

Television/Radio Age

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AT 100/A1

ROAD TO NATPE

Graveyard status
shedded by
late fringe/41

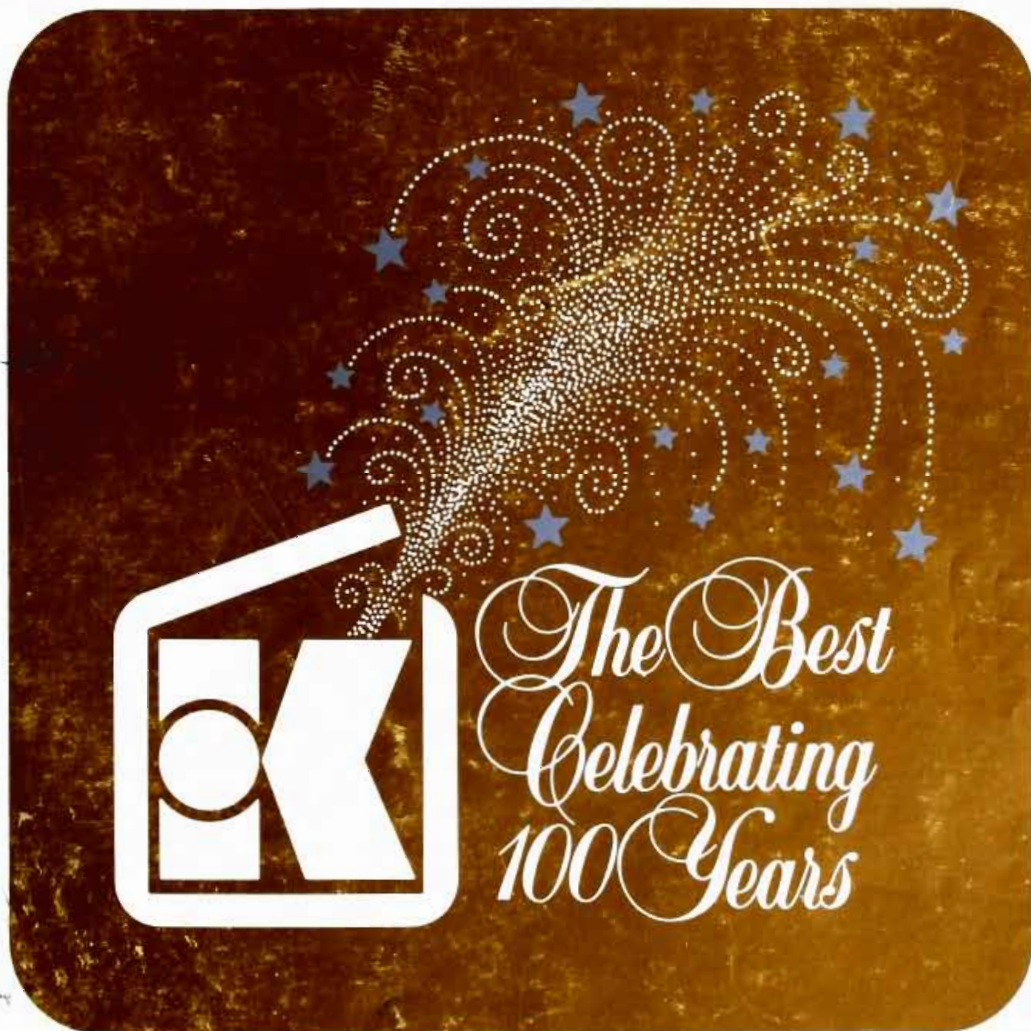
NETWORK DAYTIME

Blacks, collegiates
become more visible
on both sides of screen/45

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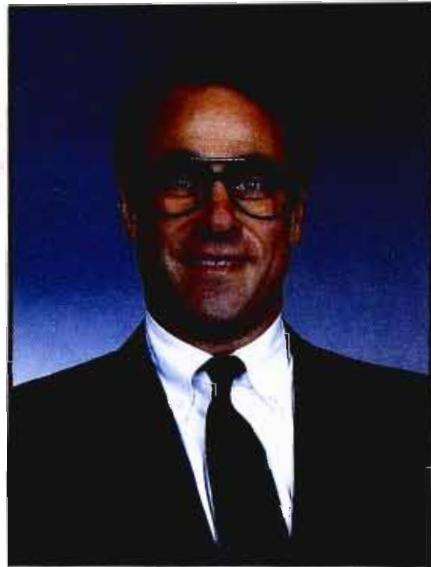
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Time period changes status from graveyard
to testing ground for first-run programs

Road to NATPE: late fringe **41**

Networks take another look at their audiences
and add black and collegiate characters to soaps

Is there happiness in daytime TV? **45**

Many advertisers repelled, but some consider
it much better than "background" programming

Radio's loudmouths get heard **50**

SPECIAL: KATZ TURNS 100 **A1**

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Vice President, Broadcast
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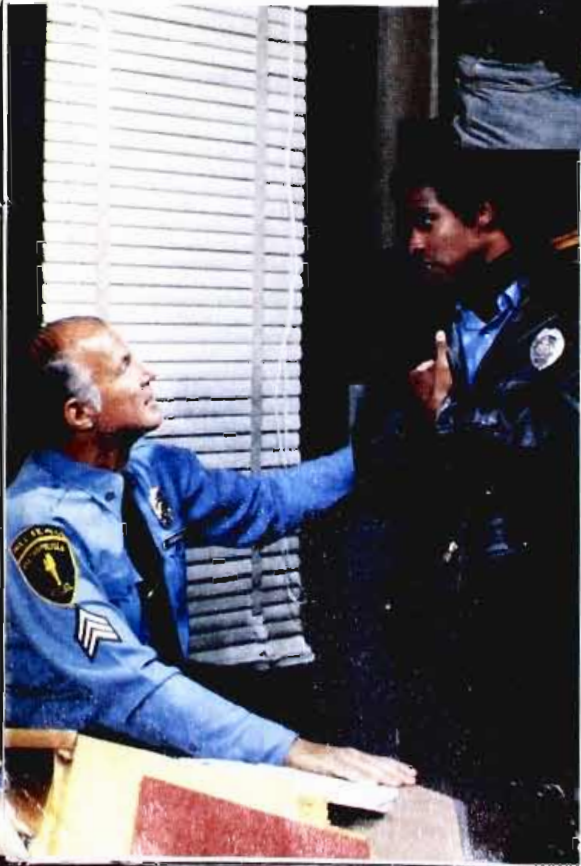
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**Enough
talk,
dogbreath.**





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Tax increases, rising exports seen during next administration

With the national election now part of history, the Bush administration-elect is ready to tackle the problems that cannot be delegated down the line.

As a matter of fact, President-elect Bush has based his "flexible freeze" budget on an analysis made by Michael Boskin, whom *Fortune* predicts will likely be the new chairman of the Council of Economic Advisors. *Fortune's* semiannual survey of the business mood reveals the following:

1. The budget battles will rock the dollar war.
2. President Bush will finally yield to tax increases.
3. Rising exports and capital spending will help economic growth.
4. Inflation will notch up a point and put pressure on interest rates.

According to Todd May, Jr., consumer spending will keep expansion rolling next year, and while the federal budget may be decreased somewhat, it will be a battle.

Economic indicators. A higher minimum wage has been forecast. In fact, Bush has endorsed it and Congress is for it. Consumer confidence, according to the *Fortune* forecast, has been slipping. Civilian unemployment is down to 5.3%, the lowest in five years. Consumer spending should show modest growth over the year ahead, according to *Fortune*. The executives responding to the *Fortune* semiannual survey expect that there will be a slight boost in gross national product in the coming year. The one caveat is the extent to which the deficit is reduced.

At the same time, an accelerated wage growth is giving rise to signs of inflation activity. According to "Business Outlook" in *Business Week*, the consumer's confidence may end the quarter stronger than it began.

Smart retires. One of the industry's pioneers, Harry B. Smart, announced his retirement recently (see page 18). He left behind an unique record of 40 years in the spot television business. Harry has been vice chairman of Blair Television and will continue to serve as a member of the board of directors of Pegasus Broadcasting in Chicago and Prime Cities Broadcasting in New York. Harry Smart has one quality which has achieved him a reputation as an outstanding individual, and as Tim McAuliff, president and chief operating officer of Blair Television, has said, "He has been a role model for many of the executives who have followed him at Blair." He incorporates the quality of integrity which has made him a respected leader in this business. He has helped to raise the standards in this industry over a 40-year period. He will be long remembered.

Arj. Paul

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Letters

'Wave' proprietary

It has come to our attention that The Wave has been incorrectly characterized by the press in general as denoting a general type or style of new age or new adult contemporary music.

This letter is to inform TV/RADIO AGE that the name The Wave is actually a proprietary name and service mark of a particular program; it is not a name for the broad category of new age/light jazz music itself.

Metropolitan Broadcasting Corporation ("MBC"), on behalf of its radio station KTWV in Los Angeles, created The Wave program and service mark. Shortly thereafter, MBC applied for a federal service mark registration for the service mark THE WAVE and entered into an agreement with Satellite Music Network ("SMN") to distribute and market to its affiliates throughout the country The Wave program.

What makes The Wave program special and identifiable is the unique playlist of songs that are carefully selected by some of the most knowledgeable programmers and new age music aficionados, such as Frank Cody, Chris Brodie and John Sebastian. With the aid of a unique and highly sophisticated computer program, songs are programmed by daypart in order to create a mood and atmosphere consistent with our listeners' needs and mindset.

MBC, KTWV and SMN have invested substantial time and effort in advertising and promoting The Wave service mark and program. In order to protect that investment we cannot permit inaccurate media usage of the service mark The Wave.

We feel that it is the responsibility of the media to correctly identify, label and distinguish The Wave from new age music in general. We believe that the recently coined term "New Adult Contemporary" is the proper term to refer to new age/light jazz music. Journalists should not refer to The Wave to denote this genre of music. That

service mark refers only to our program of new age adult contemporary music.

Our research indicates that The Wave listener is appreciative, upscale, active, educated, and fully capable of making the distinction between a musical program supplied by The Wave and other music that is of the same genre and supplied by other broadcasters and retailers.

If the public is capable of appreciating the distinction, perhaps music journalists should as well.

Accordingly, we ask that you use the service mark The Wave only in connection with the name of the KTWV/Satellite Music Network program.

GARY H. CHETKOF

General Counsel

Metropolitan Broadcasting Corp.
New York

Razorback ratings

I have always found TV/RADIO AGE to be the most comprehensive, informative trade publication available, not only in terms of raw data, but also in reporting on the personalities and people that make up our industry.

I must point out a misquote in the *Station Report* section of your October 31 issue. You were gracious enough to report on our station's innovative approach to promotion, and we thank you for the space. However, in one paragraph you quoted me as saying "and when we carry Razorback games, we've had ratings as high as a 36."

KLRT-TV does in fact carry Coach Hatfield's Show (football coach for the University), however, we have to date not carried any games. KATV, the ABC affiliate in the market, is currently licensed for those games. Obviously the Razorbacks constitute a terrific promotion and ratings grabber in Little Rock in whatever format you can get them—coach's show or games.

We certainly hope one day that KLRT will be delivering these kinds of numbers with the actual games—but for now we are pleased to have just the coach's show.

Thank you for your support of our station.

STEPHEN G. SCOLLARD

Vice president/general manager
KLRT-TV Little Rock

The right call letters

I would like to thank you for the spotlight on my radio stations in the October 31, 1988 issue of your magazine.

However, you had incorrect call letters for my FM station, which is the dominant of the two stations and one of the leading suburban FMs in the country.

If possible, I hope you can run a correction indicating the correct call letters of WHUD(FM).

The publicity is appreciated even if there was an error!

STEVE PETRONE

General Manager,
WHUD(FM)/WLNA(AM)
Peekskill, N.Y.

In appreciation

I'd like to take this opportunity to thank you for the terrific article in the October edition of TV/RADIO AGE.

The story captured the flavor of what we are all about very well. Your facts were accurate and best of all, my name was even spelled right!

We truly appreciate your interest in our activities and are grateful for the coverage. If I can ever be of assistance to you, please don't hesitate to contact me.

SHELDON I. ALTFELD

Chairman/chief executive officer
Silent Network, Inc.
Los Angeles

LPTV Pioneering

I just wanted to drop you a short note to thank you for the article in your October 3 issue (*The dollars and cents of LPTV/network deals*, page 42).

It is very rare in the media that an individual is quoted accurately throughout an article and that the article remains objective. You provided both ingredients.

JON F. ELLIOTT

President/CEO
Capitol Television Network
Calabasas, Calif.

Correction

In our Nov. 14 issue, a story about CBS Broadcast International incorrectly identified Joan Showalter in connection with CBI and CBS News. We regret the error.

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Final Edition

Network daytime game shows may dwindle, given NBC's plans

Come spring, there may be fewer game shows in network TV daytime.

NBC currently is eyeing the 12:30 p.m. (ET) slot, now held by *Scrabble*, for its new *Generations* serial (See story, page 45).

Moreover, Brian Frons, vice president of daytime programs at NBC, is trying to get a primetime network sitcom for rerun stripping at 10 a.m. According to other in-



Only one game show, "The Price is Right," has been strong enough to crack the network top 10 in fourth quarter averages.

dustry sources, that strip will be *Golden Girls*.

That plus the possibility that NBC may feed *Generations* twice daily (at noon and at 12:30) and may give back a half-hour to affiliates could translate into the loss of three current game shows, various sources said.

The game blocks now run from 10 a.m. to noon on CBS, 10 to 12:30 on NBC. ABC airs non-soap programming from 11 to noon, but will expand that to 12:30 in January by adding 30 minutes to its *Home* magazine show.

Based on the Niensens for the fourth quarter through Nov. 4, CBS' *Family Feud* holds a negligible lead over NBC's *Sale of the Century* at 10 a.m., after which CBS' *Card Sharks* pulls ahead of NBC's *Concentration*. NBC's *Wheel of Fortune* then adds a full

rating point to its *Concentration* lead-in but CBS' *The Price Is Right* jumps two rating points in its first half-hour.

Some clearance woes. In its second half, *Price* builds to a 5.9/27 average for the quarter, leaving NBC's *Win, Lose or Draw* in its wake. ABC's *Home* (2.5/11) is nearly a point behind *Win*. *Home* has the poorer clearances, its coverage of TV homes at 85% versus *Win*'s 93%.

At noon, NBC's *Super Password* leads ABC's *Ryan's Hope* by 6/10 of a rating point. In the next half-hour, however, NBC's *Scrabble* adds a full rating point to stay ahead of ABC's *Loving*—but the time period is dominated by CBS' *The Young and the Restless* (7.4/30).

Both *Scrabble* and *Loving* have clearance woes, reaching only 83% and 86% of TV homes respectively, thanks to many affiliates programming midday local newscasts.

Only one game show, *The Price is Right*, has been strong enough to crack the network top 10 in the fourth quarter averages. Its overall 5.3/25 average ranked No. 8 in households for that quarter. Its closest game show rival is NBC's *Wheel*, whose 4.1/19 put it 12th in the daytime race.

Relatively few nondramatic programs score well on a regular basis. One exception is holidays and summer vacation periods, when children are home and game shows often enjoy a ratings uptick.

Game shows remain one of the hot categories in the syndication ratings, meanwhile, led by King World's *Wheel* and *Jeopardy*.

Stick with 'Home.' Though faring poorly with its nonserial fare in the morning hours, ABC plans to stick with those shows for the immediate future. Jo Ann Emmerich, ABC's senior vice president of daytime programming, is "very hopeful" that *Home* can improve as an hour, a move she doesn't consider interim. —Jim Forkan

Harry Smart set to retire —so to speak

While retiring from Blair Television after 40 years, Harry B. Smart, 64, vice chairman of the rep company, will still be spending 100% of his working time in the broadcast business.

His retirement plans include serving on the boards of Pegasus Broadcasting and Prime Cities Broadcasting in addition to acting as a consultant to Blair Television.

Prime Cities, headquartered in New York, is seeking to buy TV



Harry B. Smart

affiliates. Smart, who has an ownership interest in Prime Cities, said it was beaten out for the Harte Hanks stations by Gannett which bid \$155 million, \$5 million more than Prime Cities. The Blair veteran is associated in Prime Cities with John Tupper, Dick Shively, Bill Donaldson and Larry McQuade. Pegasus owns four TV and two radio stations.

Hype gets going for 1992 Olympics

The hype machinery for the 1992 Olympics is getting into gear.

CBS, which has the rights to the February 1992 Winter Olympics from Albertville, France, will air a Sunday afternoon special, *The Road to Albertville*, on Jan. 29 at noon.

(Final Edition continued on page 20)

***Action
speaks
louder
than
words.***

Retiring 'Wes' Harris of NBC-TV to remain in program development

Weston J. "Wes" Harris, vice president of programs for the NBC-TV stations division since 1971, will retire at the end of the year but stay in the program development field.

