox Stations group, says, "We're very excited about the prospect of primetime television on our stations. The advertising blocks are selling for more [reportedly as $10,000–12,000 for a 30-second spot, compared to $1,500 previously].

"What had been broadcast before on the stations and its success depended on the market, but what Fox will provide will be a great step toward more credibility and quality than we have had in the past. The stations just didn't have an opportunity like this offered to them before the launch."

"We're selling a 6 rating and holding back inventory in case we don't meet it," Ancier says. "But we want to be sure we don't expect too much too soon. But clearly, what we will be providing will be better than what has been shown on most of these stations in the past, and we'll consider that a qualified success."

He also believes FBC's line-up will be superior to the current glut of first-run syndication comedies. "Somebody compared one of these first-run shows to *Cheers* and that's preposterous," Ancier says. "I know there's a Witt-Thomas-Harris show in first-run, but it's really a Witt-Thomas show, and you can't compare *Golden Girls*, which is Susan Harris' show, with *It's A Living*. □

Late night's muddy Rivers

Late-night programming appears to be a sensitive topic at the moment for Fox's nascent fourth network.

While studio officials are publicly standing by *The Late Show, Starring Joan Rivers*, launched last October amid great hoopla as FBC's first effort, there are danger signs on the horizon. The show's original producer, Bruce McKay, was recently replaced by JoAnn Goldberg, and Rivers' husband, Edgar Rosenberg, while retaining a titular production credit, has reportedly been asked to step back from hands-on involvement with the show.

Although the numbers have been disappointing, sometimes forcing Fox to make good with advertisers because it failed to meet its targets, FBC president and chief operating officer Jamie Kellner insists that all is not as bad as it seems. "*The Late Show* right now is doing better than *The Tonight Show* did when it started, and certainly better, if you want to track back, than David Letterman's morning show," he says. "It can take a couple of years for a show to work, and you have to have patience." Nevertheless, Kellner leaves room for substitution in the existing late-night lineup. "We look at the 11 p.m. time period as one that's very important to Fox, we are going to prevail at 11 o'clock," he says. While Kellner adds immediately that FBC hopes and believes it will achieve that success with the Rivers show, he concedes that there are no guarantees for any show in the FBC lineup.

I'm only marginally dissatisfied" with ratings on *The Late Show*, he says. "We're close to making our guarantees [to advertisers]—only 3/10 of a rating point away. And if we make those guarantees, I will be delighted."

Kellner says that adding producer Goldberg to give Rivers "the proper guidance," and making the format more "content-oriented," which leaves room for Joan to interview celebrities and "still be very funny," will result in a format that's "a little more intelligent." While denying that there were significant cost overruns, Kellner adds that Goldberg has also been asked to exercise "financial controls."

He concedes that New York radio personality Howard Stern, whose name has been mentioned as a possible Rivers successor, has a long-term development deal with Fox, but says "our policy is not to comment on development deals." And industry observers question whether the abrasive Stern would do better than Rivers in any case.

Birch *(from page 44)*

that the telephone beats the diary methodology, I still haven't seen Birch show us any hard evidence that the telephone is truly superior."

Select Radio's Rainey recommends that, to build a wider base of agency use, "Birch should work to solidify its product so that it will show more reliable consistency that buyers can count on. Especially among younger listeners, an AOR or CHR station can come up Number 1 in one report, then hardly show up at all in the next book. When that happens with Arbitron, it's only when there's either been a format change or some monster promotion during a particular survey period that throws the station rankings out of line. That's not always the case when Birch figures fluctuate that much."

At Masla Radio Mel Trauner, vice president, director of research, observes, "Stations may be able to sell with Birch locally, but on the national level, except for a few agencies like BBDO, we can't very well push Birch on buyers who won't take the time to even look at it. So, as much as we and the stations want Birch to succeed, unless they can build up more widespread use at more agencies, they're in trouble."

To do that, says Trauner, Birch "will need to extend the list of markets they measure regularly to more nearly match Arbitron's 259. After that, they'll have to do even more of what

Bruce Hoban *of Republic Radio sees Birch's qualitative data as its most important plus in that it provides both qualitative factors and radio ratings in one place so that qualitative is directly related to who's listening.*

they're already doing to some extent—make more presentations to media directors and media research directors at more agencies."

Torbet's DeLuca emphasizes, "The industry definitely needs a second radio measurement service. Stations and agencies need a double check in cases where there may be a fluke in any one report. And it's useful to have a second service using a different methodology as backup. We also need a second service for all the stations who just can't afford Arbitron."

DeLuca adds, "Not a tremendous number, but still a surprising number of our stations buy both services—or maybe it's not so surprising, considering that Birch has the qualitative and so few markets are covered by any other company's qualitative surveys."

Hillier, Newmark's Pappas observes that Birch "has still done nothing to my knowledge about the simulcast situation. The reports show each station separately. There's no way for a buyer to tell which stations in a market are simulcasting."

On the positive side, Pappas sees Birch's "biggest plus" as its qualitative information because she feels, "Audience characteristics should be the real basis of selling and buying a particular station. Birch is the only service that offers this in so many different markets. It's easy enough to quibble with the stability of the data, but it's still more than anyone else provides in more than a handful of the largest markets. Qualitative is the primary reason most stations who buy Birch do so."

At Christal, Hauck reports that 16 per cent of Christal-represented stations subscribe to both Birch and Arbitron, that 23 per cent take Birch, 76 per cent are Arbitron subscribers, 6 per cent subscribe exclusively to Birch, and 1 per cent are in unmeasured markets.