Harris, who relocated to Los Angeles seven years ago, said he wants to "continue having fun" in this business, "but under different auspices."

A successor has not been named and there have been hints that Al Jerome, NBC stations division president, may negotiate a consulting agreement with Harris. When asked if he would continue working with NBC after his retirement, Harris said, "I hope so."

Harris, who has overseen all group programming projects for

the owned stations for 17 years, began his NBC career as program manager at WRC-TV Washington in 1957. In 1962 he took a one-year leave of absence to join the U.S. Information Agency under Edward R. Murrow and then returned to NBC, this time as program manager of WNBC-TV New York; he rose to station manager in 1969.

His stint at the USIA as television program manager was "fascinating, certainly a different kind of experience. I had had no inclination to government service until he came to me. I was swept up in the Kennedy mystique." At the time, he recalled, the TV service of the USIA was "sort of the stepchild" and the Voice of America "the

glamor child."

It was enjoyable "as long as the fascination exceeded the frustration," he said, echoing a Murrow sentiment.

Among programs Harris developed, *Headlines on Trial*, hosted by Arthur Miller, and *It's Showtime at the Apollo* continue, for the fourth and second season respectively. Other projects that have come and gone include the *Toll Tennille Show*, *The Prime of Your Life*, *Strictly Business* and *A McGuire on Sports*. Each O&O has produced "series for their own needs that were applicable to other markets," Harris said.

Sunday Night, the latest stations division project to make it air, under the sponsorship of A



Weston J. "Wes" Harris

Murdoch-Disney deal, Granada push to feed a program-hungry Europe

Walt Disney's new joint venture with Rupert Murdoch's News International—to add pay movies and The Disney Channel to Sky Channel's three advertiser-supported services in the U.K. and the Republic of Ireland—could be but the first in a wave of deals by U.S. producers and distributors to feed a fast-growing demand for product in western Europe.

On top of the increase in satellite channels, privatization of existing terrestrial channels, construction of others and proposals for building still more in many European countries are working to make Europe a major new growth market for TV programming.

That's the view of Andrew Quinn, managing director of Granada Television. To help meet this expected rise in demand, Granada says it will commit \$500 million over the next few years to the production and acquisition of programming.

Quinn notes that while broadcast channels overseas "have and will continue to expand, the supply of programming has not increased greatly over the last few years. Because of the ultimate scarcity now of programming, we believe the time is right for major creative, financial and distribution collaborations to accelerate. Outside of the United States, the biggest opportunity in television exists in Europe."

Meanwhile, under the Disney-Murdoch deal, the U.K. and Ireland become the first countries outside North America to receive The Disney Channel by satellite. The first satellite-fed programs will be available in the U.K. and Ireland in February, and The Disney Channel is expected to begin broadcasting in late spring.

All five channels will be carried on the 16-channel Astra direct broadcast satellite scheduled for a Dec. 9 launch. Under the agreement, Disney will operate The Disney Channel, and Sky itself will operate Sky Movies. The film-based service will include special events and will air Touchstone and Twentieth Century Fox films on an exclusive basis for pay television, as well as films from other studios.

Murdoch says new films will be aired following their appearance in home video and before being offered to conventional TV outlets. Thus the sequential distribution pattern followed in the U.S. and in France will also be followed in England.—George Swisshelm

heuser-Busch's Michelob beer, has been performing well in late night since Oct. 2 and its renewal is pending, Harris said.

Looking ahead, he said a daytime series, starring Al Roker, the ebullient weatherman on WNBC-TV and on NBC's *Sunday Today*, is "still a work in progress. There are a couple of possibilities like that brewing," including another featuring Fritz Coleman, the weatherman on KNBC-TV Los Angeles.

The stations division has not yet submitted any programming ideas to the just formed NBC program development group, chaired by Brandon Tartikoff, NBC Entertainment president. That group has yet to have its first meeting, Harris said.

Tartikoff, however, has said he views the stations division as an important "talent pool" for the group's future ventures.

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NBC Radio's new news director, Bruce Hagan, web's 'outside man'

The primary expertise of Bruce Hagan, the new No. 2 man as news director of the NBC Radio Network, is in national and international coverage, said his boss, David Bartlett, vice president of news and programming at NBC Radio Networks.

Besides acting as his "strong second in command," Bartlett said, Hagan will coordinate the daily activities of correspondents, anchors and producers for news coverage, whether solo or in conjunction with Mutual Broadcasting System, another Westwood One-owned radio network. That makes Hagan the network's so-called "outside man," said Bartlett.

Absorbing Hagan's former duties, but not his title of director of newsgathering and operations, will be Ed Belkin, who as the NBC network's managing editor is "the inside man."

Hagan replaced Frank Raphael, who left to become programming director at the ABC Radio Networks.

In his former position, Hagan covered the launch of the Discovery shuttle, the Reagan-Gorbachev Moscow summit and the Republican and Democratic conventions.

Clear priority. For the coming year or so, Bartlett said, "There is one very clear priority, with Bruce spearheading it, and that is to preserve and enhance the unique identity of the NBC network, America's oldest radio network."

Much of Bartlett's time during the past six months has been devoted to what he described as "reorganizing the budget" for new owner Westwood One. There have been no dramatic budget cutbacks in that span, and none is expected, he pointed out. Under the purchase agreement, Westwood One will hold onto the NBC name for the radio networks for 20 years.

NBC Radio and other news media face a rather busy time under



Bruce Hagan

the George Bush administration, Bartlett observed. "It'll be a very busy year for presidential travel abroad," he predicted, as Bush huddles with world leaders of the west and the Soviet Union.

Referring to the proposed meeting between Gorbachev, while attending a United Nations meeting in New York, and President Reagan and President-elect Bush, Bartlett said, "That'll be fun." Hagan will coordinate that coverage between NBC's New York and Washington news staffs.

The Bush inauguration coverage, moreover, will keep NBC and others busy on Jan. 20 with live coverage of the ceremonies as well as "peripheral activities."

The next space shuttle, the Atlantis, whose launch date will reportedly be on Dec. 1, is yet another

David Bartlett



er event that will command NBC Radio's attention. However, because it will be a secret mission involving deployment of a Pentagon spy satellite, Bartlett pointed out, "There will be fewer during-the-flight goodies, like chitchat of the astronauts."

"It'll be a very busy year for presidential travel overseas, and for economic news."

When asked how long the shuttle might remain a hot news story, Bartlett guessed, "Probably not very long. It's not as interesting since we got one up safe." On the other hand, he noted, "It's obviously still more than routine" because there has been just one success since the 1986 tragedy.

The one offbeat entry on Hagan's resume—before starting his radio news career at Associated Press Broadcast Wire in 1978—was as a deejay at Radio Caroline, a pirate station originating from a ship in the North Sea.

Grants for teaching about free press

National Broadcasting Co. and the Carnegie Foundation for the Advancement of Teaching recently awarded 10 high school teachers with \$1,000 each for using TV news programs to teach students about a free press.

The winners of the first NBC National Teacher's Awards developed such school projects as a student-produced newscast based on historical events and an investigation into whether journalists should honor AIDS victims' privacy rights.

Details on the second NBC National Teachers' Awards are now being developed.

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Broadcast veteran Severino formulates future of Prime Ticket

Life has come full cycle for John Severino: "I started out in sports and got into television, and now I'm doing sports for television."

With ABC for 23 years in a number of prestigious positions including president of ABC Television Network and president/general manager of KABC-TV, the O&O in Los Angeles, Severino is now charged with building up Prime Ticket, the largest of the nation's 11 regional cable sports networks, as its president and CEO.

The 52-year-old executive chuckles when recalling his little-known sports background. "I won a football scholarship to the University of Connecticut and then coached its freshman and varsity teams in the '60s. One year the varsity had an 8-2 record. Then I got hired by Bruce McGorrial, owner of the Portland [Maine] Seahawks semipro team in the old Atlantic Coast Football Conference as coach. He also owned WCSH-TV, so I also sold TV time, and that's how I

National sales organization may be set up to represent Prime Ticket and four other sports networks.

got into television."

Having joined Prime Ticket in mid-October after being wooed by majority owner Bill Daniels, the Denver cable maven, Severino has begun to take action and formulate plans for the immediate future.

Setting up sales. He's hired Mike Kincaid, former KABC-TV local sales manager, as sales vice president to oversee the formation of a four or five person Los Angeles-based sales staff. Heretofore during its initial three seasons, sales have been conducted by H&H, an out-

side sales agency which Severino is "disengaging."

"We're also investigating the possibility of setting up our own national sales organization in New York to represent Prime Ticket and also four other regional sports networks which Daniels has interests in: Home Sports in Houston and Dallas, Prime Sports in Denver



John Severino

and the Sunshine Network in Florida." The rep firm could also handle other regional sports networks in major markets, he adds.

Although he won't indicate specifically what the new rate card will be for the company's service area of Southern California, Arizona, Nevada and Hawaii with its new subscription base of three million households, Severino reveals he is reworking the way Prime Ticket will sell advertising. "We won't allow people to buy exclusively our best inventory. We'll package our inventory and sell the less desirable with the more desirable programming. It'll be take one from columns A, B and C."

On the air seven days a week from 5 p.m. to midnight, Prime Ticket has exclusive 17-year pacts with the world champion basketball Lakers, the Wayne Gretzky-energized Kings hockey team for its home games, as well as UCLA and USC football and basketball. There's also boxing, soccer, tennis, volleyball, wrestling, horse racing

recaps, auto racing, gymnastics, track and field, swimming, water polo, plus collegiate and high school events. And some call-in talk shows.

"Having the rights is the name of the game," stresses Severino, who adds Prime Ticket will go 24 hours within the next two years.

Naturally that will mean more programming, including efforts to create shows for women, which will obviously attract the appropriate advertisers.

Although Severino says Prime Ticket is not for sale, the company has had discussions "with a num-

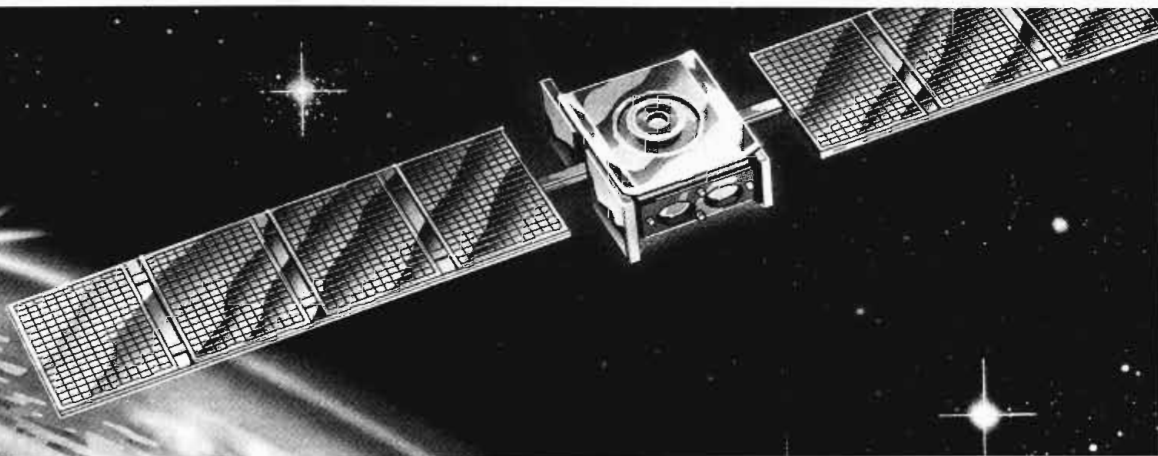
Severino says Prime Ticket will go 24 hours within the next two years.

ber of different organizations, including ESPN, about sharing production and programming costs." Prime Ticket competes with "everybody," from local stations who all have some form of sports, to the Z channel in Los Angeles, which offers Dodgers and Angels home games as well as feature films. NBC's new Consumer and Business channel, due to launch next year with sports on weekends, is also going to be a competitor in Severino's broadened cable eyes.

Severino says learning the cable lingo is the most difficult aspect of his new role. But there are similarities in commercial broadcasting and cable in sales, programming and audience flow.

Talent negotiation. During his career Severino negotiated pacts involving talent and shows. Now the stress is on negotiating sporting events rights. "Sometimes it can be more expensive dealing with USC." Severino is presently talking with Pat O'Brien to do a talk show; O'Brien recently signed a nonexclusive pact with CBS Sports. He'll also have to negotiate pacts with Chick Hearn, the Lakers' play-by-play announcer, Stu Lantz, who offers color commentary, and Rich Marotta, who hosts a twice weekly phone-in show.—**Ellot Tiegel**

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TV Business Barometer

'88 recap: a little better than '87

In a *TV Business Barometer* recap of 1987, this magazine said that 1988 "is not expected to be one of the better Olympics/election quadrennials, but it certainly should come out better than [1987]."

Technically, that hit it on the mark. This year has *not* been one of the better Olympics/election quadrennials and station business *has* been up by more than last year. At least so far. But the stations and reps are not happy, obviously. While '88 is up more than '87, it isn't by much. And the fourth quarter doesn't look so hot.

The three-quarter recap of '88 time sales and network compensation, as reported by the *TV Business Barometer* sample of stations, shows national/regional spot up

5.3% for nine months. That compared with plus 3.9% for '87's nine months and plus 3.8% for the year.

The '88 total for spot for the nine months, based on the figures shown below, comes to \$4,472.8 million. That compares with \$4,248.5 million for the first nine months of '87.

Quarterly figures for spot varied a bit this year. The first quarter was up 10.0%, the second rose only 1.5%, while the third was in the middle with an increase of 5.9%.

A recap of the local time sales figures shows a brighter picture than spot's. For the nine months, local billings were almost into the double digit realm with a rise of 9.3%. As in the case of spot, the increase was better than last year's, which came to 6.1% for the nine months and 6.5% for the year.

Total volume for local time sales during the first nine months of this year came to \$4,341.9 million. Last

year's January-September local billings were \$3,974.0 million.

The quarterly local numbers came out as follows: first quarter, up 9.9%; second quarter, up 8.1%, and third quarter, up 10.0%.

Network compensation has been pretty flat this year. For the first nine months, the station take was down 0.3%. Last year wasn't much different. Network comp for the first nine months was up 1.3% and inched up 1.5% for the year.

Station income from network comp came to \$343.4 million during the first nine months of '88. The figure was \$344.6 million in '87. Quarterly numbers this year: down 1.2% for the first three months, up 0.9% for the second three months and down 0.9% for the summer quarter.

Putting spot and local time sales together with network comp shows that for the first nine months of '88, the total of station business was \$9,158.1 million. The comparable total for '87 was \$8,567.1 million and the increase was 6.9%.

Television station advertising billings, 1986-1988

Spot, local time sales and network compensation (in millions)

	Spot			Local			Compensation		
	1986	1987	1988	1986	1987	1988	1986	1987	1988
January	\$345.0	\$364.7	\$419.0	\$302.1	\$320.5	\$361.8	\$34.9	\$34.8	\$34.0
February	327.5	335.7	367.6	291.7	308.3	347.5	39.1	38.4	37.4
March	441.0	452.0	480.5	464.2	500.9	532.0	38.3	38.6	39.1
1st quarter	1,113.5	1,152.4	1,267.1	1,058.0	1,129.7	1,241.3	112.3	111.8	110.5
April	539.4	580.4	612.9	461.4	493.2	535.1	42.9	43.1	43.7
May	548.4	589.5	594.8	532.8	554.6	591.2	36.5	36.4	36.8
June	477.4	483.6	471.0	387.6	397.7	435.9	35.1	36.3	36.4
2nd quarter	1,565.2	1,653.5	1,678.7	1,381.8	1,445.5	1,562.2	114.5	115.8	116.9
1st half	2,678.7	2,805.9	2,945.8	2,439.8	2,575.2	2,803.5	226.8	227.6	227.4
July	476.2	481.4	517.5	383.5	408.0	436.2	37.5	38.1	39.4
August	429.5	439.8	452.1	452.1	474.7	504.6	40.0	41.6	40.0
September	505.2	521.4	557.4	468.8	516.1	597.6	36.0	37.3	36.6
3rd quarter	1,410.9	1,442.6	1,527.0	1,304.4	1,398.8	1,538.4	113.5	117.0	116.0
October	491.0	497.4	—	590.2	630.3	—	37.5	36.5	—
November	541.9	576.0	—	495.3	543.8	—	34.4	36.0	—
December	451.1	462.4	—	444.8	467.9	—	41.8	43.7	—
4th quarter	1,484.0	1,535.8	—	1,530.3	1,642.0	—	113.7	116.2	—
2nd half	2,894.9	2,978.4	—	2,834.7	3,040.8	—	227.2	233.2	—
Total	\$5,573.6	\$5,784.3	—	\$5,274.5	\$5,616.0	—	\$454.0	\$460.8	—

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Our International Report is gathered from the TV capitals of the world and presented in easy to read digest form in every issue throughout the year. Therefore your international ad in TV/Radio Age reaches the TV influentials throughout the world.