Eastman's Sislen observes that Arbitron has had two advantages going for it from the start, "but both have recently been dissipated, to a degree at least." One, explains Sislen, has been that Arbitron "always had Control Data behind it. Despite Control Data's financial problems, a company that big still gave Arbitron deep pockets to help it survive a long war against all comers—the Burkes, the TRAC-7s, whoever. But now that VN Amvest, the Dutch company that also owns a piece of Scarborough and IMS, has bought into Birch, Birch also has hefty backing for a long-haul war."

The other Arbitron advantage, notes Sislen, is that "Habit is hard to break. Buyers get used to looking at Arbitron, book after book, and it raises their discomfort index to try to switch to something different. But at least some of

Maggie Hauck *of Christal Radio sees better sales coverage of the agencies as one of Birch's more urgent requirements: "Arbitron has a huge sales staff. They can cover the agencies in depth—not just in New York, Los Angeles and Chicago."*

this advantage will go down the drain when Arbitron brings out its new redesigned local market report with its winter, '87 survey. It will look different from Arbitron's existing format, just as Birch's format does. Arbitron will no longer be that familiar and very comfortable 'old shoe'."

Birch's arguments

At Republic Radio, Hoban says that to convert more agencies into BBDOs, "Birch will have to continue to present their side of why use of their data will produce more accurate buys for clients. But they do have several arguments to back this."

One, says Hoban, is higher response rates. Another is that "The telephone is a better gatherer of information than a diary. And this adds to the timeliness of Birch information—the speed with which they can pick up changes: a new startup station in a market, a format change like WQHT(FM) New York to its urban/CMR sound."

Hoban explains that telephone interviewing picks such changes up first "because a diary can't probe. Say it's a startup station, or a new set of call letters. How many people can remember a new set of meaningless call letters? Not many, including not many diary keepers. But an interviewer on a phone can keep probing: 'Was it an AM or FM station?' 'Do you remember the dial position?' 'Did they use a slogan?' 'Oh, yeah—They call themselves Laser Rock.' There are no memory joggers like that to help a diary keeper identify a station with a new set of call letters she can't remember."

Meanwhile, the rep researchers have other problems with both Birch and Arbitron, "when they start acting like Nielsen before AGB came along."

At Christal Radio, for instance, Hauck chastizes Birch for "what they gave, and are now taking away from us. I feel almost betrayed." She explains that Arbitron has a rep "library package" that supplies reps with every book and every tape with the proviso that, in those markets where the stations that a particular rep works for don't subscribe to Arbitron, it can be used only as a "management tool." That rep's sales people can't go out and sell with it, on pain of being dragged into a law suit.

But last year, says Hauck, "Birch rode up on its white horse, offering to deliver us from these chains. Birch gave reps a library package, *plus* their qualitative, and *minus* Arbitron's restraints about whether or not our stations subscribe in this market or that. Birch's only proviso was that we not pass it along to our nonsubscribing stations to use locally."

Hauck adds, "Of course the reps ate it up. It gave us qualitative in about 100 markets. Scarborough only does 10 or 12 a year, MRI does about 10, and Media Audit surveys for qualitative in about 20—but only in Sunbelt markets. Griffin is mostly in the midwest and southwest. But Birch is market-by-market, all over the country."

She says the move "worked as beautifully for Birch as it did for us. Having the ratings, and the qualitative, we got in the habit of showing it at the agencies. And the agencies got in the habit of seeing it, and seeing that it was *Birch* who had the qualitative information that Arbitron didn't have. That's exactly what Birch needed. In fact, I'm sure that was one of the major reasons for what gains Birch has made at the agencies."

But then, continues Hauck, "A year went by and now Birch suddenly changes the rules and pulls an Arbitron on us. Now Birch says we can still get its rep library package, but now, just like Arbitron, we won't be able to use it to sell with. And that includes not being able to use the qualitative that we and the agencies have gotten used to working with, except for the few markets where our stations do subscribe to Birch."

And Torbet's DeLuca says, "If Birch goes ahead and reneges on it's original rep library arrangement, I think a lot of reps will stop buying it if they can't use it to sell with. Arbitron's library is comprehensive enough so we can use it for other things. We can analyze it to select those stations that make good solicitation targets as prospective new clients. We can use it to do format studies by market. But we don't need two library packages that we can't use as sales tools to do these analyses."

The Griffin Report

DeLuca also sees a possibility that Griffin could be positioning itself to muscle in on Birch's qualitative turf. She observes that The Griffin Report is already in close to 75 markets, "and now is expanding all over the country. Both broadcasters and buyers like its stable telephone methodology and its easy-to-use format."

Information reported by Griffin includes respondents' income, occupation, educational attainment, home ownership, food store shopped at most often, shopping center patronized most often, department store shopped most often, restaurant visited most often, usage of television and newspapers, and number of each reportable station's listeners planning to buy each of 39 product categories.

At Christal, Hauck adds that Arbitron is also in the doghouse with reps and stations because of the way PUR (Persons using radio) fell off following introduction of the new daypart diary. Says Hauck, "Arbitron doesn't want to admit it's their daypart diary that did the damage. But our book-to-book comparisons, before and after, gives us solid evidence that it could hardly be anything else that did it, no matter how many other excuses they invent."

Hauck says, "It's so blatant that even the agencies have started helping us complain. So bad, in fact that we were even able to persuade one agency to actually raise its cost-per-point for radio. They recognize what an unfair financial burden it would be to force a station to drop its rates because of an imaginary audience decline caused by an arbitrary mistake in methodology."

But Hauck adds that Arbitron's daypart diary question "could cause more agencies to take a closer look at Birch. Especially agencies that are the heaviest radio users. They're the ones whose creative teams know how to multiply radio's sales power, so they don't want it to look like fewer people are listening than actually are any more than we do."