Television/Radio Age

A blue-tinted image of Earth from space, showing clouds and continents. The text "F INFLUENCE" is overlaid in white, serif font. The "F" is partially cut off on the left side of the frame.

F INFLUENCE

International Report

NBC buy-in with Visnews opens doors to Euro program sales, savings in overseas staff

Under the ten year agreement in which NBC bought 37.75% of Visnews from Reuters earlier this month, Visnews gets the right to sell all NBC News programs outside the U.S. from January 1. It also will retain future proceeds from sales already consummated.

Although the principal NBC News programs have been sold to several countries, including Canada, Mexico, Australia and Italy, it is understood that the NBC international representatives have never considered overseas news sales as a good potential earner. Vis-

Sky Channel is looking into the possibility of broadcasting "The Today Show" and "NBC Nightly News."

news, however, has more salespeople seeing clients outside the U.S. and presumably feels that it will be able to generate additional revenue from such sales. Neither party would comment on how much the sale of news and documentary programs has been worth to NBC in the past.

Visnews already seems to have benefitted from its association with its new shareholder.

Also included. Notwithstanding the fact that Visnews has had access to NBC material for many years and vice versa, presumably partly because of the more visible presence of NBC, it has been able to land a \$30 million, five-year contract to supply material to Sky Channel for its 24-hour information satellite channel to be launched February 1. Sky News chief, John O'Loan says Sky is looking at the possibility of broadcasting *The Today Show* and *NBC*

Nightly News.

From NBC's standpoint, it is an extremely inexpensive investment, one which observers see as being repaid relatively quickly through cost-cutting and combined effort. NBC News and Visnews will work closely to avoid sending more people to cover stories than required by the combined operation. Natalie Parks Hunter, NBC News vice president, finance and administration, made it quite clear that NBC was looking at the deal to produce savings. Although she said NBC did not anticipate closing any of its overseas bureaus other than the one in Cairo which already has been closed and estimated that layoffs would be limited to between 15 and 20 people, she did say that by merging field facilities, NBC expected to cut its news costs.

Hunter emphasized that NBC News correspondents would continue to be sent to cover NBC News stories. Both she and Visnews managing director, Julian Kerr, agreed that future experience would determine how often a Visnews crew would be available to work with an NBC News team. Kerr said he preferred to look at the future relationship as avoidance of duplication. He cited the crew situation in South Africa as an example of the way the system will work in future. Visnews, he said, has three crews and NBC, two. He said he doubted whether there were many occasions on which it was necessary for both newsgathering organizations to cover the same event. Kerr also predicted a reduction in satellite costs as well. While Kerr ruled out any layoffs of Visnews personnel for the present, he said he did not close the door for the future.

Moving in. It is understood that present plans call for Visnews personnel to move into the NBC offices in Paris, Rome and Frankfurt. Similarly NBC News personnel currently working out of a Jerusalem subbureau will move into Vis-

It's understood Visnews personnel will move into NBC News offices overseas.

news' Jerusalem office.

As Visnews will use more of NBC's material than NBC will use of Visnews', Visnews will pay NBC a differential fee each year.

The NBC share purchase leaves Reuters with 51% of Visnews; BBC will retain its 11.25% holding.

Although the BBC was involved in the negotiations, it apparently has not paid a great deal of attention to the prospect of Sky Channel showing NBC News material, particularly from the *Today Show*, before it can be broadcast on the Beeb's own midday newscasts. It obviously is true that for the time being Sky poses no rating threat to the BBC, but conceivably that situation insofar as news is concerned could change in future years.

While BBC says it is looking at the implications of the Visnews sale to Sky, it is the ITV companies' objections to British-Satellite Broadcasting showing ITN material before it was broadcast on commercial television which in the end precluded a prospective ITN sale to BSB.—Irv Margolis

London Screenings produce results

Organizers of the second London Screenings held earlier this month say they are extremely pleased by the turnout. They report that 320 buyers from 50 countries visited the weeklong event.

Highlighting a long list of sales by ITV companies are: Central Television Enterprises' conclusion of several deals for its highly controversial documentary, *The Men Who Killed Kennedy*. So far the program has been sold to 20 countries. Granada Television International sold *Sherlock Holmes* to China TV; Tyne Tees sold *World Cup* to Canal Plus; and Telso sold *Act of Betrayal* to RAI.

Maxwell p on Astra E

Robert Maxwell, as he was on the very three transponders European direct broadcast Astra. A top executive well organization AGE that most company certainly prised if a deal was

For their part, Telecom International officials, which market and sell satellite's 16 transponders earmarked but preferred to make up his mind believe Maxwell's Astra would further the bird's marketing officials confirmed that a disagreement on whether Maxwell should buy Bicknell, Astra director, commenting on bargaining position a Mercedes for the

Presuming a success the bird on December will start before the program trials scheduled on January programming inauguration for February 1, 198

The choices. As the 100,000 or so viewers a dish capable of signals, or who will its offerings on choice of four offering different and two W Lifestyle and Scandinavian

Although the initial character of the

nders ite

and was entering the world, a number of other operators also have said to provide low cost dishes greater than original availability, there is that finding some dishes may pose more than finding pe

are holding seminars to try to overcome as holding market with retailers believe the dishes will be relatively extremely anxious to offset the of home video receive enthusiastically product.

Bicknell warmly Electric, which has first Astra satellite at the present time same the contractor and the second Astra

government es for three TV

endent television only to be broadcast and Barcelona by the 1990. The Spanish will start considering the three channels. Although licenses for a 10-year period. tion facilities are strict reception to cities, which have of approximately people, roughly

Although the initial character of the



Robert Maxwell

satellite, with 16 transponders, scheduled for an April 1991 launch. He did not suggest, however, that it would relieve E. Astra 1 will have a 12% year expectancy.

With a launch date only days away according to Bicknell, the company has spent close to \$1 billion on the project. He promised the forthcoming and programming cost \$4 billion has been in Astra by those in-

es

also maintain principal centers in Madrid and

By the time the 1990 completed, the three channels will have 80% coverage. However, critics of the government insist on improving the state television organization, RTVE, to ensure that the state TV will linger far longer than expected, with full coverage in 10 years away.

While the government seems to be taking a conservative view of satelliting, it is determined to satisfy the Spanish telephone company and RTVE, the television organization itself is providing 24 hours of daily programming. The American hemisphere Televisa (Mexico) is also providing Spanish-language, unscrambled service to Europe beginning in 1988.

Radio Report

Birch gets Hispanic boost but needs station support

While the Birch Radio Hispanic Target Market Reports (HTMR) has gotten a vote of approval from the Spanish Radio Advisory Council, the service still has its work cut out for it. This is because Birch has only signed up two broadcasters. This is in addition to two reps and five agencies. However, Birch is expected to get a big boost from the okay, the first given by SRAC.

The approval came November 18 in New York when the SRAC was temporarily revived to vote on whether the changes and improvements in Birch methodology meet the SRAC recommendations. A core group of the council voted unanimously (six in favor with one abstention) to approve the Birch Hispanic methodology following a summary presentation (council members were already familiar with the changes) by CEO Tom Birch himself. The actual terms of the approval will be worked out by Abbott Wool, SRAC chairman and media director of Cadwell Davis Partners, which recently signed with Birch for its general market reports.

In the presentation, Birch revealed the following customers for HTMR, the first report of which will be released the week of January 30: among agencies—Conill, CSI, Robles, Sosa and Eisaman, Johns and Laws. Among reps—Caballero Spanish Media and Katz Hispanic Radio. Among stations—KABQ Albu-



Diane Sanfillipo, account executive at Republic Radio, New York accepts Mother's Day Council's Ad Award on behalf of client station KGVO Missoula, Mont. The award, for the best Mother's Day radio commercial in 1988, is presented by m.c. Ted Brown. l., morning man for WNEW-AM New York. At r. is Sandy Josephson, a.p., marketing, New York Market Radio (NYMRAD), who presided over the radio portion of the program, held at the Sheraton Centre hotel, New York. (Photo by Conrad Gloos)

querque and KIRT/KQXX(FM) McAllen-Brownsville.

There remain reservations about some aspects of Birch's HTMR, but they were not considered significant enough to warrant a "no" vote. One major concern voiced by council members had to do with the presentation of Spanish station audience numbers in the general market reports. These numbers will be different than those in HTMR because the proportionate representation of Hispanic listening data in High Density Hispanic Areas, one of the HTMR objectives, will not be reflected in general market reports.

At one point Birch was going to leave Spanish stations out of the general market reports entirely but subscribers protested strongly. The problem to be worked out is how to describe the nature of the data on Spanish stations in the general market report, while referring users to HTMR for "better" data.

Katz compares Spanish data from Arbitron and Birch

In what was described as the first Arbitron-vs.-Birch comparison of listening to Spanish stations, Katz Hispanic Radio researchers have found that time-spent-listening (TSL) levels are much higher in Arbitron than in Birch across the majority of Hispanic formats. A Katz report, written by Janet Therrien, associate research director of Katz Hispanic Radio, said, "This TSL is driving the (average quarter hour) shares by format to be higher in Arbitron for virtually each format."

Although the Katz study found basic agreement between Birch and Arbitron in Hispanic audience age skew by format, in several areas Birch skews younger. This is based on analyses of the fall '87 and spring '88 surveys, covering Hispanic stations only. The younger skew was revealed in the following reports: For the contemporary international hits (FM) format, in the fall and spring studies; for the rancho/contemporary Spanish hits (AM) format, in the fall study only; in the Chicano (AM) format, in both surveys; in the Tex-Mex format, spring only, and in the soft international hits (AM) format, in the spring only.

However, Therrien noted that there will be "many changes" in both the Arbitron reports in the fall '88 surveys, including Birch's new Hispanic Target Market Reports.

AM radio people power shown by McGavren Guild

Despite steady gains in overall listening share by FM radio in recent years, AM radio is still such a powerful force that advertisers who aren't making the most of it may be overlooking a "broadcasting goldmine." Worse, they may well be leaving room "for a smart competitor to step in and take advantage of all that AM radio has to offer."

To document this point, McGavren Guild Radio vice president, marketing research Frank O'Neill has put together "AM Radio: More than You Think." The presentation points out 60% of the No. 1 radio stations in the top 10 markets are AM stations and that 40% of the most listened to radio stations in the top 10 markets are AMs.

O'Neill compares three types of four-week radio buys in both the top 10 markets and in the next 10, to show that the No. 1 FM station plus the No. 1 AM outreach the same combination of spots placed instead on the No. 1 FM plus the No. 1 FM.

The advantage of using both AM and FM in the buy was 12% in the top 10 markets but even higher in markets 11-20. In these next 10 markets the buyer's advantage when using both AM and FM climbed to 22% over buys limited to the top pair of FMs.

Cap/Cities/ABC builds second 'Home' on radio

Capital Cities/ABC is building a second *Home*, on radio.

Home, ABC-TV's half-hour daytime information series, has been adapted into a series of daily 60-second features for the ABC Radio Network.

The newly begun radio package, under the title *Home Tips*, is being carried by more than 200 affiliates. Robb Weller and Sandy Hill, cohosts of the TV series, also cohost the radio version. Jameson Broadcast produces the radio show, Woody Fraser Productions and Reeves Entertainment Group the TV show.

Home Tips will not be sold nationally in combination with the TV series, ABC officials said, but it is being offered for local sponsorships.

Measuring Hispanic preferences on formats

Level of education has a greater bearing on Hispanic musical preferences in the Southwest than length of residence in the U.S., to judge from findings of the latest survey of San Diego Hispanics by California Research Consultants.

Another factor, reports CRC vice president, director of research Glenn T. A. Higgins, is age of entry into the U.S. If a newcomer is over high-school age when he or she arrived, there is a greater tendency to prefer ranchera formats. But if a newcomer entered this country as a child, his or her musical tastes most likely will change during high school—in this case whatever happens to be the current fad preferred by general market adolescents.

The educational factor is related to the difference Higgins had reported earlier between results of telephone surveys and door-to-door interviews, based on the fact that the higher the educational level the more likely there's a telephone in the home. In telephone surveys Higgins finds only 28.4% of respondents pre-

ferring ranchera formats, while 58.3% prefer Spanish romantic or current general market formats. Higgins also notes that telephone surveys tend to be heavily weighted toward women's preferences: "It's almost impossible to get a man to come to the phone."

BMI to keep tabs on college radio

BMI, the performing rights organization, will begin logging airplay at U.S. college radio stations beginning January 1st. The system, long in use at commercial stations, is the first to be developed at the college level.

Del Bryant, assistant vice president for performing rights, said "We have long known that many songs are performed exclusively or predominately on college radio. Now we will have the specific information to insure the proper payment."

BMI thinks it's talking in the neighborhood of \$100,000 in lost royalties.

When asked what took BMI so long, Bryant quipped: "Sorry we weren't there four years ago, but we are now."

Today Costa Rica, tomorrow the hemisphere

Expanding abroad, news director Luis Covarrubias reports UPI Radio Noticias has taken its first step toward linking up to new affiliates in Central and South America by signing Cadena Radio Noticias of Costa Rica. The move will both make affiliates of the Costa Rican radio network affiliates of UPI and also make them additional news sources whenever important news breaks in the Central American country. The agreement was effective Nov. 1.

Covarrubias says UPI's goal is to become "the most powerful and far-flung radio news network in the Western Hemisphere."



Latin link for UPI. Jose Luis Ortiz, left, news director of new UPI affiliate Cadena Radio Noticias of Costa Rica, interviews Oscar Arias Sanchez, president of Costa Rica and 1987 Nobel Peace Prize winner.

Radio Business Barometer

Web revenues up 8.6% in October

Network radio had one of its best months this year in October, which was the fifth consecutive month in the plus column. And it was the biggest plus of the five months.

These facts came out of the latest report on network radio revenues from the Radio Network Association. The RNA said that web radio revenues for the past five consecutive months paced 4.0% ahead of the same period last year, "leading a strong second half."

October was nearly \$3.2 million ahead of the same month last year. The total came to \$39,924,883, up from \$36,756,291 in October, '87. That represents an increase of 8.6%, the biggest rise this year since the 11.1% hike in January, a lift that was followed by four months of minus numbers.

As for the sales territories, the gap widened in October between New York and the three "outer"

regions Chicago, Detroit and Los Angeles. While New York was down, the outer regions together delivered a 36.1% increase in October, which amounted to an additional \$5.1 million in revenue compared with last year. For the year to date, the outer territories show a gain of 11.6% over '87.

Much of the New York decline in October can be traced to accounts now placed out of Chicago, according to the RNA. New York was down 8.5%, representing a drop from \$22,634,199 to \$20,702,942. October was the seventh month this year during which New York's numbers were negative.

Detroit, which has been showing the biggest percentage increases of all four territories this year, came up with a 163.1% increase in October, rocketing up from \$1,578,799 to \$4,153,810.

Big as that percentage was, it still wasn't the biggest one of the year, being topped by a 185.7% jump in April.

Chicago had the smallest per-

centage increase of the outer regions in October—rising 18.5% to \$10,389,557. Last year, Chicago pulled in \$8,768,581 during the corresponding month.

Los Angeles earned a 23.9% rise in October, climbing from \$3,774,712 to \$4,678,574.

The total network radio revenue picture for the year to date shows '88 to be 1.3% ahead of last year. The 10-month figure comes to \$313,710,089, up from \$309,818,432.

Territory totals

New York, however, is still behind last year for the 10 months. The drop amounts to 5.1%, down from \$193,520,679 to \$183,648,388.

Chicago, with three down months so far this year, is still 7.7% ahead of last year. The 10-month total was \$85,729,838.

Also despite three down months, Detroit is up 42.3% for the year, with a total of \$23,267,156.

Los Angeles' come is in the plus column for the first time in October. The increase is 3.6% and the total is \$21,064,717.

Network **+8.6%**

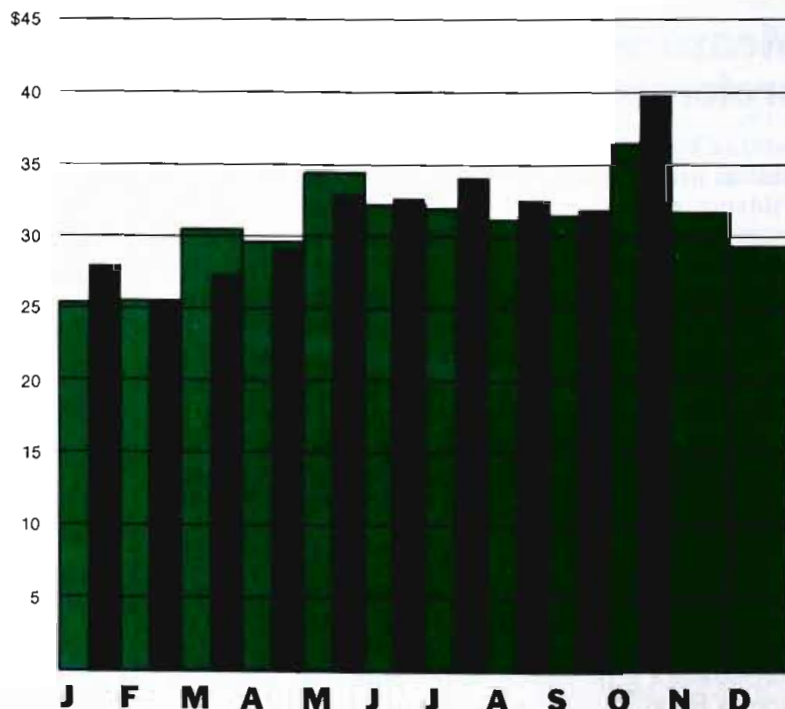
(millions) **1987: \$36.8** **1988: \$39.9**

Changes by territories

Territory	Billings (000)	% chg. 88-87
New York	\$20,702,942	-8.5%
Chicago	10,389,557	+18.5
Detroit	4,153,810	+163.1
Los Angeles	4,678,574	+23.9


Source: Radio Network Association


October




Quick

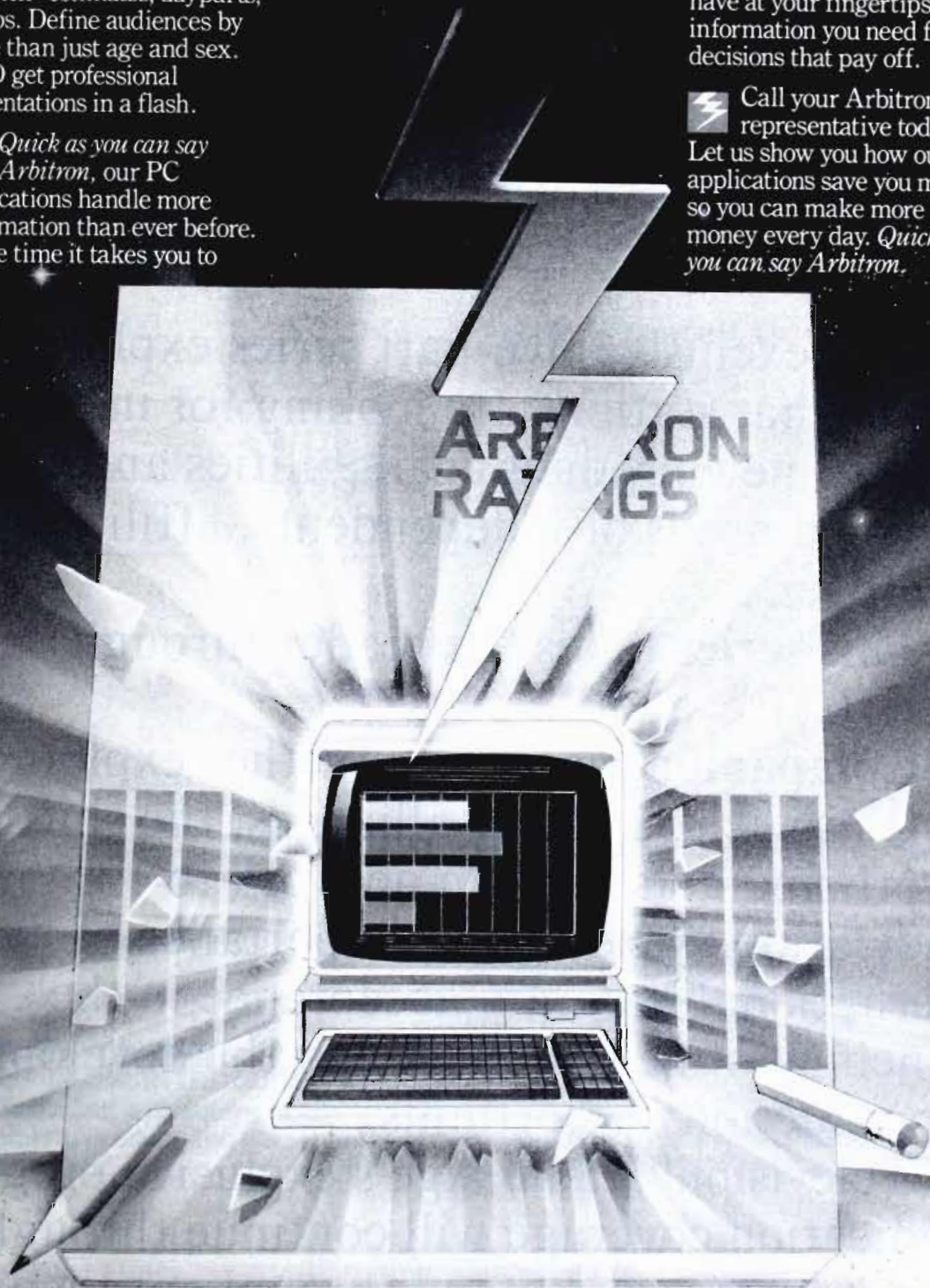
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november 1988

S	M	T	W	T	F	S
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27	28	29	30			

Nov. 14—ROAD TO NATPE
Part I—(Daytime) Closes Oct. 31

Nov. 28—ROAD TO NATPE
Part II—(Late Night) Closes Nov. 14

december 1988

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Dec. 12—PRE-INTV ISSUE
ROAD TO NATPE
Part III—(Early Fringe) Closes Nov. 28

Dec. 26—INTV ISSUE
(distributed Jan. 3-8 in Los Angeles)
ROAD TO NATPE
Part IV—(Primetime) Closes Dec. 12

january 1989

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29	30	31				

Jan. 9—PRE-NATPE ISSUE
ROAD TO NATPE
Part V—(Prime Access) Closes Dec. 26

Jan. 23—NATPE ISSUE
(distributed in Houston Jan. 23-27)
A COMPLETE OVERVIEW OF ALL
PRODUCT BEING INTRODUCED AT
NATPE including a directory of all
programmers, product and personnel
Closes Jan 9th

february 1989

S	M	T	W	T	F	S
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26	27	28				

FEB INTERNATIONAL ISSUE
(distributed in Monte Carlo, Feb 12-18)
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Source: Arbitron 1972 through 1988 to date.

As stations use period as testing ground, first-run shows come into their own

Late-fringe status goes from graveyard to delivery room

By **ROBERT SOBEL**

Late fringe is getting attention again after a year or two when it was being used by stations for throwaway programming or simply for running off old off-network sitcoms.

What has caused this rejuvenation is the promise of first-run programming being used in late night as a testing place for future upgrading and the fact that reality-based shows are showing indications of doing well in the daypart.

Still, this is not to say that the late-night marketplace is being flooded with new product for the upcoming NATPE convention. On the contrary, producers are still cautious about putting up heavy dollars for a daypart that remains much of a mystery to them. In fact, only a few first-run shows will be offered at NATPE that are geared exclusively for late fringe, although several shows looking for other dayparts will most likely wind up in late-night anyway.

Interviews with station and rep sources also indicate:

■ A late-night battle is looming between *The Arsenio Hall Show*, syndicated hour show, and CBS *The Pat Sajak Show*, to be shown on its affiliates in January.

■ Several stations are successfully running a first-run show both in late fringe and in another daypart.

■ *The Morton Downey, Jr. Show* is getting good numbers in late night after a debut mostly in prime-time.

New product

At this point the few strips being designed for late night for the next fall specifically are Worldvision Enterprises *After Hours*, a half-hour barter series that features music, comedy and celebrity profiles and lifestyle pieces in a multi-segmented format; a half-hour avant-garde program for indies said to be in development by Lorimar Television. *Crimewatch Tonight*, from Orion Pictures, is getting late-night clearances, but is open to other dayparts as well. *Crimewatch*, it's recalled, was looking for an access slot when it was

Producers are still cautious about putting up heavy dollars for a daypart that remains much of a mystery to them.



Arsenio Hall

introduced at the 1988 NATPE, but now is being pitched for a late-night spot, as a way to get on the boards.

In January industry eyes will focus on Paramount Domestic Television's entry in late night, *The Arsenio Hall Show*, and the strip series being introduced by CBS, *The Pat Sajak Show*, an interesting development in that such late-fringe shows are rarely introduced by networks.

But developing shows exclusively for late night is very difficult, points out Jack Fentress, director of programming at Petry Television, mostly because of cost factors, thus accounting mostly for the sparseness of new first-run projects. "There is just not a lot of money available on the producers' part. A show produced basically for late fringe will cost the producer about the same as it would for early fringe, making it very hard to make a profit in late fringe. I don't think anybody has solved the equation of doing a late-fringe show that can make money."

There's the market

However, he points out, a producer developing a late-night vehicle should have little trouble in getting it launched. "The fact is that stations are clamoring for late-night shows, which indicates there is room for it in the station's mind. Everyone is looking for that late-night show that will work, especially the networks. For example, something is needed on ABC after *Nightline*, and to some degree the CBS stations have been giving only lukewarm support to the CBS late-night shows, so a new show is needed there, and possibly *Sajak* will do it."

Not only are producers wary about developing shows specifically for late night because of the costs involved, notes Janeen Bjork, Seltel's director of programming, but also because there is no or little return on the investment. "Everyone is in business to make money, and the producers don't see any return, given the production standards are equal with other dayparts. Late-night viewers don't want something that looks like it was done in a barn."

At Katz Television Group, John von Soosten, vice president and director of programming, calls late night like *Catch 22*. "It won't work unless it has the values, but the values are too expensive for the audience that's available. There's always room for a late-night show. Everyone is trying to create a show that is affordable and which stations can handle successfully. But it's difficult to do successful late night because the revenue potential is less, of course, than it is in early fringe or access."

Meanwhile, a number of first-run programs introduced last fall are winding up in late night, al-



Pat Sajak

though they were initially geared for other dayparts by the syndicators. Among these are *Family Medical Center*, *The New Gong Show*, *Group One Medical*, *The New Liar's Club* and *Relatively Speaking*, along with *USA Today: The Television Show* and *Family Feud*.

Bjork at Seltel says *Family Medical Center* has six late-night clearances from the total of 17 metered markets; *Gong Show* has five, post-midnight; *Group One Medical*, four; *Liar's Club*, seven; *Relatively Speaking*, five; *USA Today*, three.

She notes that stations are airing new first-run shows such as *Group One Medical* in late night as a way to hedge bets. "Stations are trying to make sure that if one of these programs becomes a hit in an earlier daypart on other stations, they at least have the show and can upgrade it."

Most of these shows are being played not only in late fringe but

are being relegated to the graveyard shift, adds Bjork, "in a time period where stations have nothing to lose. Why not let someone else be the guinea pig in terms of playing the show in early fringe or access? Why not give up the barter spots for the chance the show may become a hit? That's what happened with *Group One Medical* this year."

Another show, *Family Medical Center*, has been averaging a 17 share through the end of October on WBBM-TV, CBS-owned station in Chicago. Airing at present in the 1:30 a.m. time period, the series was originally bought for early-fringe, notes Rod Perth, station manager. "Standing on its own, the show is doing perfectly fine, although we purchased the show because we thought it had potential in early-fringe," he says. "But we had no need for it in that daypart because our lineup is successful." The daypart shows, among others, at this point consist of *The Love Connection*, *Superior Court* and *The People's Court*, followed by news.

Perth continues that *Medical Center* is being used as a test bed. "We have two available half-hours that can be used for that purpose while the programs are being tested in more critical markets. One is at 11 a.m., and the other is a 1:30 a.m."

First-run strategy

Family Medical Center is doing very well at KUSA-TV, ABC affiliate in Denver. Run in the 12:05 a.m. time period, the show has been averaging shares in the mid-20s, according to Colleen Brown, vice president, business affairs, and program manager. However, come January, *Center* will be moved to the 1:05 a.m. slot, to accommodate *The Arsenio Hall Show*. Why *Medical Center* at 12:05? "Well, let's put it this way. They needed the clearance, and we had a spot open. We're pretty tight in the rest of the schedule with *Geraldo* and *Regis* in the morning, and *Oprah* and *Jeopardy*, plus *Cosby* and *Wheel of Fortune*."

WPWR-TV Chicago runs two new first-run strips not designed for late night in the 1 a.m.-2 a.m.

time period: *On Trial* and *Relatively Speaking*. Neil Sabin, program manager/promotion director, says *Relatively Speaking* was put into late night because the station had an open slot at that time period. As to *Trial*, Sabin notes, "it lends itself to all different kinds of time periods." Also, he points out, both shows are positioned so that if they do well nationally they can be moved to better time periods.

Strategically too, running two first-run shows in late night is seen as an advantage by Sabin. "In late-night there are no other first-run shows running of any significance on the other indies." Both *On Trial* and *Relatively Speaking* are doing a 6 share each, according to Sabin, "which is good for us. We're beating *Kojak* on WFLD, which is getting a 4, and WGBO has been averaging a 1 in the hour. WGN-TV's movie is the No. 1 program."

But whether a station should give up inventory in cases where barter is involved is another matter, notes Sabin.

Is barter better?

He says to give or not to give up barter time for late-night shows depends on the show. "We have a very good relationship with Republic and with Select Media [which distribute *On Trial* and *Relatively Speaking*, respectively], that made it worthwhile for us to do business with them. Looking at next year, I'm going to be reluctant to clear things that I'm not really high on. I will put shelf product back on the air and probably do similar numbers with no barter. I will not go out and spend significant dollars for a program and would rather put something on that we already own.

"We might put on more first-run shows if I think it warrants the time period and isn't costly." Whether Sabin will renew the present two shows for next season will depend on how they do nationally. "It's a little early to say whether the programs will be renewed or not. I've got all kinds of product to play off, such as *Night Gallery*, westerns and other kinds of product."

WUSA's Brown says, "With the rising costs of syndicated programming, everyone is looking for an opportunity to maximize wherever



"After Hours"

they can. In the case of the Denver economy, barter shows are good for us now. But I can't say that when everything is booming and avails are slim that that would be a good situation."

One case where a first-run syndicated show is reversing the trend of going from late night to a more viable daypart is *The Morton Downey, Jr. Show*. Initially, the program was aired in primetime on WWOR-TV New York and is now running on the station and on many others in late night and scoring well. According to Bjork, *Downey* improved the time period over the previous occupant on all its markets last summer.

Von Soosten at Katz notes that *Downey* is doing extremely well in late night in several markets. In Houston, Dallas and Seattle, the show is number one on indies, he says. On KSTW-TV Seattle, *Downey* racked up an average 2.4/14, and on KTVT-TV Dallas-Fort Worth, the strip has been getting a 4/15, and it gets a 2.6/9 on KTXH-TV Houston.

The big face-off

Von Soosten calls *Downey* "about the most noticeable of the net late-night shows" because it's a strip. At KTVT, Charles Edwards, executive vice president, general manager, says all the Gaylord group stations are airing *Downey* except the Milwaukee outlet, WVTV(TV). Airing 11:30-12:30, *Downey* has "been performing beautifully." He adds that although the program is on some hit lists because of its content, "we like the feel of reality-based programs." To back up that statement, Edwards continues, the group has committed to running *Crimewatch Tonight*, which will start in the fall.

The immediate late-night battleground that's shaping up, interestingly, has to do with a syndicated

show, *Arsenio Hall Show* vs. a new CBS network series, *The Pat Sajak Show*, both due to air in January. CBS has been making do with CBS late-night vehicles mainly in the action genre. But the shows have been getting only a 77% clearance by CBS affiliates, and coming in at the bottom of the ratings heap. Airing on 157 stations, the late-night network fare averaged a 3.7/13 the week ending Oct. 30 against *Nightline's* 5.5/19 on ABC and *The Tonight Show Starring Johnny Carson's* 4.7/16.

But Tony Malara, president of the CBS affiliate relations division, says he's been out beating the bushes for *Sajak* and he's gotten clearance commitments from 85% of the affiliates, minus the Gillett stations and a small handful of others. "To get 100% is Utopia," he says. He adds he's still on the campaign trail to try to get the Gillett group and the few others to join the *Sajak* fold. "Late night is an important daypart for us and the stations. It's a critical daypart for our continued success in terms of advertising revenues. The stations want a strong network, and so do we, and *Sajak* is one way to make it one."

KMSP-TV Minneapolis, has acquired *Arsenio Hall* for January. The station gave up its Fox affiliation some months ago and is now running *Simon & Simon* in the 10:30 p.m. time period (CTZ), where it appears to have found a happy time slot. Stuart Swartz, general manager/station manager, says the *Simon* numbers are "pretty good" now that the markets has become metered. "We have gone from a 2 last year to a 5 rating with *Simon & Simon* from October 1987-1988," says Swartz.