Eastman's Sislen points out that Birch's qualitative reports "can often help stations make more of an impression with local retailers—especially those retailers who don't understand ratings and don't have time to learn about them. Now Birch's qualitative information may not be the most stable data in the world; I've seen it jump a lot from one report to the next. But at least it offers an indication of what's going on." Sislen recalls that some years ago, "Arbitron tried to come up with a qualitative report they called Qualidata. But at the time, the research community was scrutinizing Arbitron with a fine-toothed comb and it didn't pass muster. Only now is Birch facing this kind of detailed scrutiny by researchers—specifically, by RAB's GOALS Committee."

Today, says Sislen, the closest thing Arbitron produces to qualitative information is lifestyle breaks by zip code area, using Donnelley's Cluster Plus. Arbitron can pull diaries from these zip code neighborhoods in markets that have above-average numbers of each Cluster Plus-designated lifestyle category. Birch's qualitative data are closer to that of MRI or Simmons, but on a local, rather than nationwide basis.

Blair's Adelsberg agrees to a degree. "A plus for Birch is that it does provide some qualitative for a good many markets that no one else surveys for qualitative. But it's still fairly limited. They'll cut off the questions for a category once they've filled their minimum sample requirement.'

She explains, for instance, "The survey period for last half '86 ran from June through November. But for some categories like automotive, home ownership and newspaper reading, they only kept asking from June through August, or June through September, whenever they got enough replies to complete their minimum quota of responses for that particular question. In some cases they have enough replies to give a reasonably reliable figure for total adults, but they don't always get enough to report a stable figure for men alone, or for women alone. Things like this can make people at the agencies feel a little uncomfortable about basing decisions on it."

Hillier, Newmark's Pappas adds, "One more thing Birch might do to help upgrade its image is better communication with the research community—all of it—not just the few people on RAB's GOALS Committee."

She notes, for instance, that she "only found out, almost by accident, in a conversation with one of our stations that Birch has a presentation that sounds like something I'd like our sales people to see, so they can become more familiar with what Birch can provide. I didn't even know Birch had this. No one from Birch has ever called on me, or, so far as I can determine, anyone else here. In contrast, Arbitron goes out of its way to keep us informed about almost every move they make, usually before they make it." □

C. Lower gross rating points may give you equal or greater reach

Station	No. of spots	Avg. ¼ rtg.	Cume	GRP's	Reach	Frequency
			(A 18–49 M–F 6A–7P, fall '86)			
Large Eastern market						
WAAA	12	2.0	155,800	94.7	12.9	7.3
WBBB	12	1.6	164,300	79.1	15.3	5.2
Station "B" delivers 16% less GRP's but delivers 19% more reach than station "A"						
Large Midwestern market						
			(A25–54 M–F 6A–7P, fall '86)			
WCCC	12	1.8	130,300	87.0	11.7	7.5
WDDD	12	1.5	159,600	72.8	13.4	5.4
Station "D" delivers 16% less GRP's but delivers 15% more reach than station "C"						
Major west coast market						
			(M25–54 M–F 6–10A, summer '86)			
WEEE	12	1.7	104,200	79.7	4.7	16.9
WFFF	12	1.1	182,500	50.5	8.0	6.3
Station "F" delivers 37% less GRP's but delivers 70% more reach than station "E"						
Major northwestern market						
			(A 18–49 M–F 6A–7P, fall '86)			
WGGG	12	2.2	127,900	106.0	14.3	7.4
WHHH	12	1.5	162,700	70.7	16.2	4.4
Station "H" delivers 33% less GRP's and 13% more reach than station "G"						

Source: Arbitron

GRP trap (*from page 48*)

times that the audience turns over during the week. If the turnover is 12, for example, it will require approximately 12 spots on that station in the course of one week to reach approximately 50 per cent of the station's cume potential. In the course of four weeks, 48 spots would talk to 85–90 per cent of the station's cume. By using each station to develop maximum reach, you can accomplish your goals with a measure of control.

Utility of CPP

Similarly, the utility of cost-per-point (CPP) as a buying tool is different for radio and TV. The basis for television budgeting is to determine the cost-per-point and then see how much money you need to accomplish your goal or how much of the goal can be accomplished with the available budget. If a buy cost $50 a point, 100 TV points will cost $5,000. It is a fairly simple planning tool.

However, radio's geography differences mess it up. Cost-per-point in television is based on the Arbitron ADI or the Nielsen DMA TV market definitions. These areas represent the group of counties where TV stations from that market get most of their audience.

These areas are considerably larger than a metropolitan area. Most of each TV station's total area audience falls within the ADI or DMA. Nine of the 11 stations in one major market, for example, deliver 95 per cent or more of their total area audience within the ADI. Therefore, cost-per-point, based on ADI, is virtually the same as total area cost-per-1,000.

Coverage patterns of TV stations are fairly comparable. There are not a lot of different patterns in any given market. Chart "E" shows how big the differences between metro and total area audience can be in radio. Some stations deliver all of their audience within the metro area. However, four station's deliver from 12 to 37 per cent of their audience outside the metro area.

Therefore, it's unreasonable to expect a radio station to price itself based on only the metro area audience. Radio prices are based on the audience they deliver throughout the total survey area. Applying a metro cost-per-point

D. Radio is a very flexible medium

Design your plan to accomplish your goal

	3 Plans—72 spots each, One week: Reach	Frequency	GRP's		3 plans, Four weeks: Reach	Frequency	GRP's
Plan I	23.7	4.67	111.3	Plan I	25.8	17.26	445.2
Plan II	30.8	3.66	112.7	Plan II	35.7	12.61	450.8
Plan III	39.7	2.64	105.1	Plan III	52.1	8.07	420.0

Source: Arbitron. Plan I = 2 stations—36 spots each per week. Plan II = 3 stations—24 spots each per week. Plan III = 6 stations—12 spots each per week.

E. Radio station coverage patterns vary considerably

Some cover only the metro and others deliver substantial audience in the outside area.

Station	MSA 12+ (00)	Outside 12+ (00)	TSA 12+ (00)	Distribution of audience: % in metro area	Distribution of audience: % in outside area
WAAA	844	114	958	88	12
WBBB	252	145	397	63	37
WCCC	514	259	773	66	34
WDDD	1429	276	1705	84	16
WEEE	831	24	855	97	3
WFFF	334	27	361	93	7
WGGG	435	11	446	98	2
WHHH	130	3	133	98	2
WIII	94	—	94	100	—
WJJJ	56	—	56	100	—
WKKK	82	—	82	100	—

Source: Arbitron, fall '86, Mon–Fri, 6 a.m.–7 p.m.; avg. qtr. hr. Audience distribution by geographic location, major midwestern market, Arbitron fall '86, M-F 6A–7P

It is very difficult to expect that the factors which determine success not be considered in setting rates. Even if the target is $50 a point, averaging a $40 a point station and a $60 a point station is also a tactic for maximizing impact within . . . budgets."

calculation misses a station's audience potential. A station that delivers 10,000 listeners inside the metro and 10,000 outside the metro would be foolish to charge the same rates as a station that delivers 10,000 listeners all within the metro. When metro cost-per-point becomes the criteria, it unrealistically expects both stations to charge the same price.

In chart "E" WCC has a metro 12-plus audience (average quarter hour) of 51,400 and WGGG has an audience of 43,500. Based on metro criteria, WGGG would be asked to accept a slightly higher rate. However, WGGG has only 1,100 listeners outside the metro and WCCC has 25,900. That's a major difference since the two stations offer different potentials for advertisers.

WCCC delivers 77,300 listeners while WGGG has 44,600 listeners in the total area. Cost-per-metro-point thinking penalizes the station that offers advertisers access to listeners outside the metro area.

Similarly, if a planner determines the market should come in at $35 a point, the buyer should consider the fact that some stations deserve more per point and others deserve less per point. Metro cost per point undervalues many stations' non-metro audiences. Other factors affecting rates can be: (1) a station's sound, (2) the length of time a station's been in a strong audience postion, (3) a station's personalities, (4) the station's image, (5) client-oriented promotions, (6) the station's role in the community, (7) the caliber of news and its impact on its audience, and/or (8) a station's great strength in a specific age cell which will balance the buy.

Maximizing impact

It is very difficult to expect that the factors which determine success not be considered in setting rates. Even if the target is $50 a point, averaging a $40 a point station and a $60 a point station is also a tactic for maximizing impact within available budgets. To make cost-per-point a meaningful radio planning tool, it should be based on geography other than metro to account for major coverage stations.

If the objective is to sell merchandise, buyers cannot lose sight of where radio listeners are. Nor can they ignore the stations that reach out and cover these people. Blind adherence to a cost-per-point formula underutilizes radio's advertising strengths. Pricing on the basis of total area cost-per-1,000 offers control, efficiency and maximum attention to radio's nuances.

Radio stations are different in format, personality and in their relationship with audiences. The astute buyer will know as much about a station as possible and take into consideration many facets when planning or pricing a buy. Seeing the "big picture" best serves clients. Tools only become valuable when manipulated by skilled, savvy planners and buyers. So too, GRPs and metro cost-per-point demand more deftness than simple arithmetic calculation to maximize their utility for radio buying. □

Bob Galen

Hawkey says no one knows what makes a person go to a drug store and buy a product.

Triaminic commercial

Bloom (*from page 46*)

Principals of the company—along with Bloom and Fine and Hawkey in New York—are Tony Wainwright, corporate president and chief operating officer—a former executive vice president/general manager of Marschalk, New York; and Paul MacMahon, chairman and COO, The Bloom Agency—Dallas, who served in management positions at Ted Bates for 10 years. The sixth principal is the top creative in Dallas, a spot that is currently vacant.

"These six people," says Bloom, "can be more involved with clients instead of being involved in bank loans, legal issues and data processing." In New York, the only administrative personnel are two switchboard operators, an office manager and a mailroom person, he adds.

The small public relations subsidiary in Dallas, which remains as an "historic" element in the company, is the only exception to Bloom's "advertising only" rule. Nearly three years ago, Bloom sold a business-to business operation to the people running it, and it has also unloaded subsidiaries involved in typography and sales promotion.

Subsidiary businesses and international operations, Bloom contends, have little meaning in competing for most new accounts. Recently Bloom was one of six agencies pitching for the Sealy mattress business in Chicago, which ultimately went to Wyse Advertising. Three of the competing agencies were global, and Bloom offers, "What good does being a $2 billion agency with an office in Nairobi do for an account that's probably spending $4–5 million in the U.S.? It's not a benefit. It's a liability, because someone has to worry about the global account?"

Creative marriage

Bloom speaks of the equal status between the account management and creative chief in each office as "a marriage of marketing and creative." He points to this and the emphasis on senior talent working for the client as means of attracting "senior talent that thrives on doing the work rather than administering a bureaucracy."

Hawkey is a case in point, and she says the key element in her partnership with Fine working as well as it does is his sympathy toward the creative product. "This is a wonderful departure from any prior experience," she adds. "I had always been a writer working with an art director. Now I'm working with a brilliant strategic thinker who is quite brave when it comes to creative directions and really willing to go to the mat for it. His strategic skill has been a real guiding light for me.