Regarding *Hall*, Swartz says that it's possible that the strip will go into the *Simon & Simon* time period. "Although we have improved ourselves with *Simon*, we feel that

maybe we should be doing even better." Another alternative in scheduling would be to play *Simon* after *Hall*, Swartz adds.

Swartz says *Simon* was put on the schedule as counterprogramming to network fare, consisting mostly of sitcoms (on the NBC and CBS affiliates). All-in-all, Swartz says he's banking on *Hall* to be a big hit. When the show was on the Fox network, according to Swartz, research was showing it was getting "very strong" numbers, and when the show was dropped, the Fox affiliates were upset because the program's performance was growing. Also, "he's hot. He's come out with a good movie since then and is now tied to a good company, Paramount, and with Eddie Murphy. That combination should make him very strong for late night."

Swartz believes that *Hall* will be a lot stronger than *Sajak*. "Hall is a proven talk show host, whereby *Sajak* has not done that. He's known for game shows and for being a nice man. But he's not a comedian, which I think makes a big difference when it comes to a talk show. Obviously, a lot of CBS affiliates agree, or they would be running *Sajak* as well.

"Also we have a half-hour edge, and while *Wheel of Fortune* is a very successful show, it appeals to older people—which is *Sajak's* appeal as well. *Hall*, on the other hand, has an appeal to the 18–34, 18–49 year-olds, so the shows are after different audiences. *Wheel* is an old show, and *Hall* skews much younger."

"Family Medical Center"



WBBM has purchased both *Sajak* and *Hall* in an unusual move for a station. Perth says the HUT levels in the Midwest, especially in Chicago, are very high in late fringe. "Arsenio, we feel, has very strong potential in attracting a very high percentage of black viewers, who account for a large percentage of our audience. And we feel he will do the same thing that *David Letterman* does for *Carson*—pull a youthful, more urban viewer through to *Sajak*."

Sajak will run 10:30 p.m. to midnight and *Hall* from midnight to 1 a.m., beginning in January. *Family Medical Center* will continue in its 1:30 a.m. slot. "Be it registered," Perth says, "that we are excited about the *Sajak* show and we think it's the right thing for CBS to do. And we have helped it tremendously in Chicago by programming *Hall* behind it."

Not clearing CBS

The CBS affiliate in Cleveland, the Gillett Communications-owned WJW-TV, is not picking up *Sajak*, according to Lou Gattozi, operations director. But, he adds, the station has not been clearing CBS late-night shows for about 15 years. "It's not a written policy that we don't or shouldn't clear the CBS shows, but, not doing it has worked very well for us. Late night represents an important daypart as far as revenues are concerned, and there is a reluctance on our part to give the time back to the network."

The present schedule, as has been the case for many years, consists mostly of sitcoms in late night, although off-network product in the hour form also has been dominant sometimes. "Up until June we ran a half-hour sitcom, at 11:30, and from 12 midnight to 2 a.m., we ran two one-hour action/adventures such as *Hawaii Five-O*, *Streets of San Francisco* or *Kojak*, which have been very successful for us."

At present, WJW plays *Taxi* at 11:30 p.m., followed by *The Jeffersons*, *Benson*, *Maude* and *Rhoda*, at 1:30 a.m. Before June, the station ran *Taxi*, *Kojak* and *Lou Grant*. "Our sitcom test after June worked well, and we have stayed with it," says Gattozi.

But whether a battle for supremacy will develop in late night between both new contenders is questionable. Rather it may be a race to see which show comes in second to *Carson*. Seltel's Bjork notes, "We have seen competitors to *Carson* get knocked off. The most significant competition either show will have will not be themselves but *Carson*. Every time a new show comes on, whether it's *Thicke of the Night*, *David Brenner* or whatever, people check it out but say that nobody does it better than Johnny."

Bjork continues that in some markets Arsenio hall was "gold" when he hosted the Fox late show, especially in ethnic-market stations. "When both new shows come in, there will be a sampling but that will be as far as it goes."

Too early to call

Von Soosten at Katz believes it's too early to predict the outcome of the late-night contenders. "We haven't seen *Sajak* or what it will be like. It's not known how he will perform as a talk-show host. But nobody expects him to knock off *Carson*."

Carson has shown his durability over the years against all kinds of competition put against him. I don't think it will have any effect there or for *Nightline*, which has a different type of audience.

By going with *Sajak*, CBS will have to try to change its audience from action to talk, reasons von Soosten. "I think the time will be unsettled for CBS because of that. It will be some time before the audience finds *Sajak* and becomes accustomed to it. Whether the audience will be bigger than at present remains to be seen. If anything, by giving up the action genre, CBS may help some of the indies who are programming action shows or movies. Some of the CBS late-night audience, which consists of males, may find the indie action shows more to their liking than the CBS show."

At CBS affiliate WNEV, the station is double-running *Jeopardy*, airing the game show in access and another episode at 11:35 p.m., after the network news. *Sajak* will run at 12:05 a.m., beginning in January. □

Will black and collegiate characters help soaps in these changing times?

Can nets, sponsors still find happiness in daytime TV?

By JAMES P. FORKAN

Daytime is bubbling with activity at the TV networks, with ABC eyeing several serial concepts after having axed *Ryan's Hope* as of Jan. 13 and NBC studying where to slot *Generations*, a soap opera that will include a strong black-oriented storyline.

Network execs, advertisers and their agencies are in a lather about changes of a different sort in this daypart: The upsurge in working women, which means fewer female viewers to tune in to the serialized afternoon drama blocks plus competitive media such as cable enticing some of those who are at home.

But the dramatic growth of videocassettes has enabled those women in the workforce to videotape their favorite soaps for viewing that evening. The time shift for the soap block (noon to 4 p.m. on ABC, 12:30 to 4 on CBS and 1 to 4 p.m. on NBC) presumably is at the expense of the evening news and primetime fare.

Just as the soaps' characters are struggling with such woes as adultery, deceit and even hostile corporate takeovers (NBC's *Another*

World), the network and advertising execs are coping with real-life trials and tribulations of their own.

The changing climate has had a negative impact on daytime's ad sales. In the 1988 first half, Television Bureau of Advertising and Broadcast Advertisers Reports estimated network daytime sales fell



David Poltrack, CBS

7.1% to \$664,733,000. For all of 1987, the data showed the daypart's revenues at \$1.32 billion or 15% of the Big 3's overall revenues, down from \$1.57 billion in '86 when daytime represented 19% of their volume.

Although daytime sales are well

below primetime's, daytime contributes the most to the networks' profits because its programming is cheaper to produce. A soap opera today generally costs \$600,000 a week to produce, while a game show is closer to \$100,000 weekly, according to network sources. NBC's three serials accounted for 80% of NBC's daytime volume last year, about the same as today, sources said.

The daytime upfront marketplace for 1988-89 totaled about \$800 million, down \$90 million or so from the 1987-88 mark, various industry execs estimated. The networks' cost-per-1,000 levels eroded "significantly," by 13% to 20%, agency sources noted, with NBC hardest hit as the daypart's ratings made it an also-ran. ABC commanded the lion's share of

"...only 55% of heavy daytime viewers also are heavy primetime viewers."

sales, at well over 40% of upfront sales, industry sources said.

To improve the daytime outlook, the networks have begun fighting back against the threats of cable and syndication. In a new sales presentation designed to sell network TV rather than individual networks, ABC says network daytime is very strong in pay cable households, averaging a combined 16.4 Nielsen rating versus 16.3 in non-pay homes.

Arguing that the networks can deliver "narrow targets" within the mass audience by selling specific shows and dayparts, Madeline Nagel, ABC's vice president of marketing, says that the top three syndicated game shows in access deliver 27% of working women 18 and up. ABC's daytime serials also deliver 27% of that segment, she says. These percentages translate into 1.4 million such working women for

Daytime's top 10, 4th quarter

(Sept. 26-Nov. 4, 1988)

Program	Network	Rating/share
1. Young and the Restless	CBS	7.6/30
2. General Hospital	ABC	7.5/27
3. One Life to Live	ABC	6.9/25
4. All My Children	ABC	6.7/24
5. Days of Our Lives	NBC	6.2/22
5. (tie) As the World Turns (P&G)	CBS	6.2/23
7. Guiding Light (P&G)	CBS	5.8/20
8. Price Is Right	CBS	5.3/25
8. (tie) Bold & the Beautiful	CBS	5.3/19
10. Another World (P&G)	NBC	4.5/17



Jo Ann Emmerich, ABC

With "Ryan's Hope" cancelled, her biggest concern is "Loving," which becomes the lowest rated daytime drama.

ABC's serials, she adds.

Daytime shows are more cost-effective, moreover, since their CPM is half that of the game shows in syndication, she claims.

CBS has a new daytime presentation that also emphasizes network TV more than CBS itself. This daypart remains "the most efficient way to reach the important women's audience," says David Poltrack, senior vice president planning and research at the CBS Marketing division. Women in general devote an average of 18.1% of their weekly viewing to daytime fare, he adds, while working women spend 12% of their week—still "a substantial amount of daytime TV."

Pointing out that many women do not work 9 to 5 jobs, Poltrack

notes that working women's share of the daytime audience has grown from 20% in 1985 to 23% last year. Moreover, "of all working women, those in [upscale] pay cable households watch the most daytime network TV," he says.

"Daytime is more efficient than other dayparts," says Poltrack, "because daytime unit rates are far less than either late night or primetime." CPM levels in daytime are 30% of primetime for the key women age groups and less than 50% against working women, he adds.

In addition, the CBS exec points out that "only 55% of heavy daytime viewers also are heavy primetime viewers" and that daytime attracts the so-called "principal shopper." The member of the household who does the most shop-

ping for groceries and other everyday household items, the principal shopper, spends about \$2.9 billion a week, CBS estimates.

If working women are less available in the daytime hours, who is available? Besides older women and some men, black adults and college students are two large segments—although on-campus viewing cannot be measured by A. C. Nielsen Co., so far. Network execs, however, indicate Nielsen eventually hopes to do something in that area.

In its special report, "Television Viewing Among Blacks," Nielsen estimated that blacks watched 10 hours, 36 minutes of TV daily, well above the average, with daytime representing 20% of the total or 2 hours, 6 minutes. That was 4% more than a year ago and just two minutes less than blacks' primetime viewing.

"For all demographics examined," Nielsen found that "network weekday daytime ratings remain much higher among blacks" who viewed 55% more daytime than households in general. The top five raters among blacks in Nielsen's January-February '88 data were *The Young and the Restless*, *All My Children*, *One Life to Live*, *As the World Turns* and *General Hospital*.

Although Brian Frons, NBC's vice president of daytime pro-

Weekday daytime averages, 4th quarter

(Sept. 26–Nov. 4, 1988)

Network	Household Rating/share	Women 18–49	Women 25–54	% coverage latest week
CBS	5.5/22	3.4	3.4	94
ABC	5.2/20	4.5	4.5	91
NBC	4.1/16	2.4	2.6	91

Weekday daytime averages, 1987–88

ABC	6.0	5.2	5.1
CBS	5.9	3.6	3.7
NBC	4.9	3.1	3.2

Weekday daytime averages, 1986–87

CBS	6.4	4.1	4.3
ABC	5.6	5.2	5.2
NBC	4.8	3.2	3.2

Source: A.C. Nielsen Co.

VCRs an answer for working women

Home video has been looked upon as a threat to commercial TV, but it has helped the networks hold onto the working women, who videotape their favorite soaps for later viewing.

About 18% of daytime viewers tape programs they follow regularly, according to David Poltrack, senior vice president at CBS Marketing. While a taped show is not necessarily a played back show, he says, "With daytime programs, playback rates are very high and playback takes place soon after recording. The vast majority (71%) of daytime viewers who tape daytime shows play back almost all (90%-plus) within seven days."

ABC has found that 80% of those daytime viewers who participate in its focus group research sessions videotape daytime fare, sometimes while also viewing and sometimes not, according to Jo Ann "Joie" Emmerich, ABC's senior vice president of daytime programming.

According to A. C. Nielsen Co.'s 1987-88 season report, "programs with the highest VCR contribution" to their ratings were primetime movies and miniseries. The most recorded daytimer throughout last season was NBC's *Days of Our Lives*, including the Patch & Kayla wedding story of last July.

Over 10 weeks, *Days'* VCR households added an average of a full rating point to the drama's weekly Niensens. For the two weeks related to wedding story, the boost increased to 1.1 points a week. Those levels were significant since, as Nielsen noted, "93% of all programs analyzed got a VCR contribution of less than half a rating point. Under 1% of all programs experienced a level greater than a full rating point."

grams, hopes to capitalize on those findings with *Generations*, a serial that will feature a half-black cast, his counterparts at ABC and CBS have no similar plans. Still, they do break up what Jo Ann Emmerich, ABC's senior vice president of daytime programming, calls "the whitebread casting" of the soaps with black characters, where appropriate.

As for the college market, ABC is pursuing that with a *One Life to Live* storyline and a related promotion. The serial currently is seeking a campus location for "Fraternity Row," *One Life's* "soap within a soap" element with Jessica Tuck and James DePaiva, who star in a serial set on a typical campus. A location will be chosen from viewers' letters and appear in January.

When asked how important the college market is, Emmerich says, "It's always good to get viewers when they're young. It's a habit that'll stick with them through the years." That's not to say this or other soaps emphasize the young to the exclusion of older viewers, she stresses.

At CBS, Michael Brockman, vice president of daytime and children's programs, feels "a viewer is a

viewer" but the college market is "not our primary focus." Young characters, however, do help hook such viewers beyond their college years, he observes.

In this era of erosion, Emmerich says, "We need to look at viewing outside the home to get a better fix on true daytime viewing." Those who watch on campus, in hospitals, at work during lunch hours and so on are never counted, she says.

Here is a look at what is uppermost on the minds of each network's daytime exec:

ABC's "General Hospital"



ABC

Without indicating its creative thrust, Emmerich says ABC now has at least three story "bibles" in development for new serials but no pilots. Emmerich, who was assistant to the producer of Procter & Gamble's *As the World Turns* before starting her ABC career in 1976, says there are no P&G projects in the works for ABC. P&G also has nothing imminent for the others.

Today it takes 18 months for a soap opera to catch on, by her estimate. With *Ryan's Hope* cancelled, her biggest concern is *Loving*, which becomes the lowest rated daytime drama. Despite its ratings and clearance problems, Emmerich promises this serial will have "more passion" under its new producer and head writer. Clearances—with coverage at 86%, the lowest of any soap but the axed *Hope*, at 75%—are a problem since many affiliates program local news in *Loving's* time period, she observes. If the ratings improve, she feels, some of those missing outlets would come aboard.

Although *Loving* began in spring 1983 with a primetime movie special, Emmerich now feels that tactic is "not necessarily important" to the introduction of future soaps.

Hope itself was not always hopeless. In the first 1982 quarter, it was tied for No. 8 with a 6.9 Nielsen rating. A year later, however, *Hope* had slid to a 5.5 rating and 13th place. Even the highest rated serials, however, have suffered erosion

"All My Children"



"One Life to Live"



Sudser graveyard

Among the sudser that went down the drain in recent years: ABC's *Ryan's Hope* (effective Jan. 13) and *Edge of Night*; CBS' *Capitol*; and NBC's *The Doctors*, *Texas*, *Somerset* and *Search for Tomorrow*.

The three latter projects were from Procter & Gamble. *Search* had a long run on CBS before moving to NBC in '83. *Somerset* was a spinoff from *Another World*. *Texas* in 1982 tried in vain to score before noon with a promotion push billing it as "the day's first daytime drama."

in that span: No. 1 *General Hospital* enjoyed a 10.1 rating in the '83 opening quarter, while *All My Children* had a 10.0 for No. 2 rank.

CBS

Ten years ago it took about two years for a serial to build a loyal following, CBS' Brockman estimated. Given today's more competitive environment, he says he

Brian Frons, NBC



Hopes to capitalize on heavy black daytime viewing numbers with new "Generations."



"*Ryan's Hope*" dashed

would be hard-pressed to make an estimate now.

Early last year, he killed *Capitol* after a five-year stint, mostly because the creators of *The Young and the Restless* were ready with another project, *The Bold and the Beautiful*.

CBS has nothing unusual in development now, he adds, and in any case he would not consider any schedule changes before the second quarter, if then. Given his current serial strength, he says there is no opportunity for another to be added for the foreseeable future.

When it comes to soaps, Brockman says the network's main mission is to lure viewers into watching once, then twice a week. That is not as easy as it sounds, he says. "Basically, an audience doesn't want to watch a serial, because they know they're going to get hooked and they don't want to. We're really working on frequency [of viewing]." Once viewers are tuning in once a week, he says, the hope is that the storyline and performances will build on that. The average daytime viewer watches a serial 2½ times a week, he notes.

NBC

Casting is not yet set on *Generations*, but NBC's Frons plans some location shooting in Chicago for the early episodes, with periodic returns later on. "But the bulk will be in the studio" at Burbank.