"When we develop a four-page strategic plan to present to the client at the beginning of a project or in a new relationship with a client, there have been a number of occasions when he's sent his account people back to revise the strategy because it's too confining; it's not a guide but a series of laws."

She sees a "monumental difference" between Bloom and the larger agencies she has worked at: "First, this is a manageable situation. I had spent 22 years in very large agencies and thought that's all there was, but the larger-agency experience is baroque and layered to extremes." She points to the phenomenon of "death by committee," which does in some of the best work: "Pure thinking gets watered down by the time everybody's had their say."

One thing that doesn't and won't happen at her shop, she says, is the pitting of one creative group against another in a new business pitch: "This is a blow to the belly of creative morale." She notes that, while there's "ample opportunity for pride of authorship," it's not unusual for creatives to step out of their own areas and offer help to their peers. This, she says, is because, unlike large agencies, the shop has a "Bloom spirit" in which employees identify with the success of the company.

As for her own particular creative philosophy, one element is "understanding and respecting the consumer." She explains, "I believe Americans are highly sophisticated TV view-

(*continued on page 84*)

Sterling Optical TV spot

With Bloom spending 19.2 per cent of media budgets in radio, Sterling Optical is one major user.

In the Picture

Paul Strasser

First president of Weightman Research, now a separate operating unit of the Weightman Group, proposes a multiclient study of clutter spawned by 15s, and describes computerized story board analysis, and some of the other kinds of projects his company is involved with.

Expanded research unit ready to work for additional clients

Paul Strasser, president of Weightman Research, now a separate fifth operating unit of the Philadelphia based Weightman Group, recalls, "When we acquired Schaefer Advertising, Roska Direct Marketing and formed Weightman-Schaefer Public Relations, we staffed up our research department to handle all the additional new clients. Then, once we had this full service research company capability, we found ourselves in a good position to extend our services to still more clients, beyond those who were already advertising clients of our agencies."

Asked what "full service" involves, Strasser explains that his operation "can deliver a good many services that go beyond standard creative development and copy testing." Other services, he says, include brand imagery and positioning studies, corporate image studies, business-to-business research, analyses of retail distribution patterns, sales forecasting and studies of how ongoing socio-economic changes impact the sales of clients' products.

He also reports finding interest among both some of the group's agency clients and some non-clients for support of a study of 15 second commercials that would involve a cable show whose commercials "would be nothing but 15s, to explore the impact of clutter."

Will history repeat?

Like other agencies, notes Strasser, "we've found that single 15s, on average, will provide 65 to 70 per cent of the impact of a 30 in terms of recall and persuasive ability. But now we'd like to do a multiclient study to look at the effect of all-15s, and the resulting clutter on commercial effectiveness."

He recalls that back when the industry first started to move from full minutes to 30s, "The 30s seemed to be cost effective at first. But later, when the majority of spots became 30s, and the noise level of the clutter climbed, a number of experiments indicated that 30s might not be having the impact they'd had when there were fewer of them."

This, he adds, "is not because of any defect in 30s per se but simply because of the increased clutter that came with more and more of them. Now, today, there are a lot of people, including us, who wonder if this same thing won't happen with more and more 15s."

Regarding the role of research in creative development, Strasser says the group's creative teams, "appreciate what we do. They know just as we do that a base of sound marketing information increases the effectiveness of their work. They know, just as we do, that we're not in business to make pretty advertising. We're here to make sales effective advertising. That's why our creative people welcome our work with Phase One."

Story board analysis

Phase One is a company that runs computer-assisted content analyses of storyboards. Strasser explains, "Computerized in this case doesn't imply anything particularly high-tech. The reason they need the computer is that they apply about 5,000 questions to a storyboard. But the key questions boil down to the old-fashioned basics of advertising that sells; we give them the board and the strategy statement. The answers to the questions determine whether the message succeeds in carrying out the strategy. Does it communicate clearly the product or service benefits that relate to the user of the product? Are the benefits meaningful to our target audience?"

Strasser notes that while some creative people "cringe at the idea of having a Burke or a Mapes & Ross score tied to their work, now that our people have Phase One to back them up, they know their air test scores are much more likely to make them look good."

Turning to new business, Strasser says that his company's work with Phase One "means that for new prospective clients with no market research capability of their own, we can offer a major plus. Before we approach a new prospect we prepare a fact book on his category; sales trends of the category as a whole, then breakouts of sales trends for each of the prospect's competitors. And while we subscribe to all of the secondary syndicated suppliers, from Nexis and Dialogue to Simmons and MRI, we also do individualized primary research—surveys to test the waters for new business and for possible new products."

He says Weightman Research will be composed of three divisions: a Strategic Planning and New Products Group, a Tactical Research Group, and the Marketing Information Center. Strasser had been vice president/director of marketing research for the Weightman Group before the research department was set up as a separate company with Strasser as president.

Strasser says he "blundered into market research by luck," though he had a strong background in survey design, developed in the course of his preparation for a doctorate in sociology at the University of Indiana.

Bloom (*from page 82*)

ers. They're all Vincent Canby's [*New York Times* movie critic] in their own way. They respond well to honest information—not hype—and to entertainment in commercials. They love it when they're given both and transfer their good feelings to the product."

The other key element of her philosophy is to "push creative limits. There's nothing more dangerous than playing it safe. Clients know it's our intention to invent—not reinvent. They don't want to spend a fortune on advertising that's so safe that it's invisible."

While stating that "Advertising is not a science; nobody knows what makes the consumer go to the drugstore and buy a product," she finds certain research helpful.

"I'm very responsive to focus groups, one-on-ones and any psychographic work where you can get your finger on the pulse of the public you're talking to," Hawkey says.

As for recall studies, she finds them useful in getting an indication of "how well you're communicating," but cautions against their misuse in campaigns designed to "build a new personality for the product." She explains, "You can't reposition yourself in a new light in just one viewing."

According to Radio Advertising Bureau's most recent analysis, The Bloom Companies in 1985 was Number 3 agency in the U.S. in terms of percentage of all media budgets going into radio—19.2 per cent, or $32.6 million in billings. Hawkey points out that a heavier proportion of the radio work is out of Dallas, although, in New York, radio has been used significantly by Sterling Optical and by an account that has since flown the agency—New York Air.

"Radio is a brilliant medium," Hawkey asserts, "but it's so poorly used. I judged radio recently for the Andy awards and was appalled. I felt that what I was listening to mostly was babies—junior writers." In her shop, there are no radio specialists: "It doesn't take a different writer—just one who loves the English language and loves to play with the mind of the listener."

Hawkey claims Bloom is a pioneer in the use of original 15s. Two years ago, when most 15s were edits of 30s or condensed versions of them, Bloom developed an original 15 for Airwick Stick

the marketplace

Ups that, when tested, far exceeded the norms for 30s in recall and persuasion.

Bloom has continued to use 15s for that product, with a recent one showing a giant cat in a giant litter box and a monstrous fish head sticking out of a garbage pail to demonstrate how "big odors lurk in small places." Feeling confident in its skill at 15s, the agency went on to also do them for accounts such as Triaminic, Gaines Taste-Tee Chunks and Maybelline Moisture Whip, the latter featuring Lynda Carter. Where the main impetus to do a 15, Hawkey says, is the client's budget, at this particular agency it's not an ultimatum handed down from media to creative. The decision is arrived at through a gathering of Hawkey, Fine and Rodriguez, often with the client present.

While creative works hand in hand with marketing at the agency, it is also doing so increasingly with media. Bloom, in fact, believes that creative use of media right along with innovation in the creative department is "the cutting edge of the future." He discloses that integration of the two at the conceptual stage was "our big idea" in the recent presentation to Sealy.

"In my 30 years in the business," Bloom points out, "the only thing that's changed is the media departments of the agencies. Marketing, creative and research are the same; I'm not saying there aren't new wrinkles—new styles in creative and new techniques in research. But media has changed because of the computer and because of the plethora of media. Things like split-30s and roadblocking can influence the content of the commercial."

Another shift in media—the acceptance of condom advertising on TV—is also having its effect at Bloom, which recently began production of a TV spot for Mentor Corp.'s condoms and was awaiting budget approval for a spot TV campaign.

To Rodriguez, creative media management means looking at each medium with an open mind. She contends, "I don't believe in being dogmatic about being a champion of any medium—being a cable agency or a radio shop. I believe only in suiting the medium to the needs of the client." With that, she shatters any illusion that Bloom's Number 3 ranking at RAB means that radio is a religion to the agency.

the marketplace

In New York, the proportion of media investments going into radio is 7–8 per cent of total billings, with the much heavier use in Dallas skewing the agency total to about 19.2 per cent. She says radio is used heavily out of Dallas, aside from positive experiences, because that office has some retail accounts attracted to its flexibility and low out-of-the-pocket costs for creative development. Demographic targeting has also been an important factor for an account like Sterling Optical, which can target younger demographics for contact lenses and older ones for bifocals, trifocals and eyeglasses in general. In Dallas, Zale's Jewelers and Skaggs Alpha Beta supermarkets are heavy radio users.

Rodriguez adds, "It's a function of the accounts we have and an unusual willingness on the part of this agency not to rule out what might seem an unconventional media option just because it's unconventional." This also applies to cable, which the agency has bought both nationally and locally, although not to any heavy extent.

Local cable has been bought for Gaines' Seven Seas salad dressings "in a couple markets with high cable penetrations and where the market share of broadcast TV was declining." But Rodriguez hasn't been sold on using local cable extensively because it doesn't have "the degree of sophistication" that facilitates buying. There's a problem, she says, in figuring out, between reps and cable operators, "who's selling, what they're selling and who to pay."

Cable television networks have been bought for accounts out of Dallas, and one of the most innovative uses by the agency a couple years ago was for Stearns & Foster mattresses, no longer an account. Bloom bought across several networks for the client, and USA Network put together a series of two-minute home furnishings programs inserting the commercials in donut fashion.

Syndication and network

Bloom has bought some national syndication time, "but not a great deal," says Rodriguez, who was vice president and media director at North Castle Partners (a subsidiary of Foote, Cone & Belding) before joining Bloom in August, 1984. She says that, for a client such as Zale, the agency could only use syndicated programming that offers a day-and-date buy to coincide with the chain's marketing plans. Although Rodriguez attended the NATPE convention in New Orleans to look over syndicated programming, she says she was unable to find anything that made sense for clients in terms of demographics and clearances.

While observing the decline in networks' audience shares, she notes that much of that audience is shifting to media that's inappropriate for clients' purposes, including local in general and independent stations. As for the networks themselves, she holds, "I think the next season on upfront primetime is going to be really interesting. It's going to be a very tumultuous and difficult time for everybody, between the people meter coming on and Fox Network coming in.

"I think barter syndication is an option, and we're certainly going to look at it." She says her inclination could get even greater "if network pricing gets crazy because of the Olympics and elections" and if "the networks stick to their early bluster" about backing away from guarantees.

Rodriguez says the agency's size has been a help rather than a hindrance in negotiating against the giant agencies, but, "We have to prove to our clients that we can be very aggressive—almost guerrilla fighters—in the war for network TV efficiencies.