Though the program was announced for March, Frons now refers to its starting early in the sec-

ond quarter. With the original premise altered by Frons, *Generations* will focus on the upward mobility of three generations in two families, one black, one white.

As for where it will air, Frons now is eyeing 12:30 p.m., where *Scrabble* airs.

In development for more than a year, *Generations* was created by Sally Sussman, who will be its executive producer. Frons stole Sussman from CBS' *Young and the Restless*; before that, she wrote scripts for CBS' primetime soap *Knots Landing* and NBC's *Facts of Life* sitcom.

Santa Barbara, which began in July '84, faced a long, uphill battle for ratings and clearances. Benefiting from last year's rotation coverage of the Iran-contra hearings on the Big 3, *Santa Barbara* now is described by Brandon Tartikoff, NBC Entertainment president, as "a solid hit, and this year it won the Emmy Award for best daytime drama."

"The ratings track has been good," Frons adds, and its coverage is at 97%.

Michael Brockman, CBS



Feels "a viewer is a viewer" but the college market is "not our primary focus."

Top 10 daytime among blacks

(Jan.-Feb. 1988)

- | | |
|--------------------------------|------|
| 1. Young & Restless (CBS) | 18.3 |
| 2. All My Children (ABC) | 17.8 |
| 3. One Life to Live (ABC) | 16.2 |
| 4. As the World Turns (CBS) | 14.2 |
| 4. General Hospital (ABC)(Tie) | 14.2 |
| 6. Guiding Light (CBS) | 13.1 |
| 7. Bold & the Beautiful (CBS) | 13.0 |
| 8. Price Is Right (CBS) | 12.8 |
| 9. Loving (ABC) | 10.6 |
| 10. Santa Barbara (NBC) | 8.6 |

Source: A.C. Nielsen Co.



NBC's "Santa Barbara"



"Days of Our Lives"



"Another World"

Since 1983, NBC has been scrutinizing *Another World*, its only P&G vehicle. The serial now has a new head writer in Donna Swajeski, formerly director of daytime programs at NBC and before that the promotion-minded associate director of daytime programs for ABC.

With many of today's soaps tending to skew to older women, NBC's Frons says he has several unspecified serial projects in the works, geared mainly for younger women.

NBC News under Larry Grossman had done a half-hour news pilot aimed at "today's woman" and anchored by Deborah Norville. However, it has not yet been given a go-ahead by his successor Michael Gartner.

Disinterested in stunting

Surveying the daytime scene, Frons says, "A slight loss of daytime viewing in the past year is of concern." Despite some erosion in the daypart, CBS' Brockman feels the serial remains "a viable strong format," with young women ratings numbers up from a year ago. Videotaping has helped daytimers keep working women, he adds.

Despite some erosion, none of the network programmers currently plans stunting in the form of glamorous location trips for the dramas during sweeps periods. Brockman, in fact, dismisses the importance of such trips. "I have a

different attitude about those things. Locations are done only if they're important to the story."

ABC too seems less enthused about that once common ploy. "I don't think location trips hold off erosion," she maintains.

Nor is there any thought of reviving such past proposals as trying daytime TV movies or miniseries. In the 1970s, ABC and NBC under Jacqueline Smith and Lin Bolen respectively considered afternoon movies and multiparters in the gothic mystery and romance genres, but those plans never got beyond the talk phase.

"Those would be hard to do financially," says NBC's Frons.

"We might consider that if our programs weren't this strong," says ABC's Emmerich. However, she says the drawbacks include a possible loss of ratings momentum due to such preemptions and the fact that "they're very expensive to produce," an important consideration in this era of cost-conscious network owners.

The only preemption Emmerich looks upon favorably is for the Daytime Emmys, a special that rotates among the Big 3 and thus causes a minimum of disruption. □

CBS' "Young and Restless"



"Guiding Light"



"As the World Turns"



Radio's loudmouths get heard

Many advertisers repelled, but some like it hot

By GEORGE SWISSELM

It's been called everything from confrontational radio to emotional radio to garbage radio and a lot more. Morton Downey, Jr.'s motor-mouth got its start in the genre before he made it on television. Though much of it is informative, some of it seems deliberately designed to inflame, incite and insult listeners who call in with opinions that vary from that of some of the hosts running these shows.

It inflamed one listener five years ago to the point that he shot and killed confrontational practitioner Alan Berg of KOA Denver. And some psychologists worry that some insecure callers could be driven to suicide by a severely insulting riposte. (See separate story.)

But in the process of simultaneously informing and offending, confrontational radio makes listeners pay attention. For its followers, it's the essence of foreground radio. And that appears to be at least one reason almost as many advertisers like it as avoid it.

Some like it soft

It was not always thus. George Green, general manager, KABC Los Angeles, credits Joe Pine with pioneering what Green calls "garbage radio," on KABC for a short time in the late '50s and early '60s before he left to take his act to KLAC: "It was all new then, to advertisers as well as to the listeners," recalls Green.

"And although KLAC was using Pine to beat us in the ratings, they couldn't sell it. Advertisers preferred our soft talk even though Pine, on KLAC, was pulling the bigger numbers."

But today it seems to be a different story. General sales manager Cynthia Newlin at WABC New York reports "as many cases where controversy on Bob Grant and our other call-in shows works to our advantage as to our disadvantage."

Newlin says, ABC gets more listener mail, both pro and con, in re-

sponse to Lynn Samuels. Samuels is the one member of WABC's talk lineup who takes a consistently liberal stand. On the other hand Newlin adds that Samuels causes few if any problems with advertisers: "More advertisers balk at Bob Grant, some because of his conservative views, others because of his style. On the other hand, some advertisers want Bob Grant only. They pay a premium to be placed in Grant only and nowhere else. That's most likely because either they agree with what Grant says, or they know he has a loyal following of listeners who really pay attention."

WABC lineup

Bob Grant has been on WABC for several years, but this year the station added three other opinionated talk hosts: Dave Dawson, Lynn Samuels and Rush Limbaugh.

And though none sound as intentionally grating as Grant, all generate a steady stream of opinionated callers. And in every case, says Newlin, their ratings today exceed what their predecessors pulled in the same dayparts.

The three WABC advertisers who pay a premium to be heard within Bob Grant are Beyer Cadillac, Boston Post Lumber and Empire Dental, a group practice.

Advertisers rotated through all WABC dayparts including Grant, Rush Limbaugh and Lynn Samu-

John Mainelli



els, include Maxwell House Coffee, several Kraft food brands, Eastern and Continental Airlines, Hotel Bar Butter, the New York State Lottery and some of the Atlantic City casino-hotels.

Similarly, WWRC Washington added a number of new hosts to its news-talk schedule about a year-and-a-half ago, and its ratings also climbed.

One of them is Bob Kwesell, WWRC vice president, general manager Ted Dorf describes Kwesell as "our answer to Morton Downey. Bob is an excitable conservative whose job is to bait his callers and get them as heated up about the day's most controversial topics as he is."

Dorf reports that since introducing its current talk team a little over a year ago, "All our time periods have benefited. Kwesell's period is up, but so is our morning team. They present balanced information in a neutral, unbiased way. Our best rating gains belong to Bev Smith. She tends to lean liberal but not at all in the emotionally charged way that Kwesell espouses conservative positions."

Homer in Philly

Dorf says that as WWRC's total day cume has climbed, "our advertising revenue has climbed. Yes, there are accounts that steer clear of controversy and stay away from Kwesell. But we knew this would be the case going in. We had the experience of stations in other markets to tell us this. But for these advertisers we have plenty of less emotional talk. Those advertisers on Kwesell don't mind controversy so long as they know we keep it balanced and always present both sides of every issue."

Dan Sullivan is general sales manager of WWDB(FM) Philadelphia, where Bob Grant held sway before his move to WABC. Today Sullivan says current WWDB personality Irv Homer does provide controversy: "He's the man who will take our mayor to task for

And how about the abused caller?

Despite its latent danger to the mentally ill, confrontational programming that is blossoming on radio and television has not become an issue in the nation's capital.

No one has stepped forward in Congress to do anything about the programming that heaps abuse on callers without regard to their mental state. And an FCC official says there is no mechanism there to do anything about it.

Dr. Linda Seligman, a psychologist and professor at George Mason University in Virginia, says she is concerned about some of the responses given by radio and TV hosts to callers or their participants.

Suicides have resulted from leaders of encounter groups saying "something negative or cavalier" to a participant, she says. Many suits have been filed against leaders in those cases, she adds.

"There is reason to believe that authority figures can have a very powerful impact on someone, with just a few words," Seligman says. She explains that, "particularly for troubled people with low self-esteem, media people like that become authority figures. . . . The more fragile people are the ones they are going to have a greater impact on."

Still brooding. On a lower scale, the psychologist says, persons who already are suffering depression can be led further into depression by the abuse they receive from talk-show hosts. "It is just further evidence to them that they are not worthwhile," she says. "I've had clients tell me things people said to them 10 years ago they they've been brooding about and that had a real impact on them. It's well-known in psychology that people are often very affected by things like that."

But Seligman adds that, although she is concerned about the abusive programs, she is not aware of any great outcry yet in the psychological community.

The FCC official says its only mechanism for dealing with such problems, if there are any, is through complaints about programming. Many complaints about programming are filed with the FCC but they are largely ignored since the agency is chary about getting involved in programming questions because of First Amendment concerns and other constraints.

Apparently, the subject has not come up at the FCC any more than it has in Congress, but it could be a sleeping giant that could awaken in the near future, particularly if a personal crisis results from one.—**Howard Fields**

bombing out West Philadelphia. He'll point out that if the mayor were white, he most likely would have been indicted, even though the resultant widespread destruction was accidental and completely unintentional.

"Irv's also the man who will bring in people from groups like the Ku Klux Klan. He does stir up problems, but not to the extent Howard Stern does for another station here. Homer creates a negative we can turn into a positive by pointing out his high ratings and large listener following. Stern gets good ratings too. But his negatives are insurmountable in the opinion of more advertisers."

New on the Philadelphia talk scene is former mayor and tough

law-and-order cop Frank Rizzo, who just signed on as a new daily talk host on WCAU. We don't know yet if his style will be as abrasive as that of some in the business, but he does have a reputation as a man who tells it like it is and who prides himself on being "the people's advocate."

In any event, WCAU vice president, general manager Allan Serxner says his sales staff "has received nothing but positive comments concerning Frank Rizzo. His show has generated commercial interest right from the moment it was announced we had signed our former mayor."

Meanwhile, Denver's KOA, the station whose Alan Berg generated so much hate he got himself shot,

still does talk and information. But operations manager Larry Crandall describes Mike Rosen, the most controversial host in today's station stable, as "No Alan Berg. What Mike does is discuss topics of current interest. He's not mild by any means. But Mike and everyone else we've had here since Alan Berg is mild by comparison."

Crandall says KOA "feels interesting discussion is important. If it can also be entertaining in the process of being informative, that's fine. And Mike does get listeners to react. But we'd never consider what he does to be 'shock radio.' No one here uses dirty language. There's no attempt to titillate. And above all, everything we discuss has to have some substance."

WABC program director John Mainelli says, "We manage to offend almost every group there is at least once a week. But that's all right as long as we can manage to spread it around evenly and maintain a rough balance. The idea is not to offend any one group too often."

WABC made the changes in its talk host lineup this spring and summer, and Mainelli says the only one he "had to rein in at first and warn every so often was Lynn Samuels. She came over from WBAI, where anything goes. But Bob Grant, Dave Dawson and Rush Limbaugh have been at this so long on one station or another they almost instinctively know just how far they can go without overstepping their own self-imposed limits."

At WWRC Dorf points to three basic guidelines: no profanity, nothing obscene. And one talk host doesn't bash another the way some do on other stations. If a caller

Ray Taliaferro



Agencies advise: Go with caution

Agencies don't rule out controversial radio talk for their clients, but they do take some extra precautions.

George Hayes, senior vice president, group media director at McCann-Erickson, says his agency has no set policy on controversy but does "examine each personality on a case-by-case basis. We warn our clients what they're getting into, and we also warn the stations to be sure that whatever else they talk about on their show, they do *not* make fun of our commercial."

Hayes says that outside of that, "The pluses are that controversial talk is not background music. Its followers are paying attention. They're listening with both ears. And even when they totally disagree with something the host says, I think most of their listeners consider it more as another form of comedy than as a serious negative."

Steve Levine, senior vice president, executive media director for W. B. Doner and Co., Detroit, says that although Doner uses a good deal of radio, "Confrontational talk programs pose a potential problem that doesn't come up very often. The best policy is to treat it as a potential problem that's preventable."

He says his people do this by "approaching it on a situation by situation basis. We apprise clients of those stations with potentially controversial formats that might cause some concern. We ask for air checks. We describe the format to the client and confer with him about it. We do the same in the case of television programs with sensitive subject matter of the kind that causes us to feel an obligation to protect the client. And generally we don't involve a client in such programming unless the numbers really justify the risk.

complaints to Bob Kwesell about something Bev Smith said. Kwesell just says he doesn't comment on what our other people do."

WWRC's third guideline is "plain fairness, or equal time. If informational entertainment is going

to attract listeners, it has to take big bites out of the most controversial issues involved in the day's news. That leaves us open to criticism from either side. The only way to cover yourself is to make sure we maintain balance and that both sides are heard.

"If the subject is Arab rioting against the Israeli military presence on the West Bank, we make sure that if we put a spokesman on for Israel we also have to bring in someone who can fairly represent the Arabs. If we have a white supremacist preaching bigotry, we make sure the black point of view is represented."

And in Los Angeles, KABC's Green says nothing that's happened since his station's brief experience with Joe Pine has changed his opinion about those stations "who program what I think is irresponsible garbage. We have enough problems in Los Angeles as it is, with everything from the homeless, minorities and gang fighting. There's no need to put someone on the air to scream and yell and inflame big cities any more than they already are, just for the sake of higher ratings."

Green says anyone who does this, or who runs a blue radio show, "is shortsighted, irresponsible, and is abandoning the commitment every broadcaster should make to the public. Even so, I hate to see members of the public or pressure groups urge a station's sponsors to boycott any station, or even threaten to do so. But that's what happens to a lot of stations who don't know where to draw the line."

No guidelines

Late night talk show host Ray Taliaferro of KGO San Francisco says he uses no guidelines—"not even against profanity on the air. We don't need it because we just don't do that. I've been on the air for 22 years and I've never used profanity on the air. The closest we come is calling someone an idiot."

On the other hand, Taliaferro says since he's on late at night, his part of KGO's 24-hour a day newstalk format is "adult talk, about any and all controversial issues that may come up. I state a position, usually on the liberal side of

the issue, and that generally conflicts with the caller's opinion. The ensuing debates can get pretty hot and heavy."

He adds that most of KGO's other controversial talk hosts take the conservative side: "I'm against Star Wars. They're for it. They're against abortion, I'm pro-choice. They're for off-shore oil drilling. I'm for the environment. But I don't complain on the air about what they say on the air, and they don't make comments about me."

But this notes Taliaferro, is a change: "Years ago when I first got into opinion talk, I used to call up the afternoon guy and start an argument, attacking his position. The idea was to get the adrenalin running in the listeners so they'd pick up the phone and join in. Then the next day the afternoon guy would do the same for me when I was on in the morning. The listeners would call in and ask me, 'Did you hear the terrible things he said about you?' And so on. But we don't need to do that any more. Today the listeners call in on their own without any extra nudging from us."

Taliaferro, who gets several death threats a year, says he's not aware of any such threats leveled against his more conservative colleagues. But he also points out that he has a second public life in addition to that on radio, that's probably given him a higher profile than a lot of other talk hosts. He's been appointed and reappointed San Francisco commissioner of arts by a long succession of mayors for 16 years. As such he's frequently out dedicating everything from new museums to new park fountains. And he also has his own weekly television show. □

Ted Dorf



KATZ 100th ANNIVERSARY

Television/Radio Age

November, 1988





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Employees nearly triple in 10 years, TV, radio divisions, services multiply

Even in a decade, rep firm's shape changes radically

By DAN RUSTIN

Katz Communications celebrates its 100th anniversary this year. This is a feat of no small moment, considering the firm started in 1888 as a one-man newspaper agency. Today, it is by far the largest single entity in the media representation field, earning close to \$100 million a year in commissions. TV/RADIO AGE marked the rep's 90th anniversary back in 1978 with a supplement similar to this. There the resemblance ends.

Ten years ago, Katz had 450 employees, 17 sales offices, was representing 108 television and 170 radio stations with national spot billings of \$250 million.

Today, the comparisons are astounding—1,400 employees, 22 sales offices, 193 TV and 1,440 radio stations with billings of \$1.5 billion, two-thirds in TV. In fact, Katz's influence is so pervasive that, as the only rep still active in both radio and TV, it is responsible for the placement of better than \$1 in every \$7 spent in spot TV, and almost half of all spot radio sales.