Time buying advantage

"Because we don't buy for General Foods or Procter & Gamble, the networks don't have to be sensitive about what price they sell to us at—because what they give us for avails they won't have to turn around and deliver for huge amounts of network time to Procter & Gamble. So we can come around and snap up inventory at very good cost efficiencies without having the problem of having to deliver the same costs to huge clients that eat up a ton of inventory. And a client like Pentax knows that we're not making big buys for General Foods and giving Pentax the leftovers."

Bloom uses Arbitron ratings for both spot TV and radio but uses Nielsen for spot TV for one Dallas account. Currently utilizing RADAR for network radio and Nielsen for network TV, the agency is not yet decided on what to do when the people meter comes on stream: "I think it's going to take a year of looking at the competitive services before we make up our minds." Rodriguez is waiting to see which way the networks move as well as taking an independent look at the validity of the data. The agency is highly automated in terms of backroom functions. With the computer mainframe in Dallas, Bloom uses the 3M Datatrak Adfo system to cover all backroom activity. It also has Telmar and IMS and makes extensive use of personal computers. Rodriguez states, "This helps our people to be thinkers and not numbers crunchers." □

Sidelights *(from page 17)*

from the Catholic church, Martin concedes: "We didn't want to get into a crossfire position with them. Their position is abstinence. Our answer is that we thought this view was naive and that using a condom is like wearing a mask in a hospital to prevent spread of a virus. If you position this as a public health issue, you're going to find there really isn't the opposition out there that you'd think." The worst backlash has been call-in, picketing and boycott campaigns by pro life groups.

Female mobility

Fantasizing doesn't have to be a wasted effort for women looking to advance in the communications industry, according to Celia Paul, director of the career counseling firm, Celia Paul Associates. Speaking before a recent career meeting in New York sponsored by American Women in Radio and Television in coordination with the Council of New York Communications Organizations, Paul demonstrated how fantasies can be used as a career advancement aid.

As part of her presentation, Paul administered an exercise in "picturing your success." She told attendees, "Imagine that a movie is about to start and that you are the main character. Every scene pictures you as successful. Create the details around you." The exercise involved writing down such details as where the participant would be and who would be around her.

Another fantasy tool for getting ahead—to be used on a regular basis—is "having a staff meeting with yourself," the career counselor related. She suggested pretending that the person's immediate superior is listening to a report and that the imagined meetings focus on areas that consume the most of the person's time and energy during the week—such as staff problems and budgeting woes. These "meetings," she added, should also include assigning priorities, attainment of objectives and reasons for not attaining them.

Agenda. Planning a weekly agenda with small, manageable steps to reach goals helps executives to stay on track and not just respond to daily pressures, Paul pointed out. She also pointed to the necessity of having a clear picture of "what you want;" otherwise, the final destination is left entirely to fate.

Doing a good job is not enough for women striving to get ahead, Paul told her audience, and political actions such as "managing your boss" also must come into play. She noted that the same processes can be used by the unemployed to reach their goals.

Inside the FCC

Mark S. Fowler

Outgoing FCC chairman in an interview with TV/RADIO AGE during recent National Association of Broadcasters convention in Dallas.

Fowler defends trafficking status; laments 25% cap in 12 12–12 ownership rules

TV/Radio Age: *As you look back on the last six years, were there any instances in which you now feel that, perhaps, you shouldn't have let the marketplace decide?*

Fowler: I think that there are areas where we could have gone further. I wish we could have, for example, not had that 25 per cent television households cap in the rule of 12, which I did not and still don't think makes a lot of sense, if you believe, as I do, that the relevant market is the local market. Somebody can have television stations in 17 markets, but in each of those markets—because there are other players there—there's no public harm, and I think there could have been a lot of public benefits because of the economies of scale that go with a larger player.

I've always said that bigness is not badness; often it is goodness. Of course, small businesses are also good. They seek out market niches, provide goods and services that big businesses overlook. But we should not say, as a knee-jerk matter, that big is bad."

TV/RA: *Would you like to see the cross-ownership restrictions somewhat relaxed?*

Fowler: I would like to see us go forward on that, but I tried to pick those areas that I thought needed to be addressed first and prioritize. So that would be for another commission.

TV/RA: *It seems that even some of the more deregulation-oriented broadcast executives are calling for reinstitution of the anti-trafficking rules. How do you feel about that?*

Fowler: We have some people in the industry who think that if you have a three-year rule that, somehow, their competitors will go away. Those people won't go away. It is important to people who are attempting to enter the business—young people—to have a maximum chance to do so. The elimination of the three-year rule made it easier for them to get capital and be able to, for the first time, have a piece of the American dream. The people who want to go back and impose a three-year rule are still in the minority. I think the majority of broadcasters do not want to go back.

Any broadcaster today who owns broadcast properties can count on those properties being worth between 10 and 20 per cent less if the three-year rule is reimposed. It is less attractive to buyers; it is less attractive to people who are in the financial institutions; it makes financing more difficult to obtain when you are locked in for three years. But moreover, the public interest is not served by the three-year rule. The three-year rule required people who were dying in the business to have to hold on until the three years had elapsed before they could sell it and make a profit. It is in the public interest to let those people get out and let other people—I call them station doctors, other people call them speculators—come in and take over and improve that property. We have some people on the Hill that say, "Yeah, they're being traded like pork bellies." Well, at least we never subsidized pork bellies.