The company is unique in that the employees own it under a plan that makes each virtually an equal partner. No management board

controls the stock of the company. With net worth estimated at about \$100 million, each worker's share of the firm is considerable—\$71,000 at full valuation.

Katz began to change its shape back around the time the 90th candle was lit, to conform to the way the rep business was changing. Since then, its two TV divisions have divided into four, and five Katz radio companies compete against each other, as against a single entity 10 years ago.

The company has invested heavily in data processing, sales promotion and marketing departments, placing it at the forefront of the industry in these areas.

Still, future success is not assured. Spot billings have stalled for the electronic media over the past three years, and with new media scrambling for audience and dollars, Katz will have to adjust even more to a changing marketplace. Already the rep has taken the initiative, sending marketing experts directly to advertisers to develop more demand for advertising.

The pages that follow disclose how this forward looking company is gearing up to face the challenges of the 21st century in a pressure cooker business. □

Katz Communications' 22 offices



Television/Radio Age

November 28, 1988

With spot billings having stalled over the past three years, Katz is poised to adjust to a changing marketplace.

Top management offers perspectives on developments in rep business

Big, but flexible, Katz measures changing winds

While many reps have been shutting their doors, Katz has been booming. It has absorbed half a dozen of its competitors in the past decade and appears to be on the prowl for more.

With 193 television and 1,440 radio stations on nine separate lists, Katz is by far the largest entity in the rep business. Its \$1.5 billion in annual station billings means that for every \$5.50 sold in spot radio and TV, Katz is responsible for placing \$1.

How did Katz get so big and stay so robust over 100 years? How does it manage to keep itself trim while many of its competitors have self-destructed in much less time?

Because Katz has been able to keep its priorities in mind, says chairman Jim Greenwald. Priority one is to serve the client; priority two is to sell smarter than anybody else.

Letting salespeople sell

Here are examples: When it appeared that newer reps were poaching Katz's clients back in the mid-'70s, promising personal service on selective lists, Katz made an effort to fend off the challenge by proving it could provide better service. It divided its long lists into smaller and smaller ones, adding sales teams and attaching research units, narrowing the concentration of each group. Result: Katz has been able to achieve "purity of sell," that principle which permits salespeople to tell a consistent story.

As research data began to overwhelm the sales effort, Katz made a conscious effort to free the seller from the deluge. At great expense in money and manpower, it has reduced the paperwork on the sales-

person, turning that function over to support units. Result: the salesman is free to do what he does best—sell.

Even when business was booming, Katz was looking for innovative ways to improve. It did this



James L. Greenwald, chairman, Katz Communications has been with Katz 32 years and joined company in 1956 as a radio salesman. He advanced through the Radio Division until he became its president in 1970. Four years later, was elected executive vice president of company and was named president in 1975. Became chairman in 1982. Graduated Columbia U., with post graduate work in advertising, motion picture promotion and broadcasting at Columbia and City University of New York. Former president of International Radio & Television Society and Station Representatives Association and treasurer of Broadcast Pioneers.

because its employees really believe what they read—at least on the corporate logo, "Katz ... The Best."

The bottom line on all this is that Katz is the only rep in these difficult times that still handles both TV and radio stations. More important, outside sources estimate, its commissions on its \$1.5 billion billings will aggregate to close to \$100 million this year.

Much of the credit for Katz's success belongs to Greenwald, whose 32 years with the company and 13 at the top two rungs (seven as president, six as chairman), make his longevity remarkable, if not unique, in the whirlwind environment of broadcasting.

"It's been said before," Greenwald comments, "that our inventory goes home every night. We have no perishable commodities here except the ability of our own employees to operate in a very, very creative sales industry and to withstand the pressures of being responsible to three different bosses."

The "bosses" are the worker's superiors, the advertisers who buy time on Katz stations, and the clients, who are the stations themselves. Of the three, Greenwald is convinced that the client is by far the most important. "If you don't have clients," he says, "you have no customers, so you don't need anything to sell."

Katz president Dick Mendelson was an assistant attorney general in New York as well as a CPA before becoming a rep. He's never sold a minute of time, yet he knows more about selling than most salesmen will ever know.

Employee involvement

Mendelson thinks it's no accident that Katz's great thrust forward corresponds exactly with the inception of the company's Employee Stock Ownership Plan, which is just over 15 years old. "The company was just a shadow of its present self," he says of the period before 1972, when the ESOP was formulated. "It has grown dramatically in clients, in employees, income, effectiveness, in rewards to employees and status. When you work for another rep firm, you have

**Over the past
100 years
Katz people
have changed...
but their
commitment
to excellence
has not.**



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difference in media
sales for a century.

a good job and are paid well. The difference between being at Katz and being there is, here you're an owner and that ownership becomes very significant in time."

Mendelson points out that there is no clique that owns most of the company, no controlling power. In fact, he says, power rises from the bottom up. No person is allowed to own more than 5% of stock, and tenure is the determinant to accumulation of shares. The company is worth \$100 million, the president estimates. With 1,400 total employees, each would own \$71,428 at full valuation.

This fact alone enables the rep to attract the best people, Mendelson contends, and because of this it's been more successful than any other rep. "We have talent across the country that's extraordinary," he believes. "It's repeated in each one of the cities where we operate; the best of the community works for Katz."

Reps will be tested

Naturally, men of the intellectual capacity of Katz's top executives realize that the broadcast business is in a transition and reps will be tested severely in the next few years. Earlier this month, Katz had to lay off between 25 and 50 employees as a budget slashing measure. However, because of Katz's size, it will undoubtedly be able to withstand the knocks better than most companies in the business, and because of Katz's proven adaptability, it will likely pass through the storm as well as any, better than most.

"You don't have to be very good when business is good," Greenwald says. "You have to be good when business isn't so good."

Both he and Mendelson are in accord that despite the bumps that lay ahead, Katz's primary business will be almost exclusively in the area of station representation. Expansion or diversification, if there is any, must be in areas close to home, offer no competition to the core business, and, in Mendelson's words, "have the same excitement and degree of potential as the great business that we're in." Otherwise, he says, it makes no sense to get in.

Greenwald doesn't say it, but he



Richard D. Mendelson, president, Katz Communications, joined the company in 1975 as director of corporate development, coming from Petry Television, where he was treasurer. In 1979, became chief financial officer of Katz and elected president three years later. With degrees from University of Pennsylvania's Wharton School of Finance and New York University Law School, he is both a lawyer and CPA. Served eight years as assistant attorney general of New York before entering the rep business.

hints that Katz may be actively seeking other rep firms to acquire, though he realizes there aren't many left.

"There's one way of getting bigger," he says. "That's by representing more clients... We could represent more TV stations by the very device we used in radio—owning and operating another TV representative. We couldn't represent two stations in the same market in the same company, but there's nothing to say we can't have two companies."

"The representative for many years had the privilege of representing media where the demand exceeded the supply. Now we're in a totally different environment where there's too much inventory and not enough demand to fill it up."

Greenwald sees parallels between the way radio and TV evolved. Maybe, he says, those parallels could extend into the next decade. "Who says TV isn't going to get like radio with demographic orientation?," he asks. "Who's to say you won't have an all-movie over-the-air TV station, an all-news TV station, an all-sitcom TV station, an all-mystery TV station? And who's to say a representative can't have a different sales division representing each one?"

Creating the demand

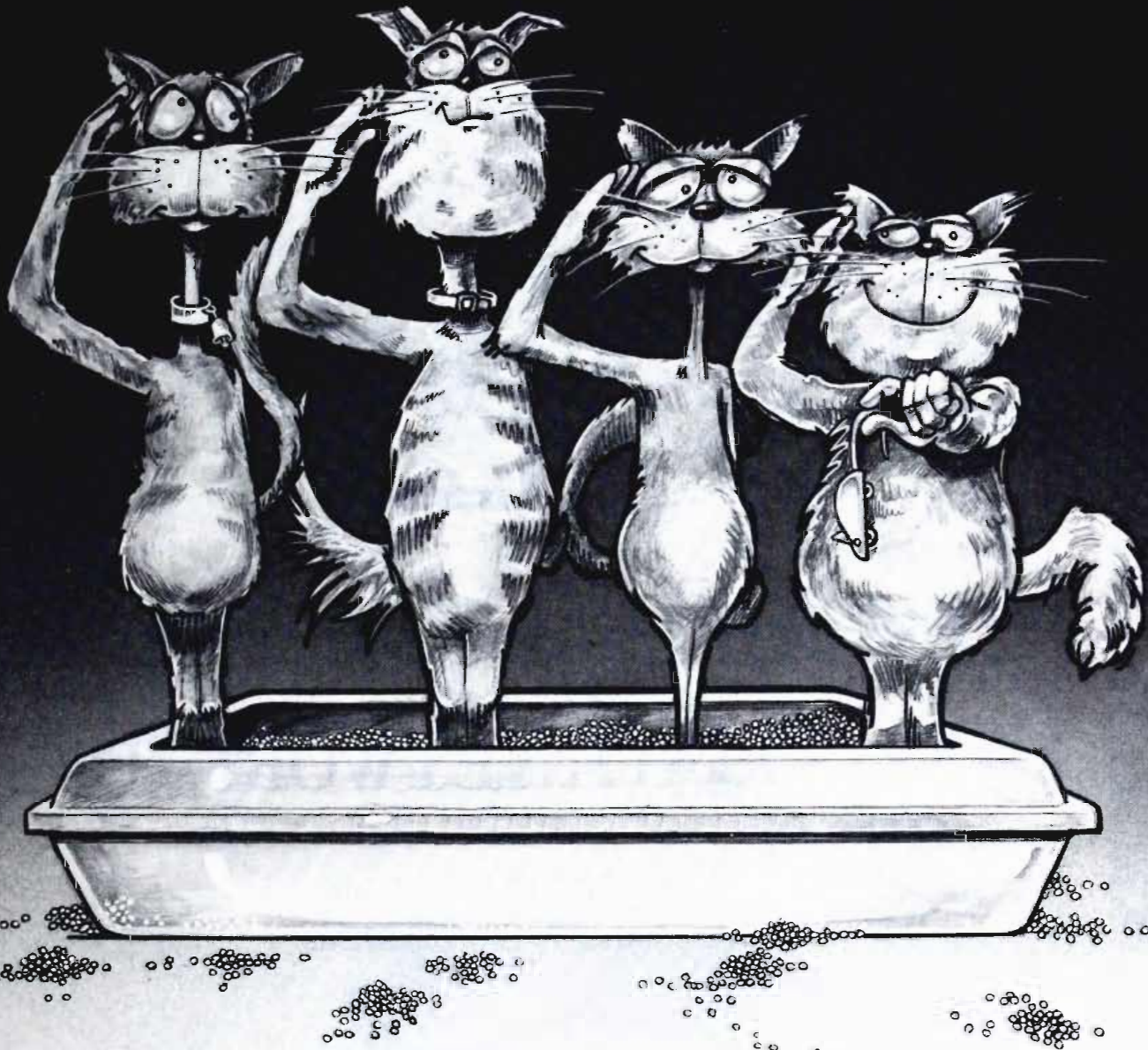
Expansion plans aside for the moment, the hottest priority at Katz right now is creating more of a demand for advertising. Within the last year, the rep established departments in radio and TV dedicated to developing new spot dollars. These groups are just the tip of the iceberg, say many high up in Katz's hierarchy, who note that soon there will be similar departments bobbing up in all Katz regions.

Interestingly, their sales pitch is not at the agency level. It's directly to the advertiser.

"The representative for many years had the privilege of representing media where the demand exceeded the supply," says Greenwald. "Now we're in a totally different environment where there's too much inventory and not enough demand to fill it up. First we're going to have to create the demand for advertising; then we're going to have to sell the advantages of our stations."

Other places where Katz has started to fish for new business include nontraditional language markets. With the addition of clients in Puerto Rico and St. Thomas, the rep has dropped its first lures into foreign waters. This coincides with

Katz, We Salute You!



Happy 100th

Congratulations on your first 100 years of outstanding service.



Chris Craft/United Television Stations

October, 1988

This announcement
appears as a matter of record only

SJL OF KANSAS, INC.

A company formed and financed by

MEDIA/COMMUNICATIONS PARTNERS

an affiliate of  TA Associates

and

GEORGE D. LILLY

has acquired the common stock of the

KANSAS STATE NETWORK, INC.

owners of

five NBC network affiliated television stations
serving Wichita, Topeka and Western Kansas

The undersigned initiated this transaction



**SANDLER
CAPITAL
MANAGEMENT**

Harvey Sandler
General Partner

Barry Lewis
General Partner

John Kornreich
General Partner

114 AVENUE OF THE AMERICAS 38TH FLOOR NEW YORK NY 10036 (212) 391-8200



May the second hundred
be as successful as the first!

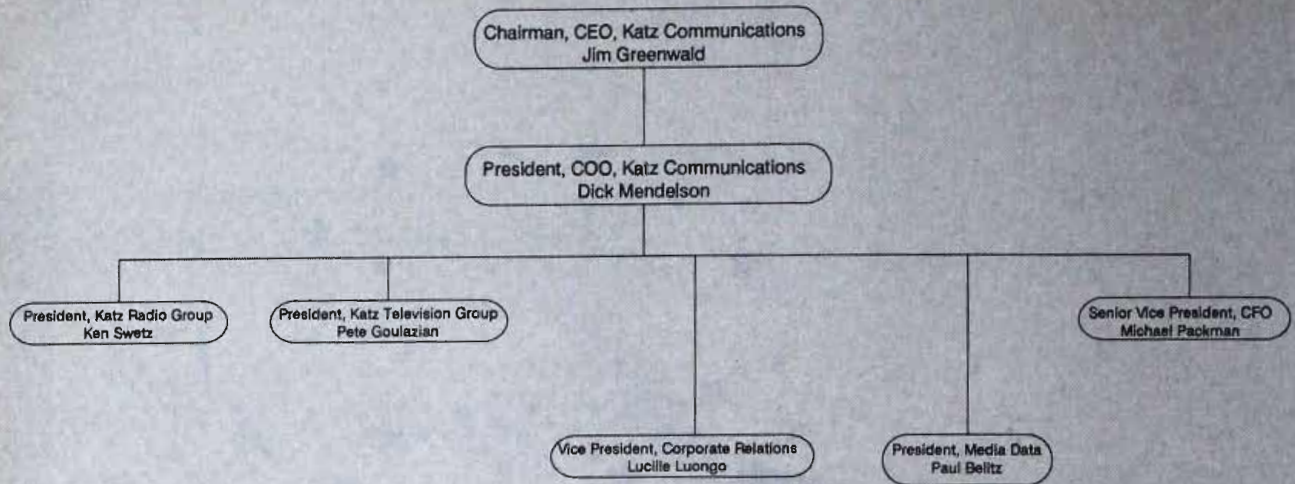
**SANDLER
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Harvey Sandler Barry Lewis John Kornreich
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www.americanradiohistory.com

Katz Communications, Inc. Organizational Chart



creation of Hispanic radio and TV divisions, which are expected to grow exponentially as the Latin population of the U.S. grows.

Sports franchising is another area already under development. Though Katz had a sports syndication division back in the early '80s, this department isn't into production of sports programs; it's into selling air time for teams, billboards inside arenas and special advertising promotions.

Unwired networks are also being promoted on both the radio and TV ends. The radio version, which was vastly expanded when Katz acquired the Christal and RKO rep firms back in 1984, and flushed out further in 1987 with the acquisition of Blair Radio, is already placing about \$65 million a year in billings. The TV edition was started up last year when Procter & Gamble bought all 191 Katz stations for a six-month trial. The networks are not intended as a price-cutting knife against spot, so their use will be limited to advertisers who want a network's reach and convenience and spot's flexibility and are will-

ing to pay the premium.

So, with electronic media under pressure for audiences, and with advertising budgets being squeezed from all sides, how does Katz hope to keep itself healthy and growing in the years ahead? Aside from improving its core business as noted, it would seem the logical answer would be diversification. But the rep has tried that in the past, with little success.

Trouble with diversification

Aside from the sports syndication effort, Katz has tried program development, cable construction, radio station ownership and money factoring.

The trouble with most of these attempts was that eventually they came into conflict with Katz's core business. Greenwald gives an example: If you're selling a program in syndication and the station you rep in a certain market doesn't want the program, you're virtually compelled to sell it to his competitor. If the show does well, that's guaranteed to raise the tempera-

ture of your client. He may very well start looking for another rep. So, unless the rewards far outweigh the risks, there isn't much chance that Katz will be back in any business that's so near to the bone that it might create a conflict of interest with a client station.