TV/RA: *Forgetting the Communications Act and any regulation, is it proper to have a public interest standard for broadcasting, philosophically speaking?*

Fowler: Adam Smith had it exactly right. As long as you've got a competitive environment, the public and the people providing goods and services are better off. Congress deregulated cable in 1984 to push back the city and state regulators, that wanted to continue to hang on and be important through their power. [As a result] you're going to see a gigantic step forward in the ability of cable over the next several years to offer new, innovative and exciting services, because they're going to have the capital for the first time, having had their rates deregulated. But they're not without constraint. We're selling a million VCRs a month now in this country. And the cable people know that if they start to get too greedy in the way they price, people have other alternatives. They have over-the-air and they have VCRs, just to mention two of the more important competitors.

There is a role for government . . . the public interest standard is fine to have there as long as you say that it is best served or implemented by relying on marketplace forces. That means that the viewer or the listener is the one who interacts with the broadcaster without the government stepping in and putting its heavy, thick thumb on the scale. That means that the viewer or listener makes the choices as to what's broadcast. It is more consistent with a free society, and it is certainly more consistent with my understanding of what the First Amendment is. The FCC should not have anything to do with what is broadcast in terms of program content.

To the critics who want to go back to regulation, I ask them to tell me one good thing that regulation did. We had talking head programs on Sunday morning, buried. They said you couldn't have program-length commercials—that was contrary to the public interest. Today, we have something called the Home Shopping Network, several of them. And, apparently, it may be a way that Sears Roebuck and others think will move merchandise and provide consumers with information on things. That's good.

TV/RA: *You begin to hear rumblings—we've heard them at this convention—about the radio industry and the beginnings of a deemphasis on news, whole news departments being dissolved, virtually overnight. And some people are blaming this on deregulation. Are these legitimate concerns?*

Fowler: I think the First Amendment means you have the absolute right to broadcast what you think needs to be broadcast. I think there is plenty of news on the radio. Some may be cutting back on their news efforts, some may be increasing their news efforts. But I don't see any diminution of news on the radio. In fact, we are news rich. There's too much information almost.

You almost get the sense that some people are picking around the edges just for some excuse to go back to the old regimen of having a paternalistic, government-knows-best program regulation.

TV/RA: *Is there something that stands out as your greatest accomplishment?*

Fowler: First, to promote and move towards the print model for broadcasters, which means that, ultimately, broadcasters would only be regulated technically by the commission. I'm confident they can operate in that environment, just like *The New York Times* and TV/RADIO AGE do, and serve the public better with more programming on that deals with controversial issues, for example, than is the case now with the so-called fairness doctrine and equal time laws. The fairness doctrine chills the ability of broadcasters to tackle controversial issues. They're afraid they're going to be called on the carpet or even lose their license if they guess wrong on the balances and so forth. The equal time laws, as Newton Minow once said, are the no-time laws. If you've got a multiplicity of candidates running for a given office, and a broadcaster wants to put on what they deem the serious candidates, they have to put them all on. They don't have that time, so they don't put anybody on. Well, now who does that benefit? It's the better-known incumbent.

The second thing we have done is to eliminate unnecessary rules and regulations that no longer made sense or were just plain silly in the first place. A subsidiary under that is the elimination of millions and millions of hours of paperwork that we visited on broadcasters in the industry.

The third point is that we have eliminated, to a great degree, the atmosphere of fear that pervaded the industry, where the federal inspectors would swoop into a town unannounced and flash their badges and essentially intimidate and bully broadcasters as they went through these station inspections.

TV/RA: *If you had to do stereo AM over again, would you still have gone the same route?*

Fowler: I still think we made the right decision, but it's a lot closer question in my mind now than at the time we made it.

TV/RA: *Isn't there more justification for regulation in the technical end, where setting standards would speed up innovation?*

Fowler: I remember on AM stereo we had four systems, and our people said basically there was not a dime's worth of difference among any of the four. We were supposed to, on that record, pick one? That's the first point.

The second point is that when the government sets a standard, it can sometimes freeze technology. We choose a system, and there may be other systems that may be evolving.

TV/RA: *Do you have any second thoughts on syndication exclusivity?*

Fowler: We never changed it. That was done by the previous administration. We are now looking at that, as you know.

We wonder whether or not it makes sense to have rules that prohibit the proprietors of programming and broadcasters from being able, through contractual relationships, to be able to limit the ability of cable systems to use programming that they've paid an amount for for exclusivity in a particular market. We don't have any final decision.

TV/RA: *You had a recent rather acrimonious session with Congress over your minority policies. Do you stand by the posture that you've had on that subject?*

Fowler: I feel that it is important for us to move toward a color-blind society. I believe the President's position is the correct position. I think the idea that we should provide preferences to certain classes of people based on their color of skin or their gender is constitutionally suspect and wrong, although I must say I have not had a chance to review the Supreme Court decision that was just handed down, which may change the law to the extent that preferences are regarded as constitutional.

TV/RA: *The children's programming issue has been one that's received a great deal of attention. Is there nothing that the commission or government should do in that area?*

Fowler: It's very hard to envision any meaningful role for this agency. I think the desire of parents to see more quality is understandable. There's plenty of children's programming. The question isn't quantity; the question is quality. That would be a very difficult area for an agency to regulate in and have qualitative standards. I don't know how we would judge quality. When we looked at the question last time, we saw a lot of new programming services for children, particularly the children's cable television channels, such as The Disney Channel. We saw more children's programming being offered by broadcasters, particularly the new independent broadcasters. We, therefore, found there was no need for us to mandate a certain amount of children's programming. It's a very difficult issue. I struggled with that a lot.

If I were a network head, I think, as a citizen in our society, I would want to make a commitment to make sure I have some programming on each week that, in my view, is the kind of programming that, as a parent, I would like kids to be able to see. And if it meant that I had to give up some Nielsen points, I would say that that's part of being a responsible citizen in a free society.

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