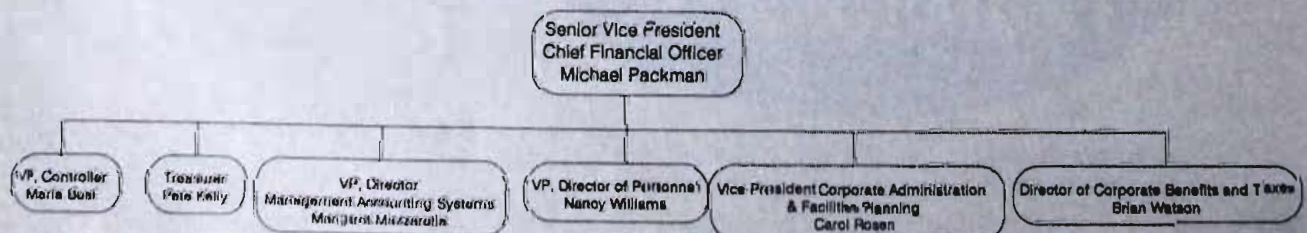
This predicament has tied Katz's hands for any further adventures in programming, syndication, sports and cable, though other reps have been notably successful in these ancillaries, an irony that has not escaped the notice and admiration—not to mention irritation—of Katz's hierarchy.

Though nothing precludes Katz from getting back into one or all of the above businesses, station ownership seems to have the most appeal.

A few years ago, Katz bought three radio stations from Park City Communications, ran them for a couple of years, building the number to 11 properties and then selling them for a sizable profit to a team of employees who now run the group as New City Broadcasting.

"I think its fair to say that own-

Financial and Administration Organizational Chart





In 1888,
Emanuel Katz
had a
very good idea.

He wanted to sell advertising space in a San Francisco paper to advertisers in New York. So, he opened a small office near the Brooklyn Bridge. Over the next four decades, business expanded across the country and by 1928, the KATZ agency was selling radio as well as newspaper advertising.

In 1939, something new and exciting was happening in broadcasting. They called it *television*. KATZ began planning for this new medium. A move that would firmly establish them as the industry leader.

They still are today.

HAPPY 100TH ANNIVERSARY KATZ.

FISHER BROADCASTING INC.

KOMO TV 4

**KOMO RADIO
AM 1000**

ing radio stations is a delightful business," says Greenwald. "But as you get larger and your own clients start to look to buy the same properties you're looking at, you run into another kind of conflict." A realistic scenario might be for Katz to acquire a TV station in one of the markets where it has no station to rep or to buy one of its client stations. The blanks in Katz's market list include Washington; Cleveland; Houston; Tampa; Oklahoma City; Flint, Mich.; and Rochester, N.Y.

The trouble with buying into TV stations now, says Mendelson, is their astronomical cost. But, he adds, "I don't think prices are going to remain that way so long as there are fewer buyers and poorer business. I think you'll see some of those prices decline. I think they've peaked." And if they do? "We could be back in," he responds without hesitation.

Looking further out and past the obvious, both Greenwald and Mendelson predict tremendous changes in communications and in the rep business and say these changes will occur with blinding rapidity.

Programming sales?

To begin with, Katz numbers crunchers are projecting single-digit growth for both spot TV and radio through 1993. "Not as dynamic as in the past years, but growth nevertheless," comments Mendelson.

Greenwald takes on the aspects of a visionary when he explores the future in his mind. "We could represent programs instead of stations 25 years from now," he projects. "Sounds farfetched, but why can't we be sellers of programming as

"We could represent programs instead of stations 25 years from now. Sounds farfetched, but why can't we be sellers of programming as well as time? What happens when stations no longer get compensated by their networks?"

well as time? What happens when stations no longer get compensated by their networks? Who's to say they're not going to have just a line-up of stations? Who's to say they're not going to be just vendors of programming? Who's going to sell it? Maybe we'll sell it.

"Maybe we'll be part of a local as well as a national sales force," he continues. He recalls that years ago Katz tried something in radio called Total Partnership. Under the plan the rep got commissioned on all the station's business rather than just the national dollars. In Greenwald's world, the station doesn't care where the business comes from, so long as it comes. The rep would set goals and take a commission on everything sold, helping sell at all levels, of course.

"Could it happen in TV?," asks Greenwald. "Sure. I can tell you this: More and more TV stations come to us and say 'We'll pay you more to develop business than to sell existing business.'"

He questions whether the selling of the avail is really selling. Here's an analogy: "Say you're a salesman in Bloomingdale's. Somebody comes in to buy a necktie. The only way you can prove to be a good salesman is if he came in to buy a yellow tie you tell him how good he looks in red. You've sold him two ties instead of one. Then you sell him a suit to go with each tie.

"What haven't you done? You haven't coaxed this customer into the store. This customer had already walked in to buy. That's what the national rep has done all his life. He goes to the advertising agency where already there has been a signal out: 'We're buying TV in San Diego.' What the represen-



Lucille Luongo, vice president, corporate relations, Katz Communications, Inc., joined Katz in 1978 and rose to her present position in 1982, becoming a vice president in 1985. Has a BA and MA from Hofstra University.

tative has to do is bring the advertiser into San Diego, convince somebody that advertising is right for them in that market. That's the difference between local and national selling. The local salesperson has traditionally had to be more effective, and the closer we can bring the national salesperson to think like a local salesperson, the better our business is going to be. It needs reshaping a little bit."

Stretching his mind even further, Greenwald thinks it's conceivable that Katz could someday even rep entire markets instead of stations. "I guarantee," he concludes, "the business will be as different 10 years from today as it was when we had our 90th birthday. I think in the next five years you're going to have amazing changes."

And where will Jim Greenwald be when these amazing changes take place? He has no thoughts of retiring. "I think as long as there's an excitement to the business I'd like to stay," he says.

"Somebody once asked me what happens to old salesmen in the rep business. I don't know. Most of the people who have left here healthy and with their full faculties—they're doing nothing. There's such burnout in this business they've had it. All they want to do is sit back and read TV/RADIO AGE every two weeks." □

Three Katzes and beyond

Willie Hearst's man in the black bowler starts it all

The image is a striking one—the serious looking businessman standing by the elevator in the lobby of The New York World Building, his black bowler that tucked under one arm, his gold watch in the other hand, clocking in his employees as they arrive for work.

It's a picture that a movie director could love. It's also fact. Emanuel Katz was remembered by former employees in exactly that pose—checking in his staff as they came to work each day in the 1890s.

Another movie director, Orson Welles, had depicted Emanuel Katz a little differently. His "Mr. Bernstein" of *Citizen Kane* was a polite, servile, but exceptionally clever little man, forever dogging the heels of the great newspaper magnate, Charles Foster Kane. Kane, everyone knows, was Wil-

liam Randolph Hearst. But which was the real Emanuel Katz?

He was probably closer to the former with only a sprinkling of the latter. Photos show him as broad-shouldered, barrel-chested, with a moustache that a Turk might admire. There appears nothing subservient in the face of that man.

Cleverness is something else.

Emanuel Katz worked for William Randolph Hearst in San Francisco, doubling as assistant general manager of *The Chronicle*, and general manager of *The Examiner* at the time the great publisher inherited the papers from his father, U.S. Senator George Hearst.

The younger Hearst put great faith in Katz's business acumen, so much so that when he got a visionary idea, and he had many, he often trusted no one but Katz to carry it out.

One such idea occurred to him in the late 1880s: Establish an office in New York to relay world and national news from the front pages of Gotham's great dailies via telegraph each morning, cashing in on the three-hour time difference and beating the competition to the street with brief reports of these important events.

In 1887, Emanuel Katz found himself on Park Row in New York, scanning newspapers like the *Times*, *Herald*, *World* and telegraphing summaries back to the *Chronicle* and *Examiner*.

The rest of the day, the man in the black bowler had nothing to do. So, energetic and clever as he was, he started to sell advertising space. It was a novel idea—the first national space sales rep. He did such a good job of selling the Hearst papers to national advertisers out of

Slow and steady was the company's progress under the cautious Emanuel Katz, and it remained that way until 1894, when son George R. Katz joined the firm.

Celebrating the 75th birthday of George R. Katz at New York's Waldorf Astoria, 1948





The younger Hearst put a great deal of faith in Katz's business acumen, so much so that when he got a visionary idea, he often trusted no one but Katz to carry it out.

New York that soon, with Hearst's approval, he was doing the same for other California papers.

In 1888, Hearst established a more solid base in New York, founding the *Journal* there, and installing Katz as his ad manager. However, the wily Katz continued to represent papers in other parts of the country, charging a 20% commission for his service. He also guaranteed payment to the papers and assured the advertisers that their ads would run. He was a man of his word, and his reputation earned him credit.

It didn't take long for him to realize that he couldn't continue to hold down two fulltime jobs at once. In the same year that *The Journal's* presses started to rumble on New York's Park Row, Emanuel Katz struck out on his own, establishing The E. Katz Special Advertising Agency and taking up his position by the elevators in the *World Building* lobby, gold watch in hand and bowler under his arm.

Slow and steady was the company's progress under the cautious Emanuel Katz, and it remained that way until 1894, when son George R. Katz joined the firm. A Harvard graduate, the younger Katz was impatient for more movement; he wanted to branch out.

His parent refused, but George

didn't do what obedient sons were expected to do. He left the firm and started a competing newspaper rep firm in Chicago. What's more, he went after some of dad's clients and got them.

The father relented finally, took George back into the firm and agreed to the son's dispersion formula. George became president of the "special" agency in 1912. He would remain as its guiding force for exactly 40 years, eventually turning the reins over to his son, Eugene, in 1952.

Period of growth

G. R. Katz' tenure as president was a period of tremendous growth for the family-owned firm and for the communications business. He was, first and foremost, a newspaper man. Not only had he delivered *The Examiner* as a boy; most of his friends were publishers. He was among the first to divine the value of news combinations, sensing that pooling of resources could deliver efficiencies that the business needed to prosper. His advice was heeded on more than one occasion, though many a publisher recoiled at George's suggestion that he consolidate with a competitor.

Gene Katz, who joined the company in 1922, didn't have the same

singleminded dedication to the printed page, but he did have the same spunk that his father had demonstrated when he was younger. With Eugene, the new concept was radio. Again, father and son clashed. In 1929, Eugene signed up a number of radio clients, and his father refused to honor the agreements. It took the intervention of a new general manager, George Britt, to calm the waters, and in 1931, Katz started to represent radio holdings of its newspaper clients. These included WKY Oklahoma City, WWNC Asheville, N.C. and KGU Honolulu.

There were others in the mid-'30s with the same idea to represent radio stations' national sales. Edward Petry came along with his idea of "exclusivity"—handle one station to a market; Free, John & Field (later Peters Griffin Woodward) and Paul H. Raymer were among the first in the game.

In May 1935, Katz established a separate radio sales division and published its first list of stations, indicating that it was no longer just taking on radio as an accommodation to its newspaper clients. The original list included WGST Atlanta, WCAO Baltimore, KGHL Billings, KLZ Detroit, WOWO Ft. Wayne, KGU Honolulu, KLRA Little Rock, WMC Memphis,

WHN New York, WKY Oklahoma City, WCOA Pensacola and WDAE Tampa.

Selling was done with a handshake over a brew at the local watering hole until advertisers began to wonder what they were paying for. In 1936, Britt had Dan Denenholz, a newly hired Katz employee, put together some research data. He came up with some 1931 U.S. Census figures on 954 U.S. cities, compiling the information in a way that people could make some sense of them, and distributed them to ad agencies. Nothing like this had ever come their way before, and a new Katz Data Service was born. It would soon be the most active and respected in the rep business.

With the Katz name becoming known, something had to be done about the confusion that "special advertising agency" was causing to those who were new to a new industry. In 1938, the name was changed to The Katz Agency, Inc. in time for the firm's 50th anniversary.

The war years saw Gene Katz in the War Information Office, where he was involved in public opinion

George R. Katz proved his mettle by forming a competing rep firm and stealing away some of his dad's clients.



George R. Katz

surveys, while G. R. ran the company. At war's end, the son returned to the business with an increased appreciation for research. In 1946 he established Audience Surveys, Inc., a rating service for client and nonclient stations. It proved to be ahead of its time; Katz clients signed up, but outsiders didn't, and the measurement service quietly slipped into oblivion.

Gene Katz's war experience also provided insight into two new media about to burst their bonds—FM and television. Here, Gene Katz wasn't too far afield when he urged the rep's radio clients to apply for TV licenses.

In 1949, with TV sets moving faster than manufacturers could make them, Katz entered television. Its first TV clients included

THE BEST AND THE BRIGHTEST.



The competition can't hold a candle to Katz Communications. For more than a century, Katz has delivered the best. The best people. The best service. The best national representation in the industry.

Happy 100th . . . Lee Enterprises salutes you for keeping us in the limelight.

WSAZ
television 3

9
KGMB

9
KGMN
TUCSON

KM3TV
OMAHA

WRGB-TV Schenectady, WFIL-TV Philadelphia and WMAR-TV Baltimore. Two years later, George R. Katz retired and Gene took over as head of the company, which he quickly restructured into newspaper, radio and TV groups.

Networks out, Katz in

In that same year, Katz's new president took a public position challenging the power of the TV networks and their influence on the spot market. The struggle went on for six years, and in 1958 the FCC effectively prohibited the networks from functioning as spot representatives. Katz gained four of five stations that NBC had repped and six from CBS' stable. This provided the needed surge to put Katz firmly into TV.

In the ensuing years, Katz got into film-buying for its TV clients, an attempt at what would become the most respected programming department in the rep business, and, unhappily, its first attempt at

syndication. The year 1962 saw Katz regionalize its selling offices and install a computer backup to its key service functions.

Faced with competition from television, the newspaper business was losing its hold over the public and with advertisers. By 1969, down to repping only 40 papers, Katz was ready to divest itself of this division and concentrate totally on electronic media. It sold its newspaper division to Cresmer, Woodward, O'Mara and Ormsbee.

Meanwhile, it had joined forces with Don Fedderson Productions to produce syndication product for stations. The venture was premature, and Katz got burned on its second syndication effort.

Cable was another area into which the rep attempted to diversify. It started another joint venture, called SelectVision, hoping to get client TV stations to construct systems in what appeared to be the coming age of communications. Again, the timing was bad and that subsidiary was phased out, too.

A third diversification effort started out more successfully. This was a factoring business which Katz had set up as Media Payment Corp. It operated with funds Katz collected from agencies for their time purchases on client stations. Between the time Katz collected the bills and paid the stations, it loaned some of the unused funds. However, when agencies began to pay later and later, that business lost its feasibility and, like the other diversification efforts, was terminated during the '60s.

Other attempts at expanding business were equally unsuccessful. A company called Insight Marketing tried stadium advertising, then outdoor. Neither succeeded, though the stadium business was revived in this decade as part of sports/special sales, along with team franchising.

George R. Katz died on Sept. 2, 1970, and Gene succeeded him as chairman of the company. The next generation of the family had less interest in the business and Eugene started looking for prospective buyers. The family then owned 80% of the company stock, and had indirect control over the remaining 20%.

With potential buyers lining up to take over the firm, the new chairman thought long and hard about the hands into which he wanted to place the many loyal and dedicated employees that had worked for the family for so long.

Ownership settled

The answer came in an article he read in the *The New York Times* about a concept the Federal government was sanctioning—employee stock ownership plans, ESOPs for short.

Working with Sam Jones, the treasurer and senior financial executive of the company, Gene Katz arranged for the employees to buy the company with money that had been accumulating since 1952 in an employee trust fund. On January 1, 1972, the work force officially took over Katz as the first communications company structured under an ESOP plan.

The period of real challenge for Katz was ready to begin. The rep business was undergoing a change

Gene Katz



Joining the company in 1922, Gene Katz didn't have the same dedication to the printed page as his predecessors, but he had his father's spunk.

with the introduction of small, "boutique" reps who offered personalized service to their clients, and they were picking off Katz's stations one by one.

Jim Greenwald assumed the presidency of Katz in 1975, and one of the first things he did was reorganize the company to meet the challenge. He divided the long list of Katz TV stations into two camps, a group of large market stations, called the American Division, and those below market 50, the Continental Group.

A marketing support function, called Probe was expanded, as were media research and the TV programming department. An effort to increase the number of radio stations under the Katz banner was launched at the same time.

In 1978, Katz celebrated its 90th anniversary. It then represented 108 TV stations and 170 radio outlets, with combined billings of \$250 million. Total personnel numbered 450.

Pulling it together

Three years later, Katz began its all-out effort to become the unchallenged leader in the rep business. It acquired struggling firms and integrated their resources into Katz's quickly mushrooming station lists. In 1981 it purchased Field Spot Sales and took over representation of the Field TV stations.

The next year, now renamed Katz Communications, the rep purchased Park City Communications, a small group of radio stations, and got its first experience at running broadcast outlets. It entered the sports syndication business, too. In 1983, it purchased Metro TV Sales and signed long-term contracts with all the Metro-media TV stations.

The year 1984 saw a tremendous growth in the Radio Group when the Christal Co. was purchased and spun off as a division of Katz. Next came RKO Radio sales, which was spun off as Republic Radio, with a vastly expanding list of clients. They joined existing Katz stations in the rep's unwired radio network.

Katz ended that year with record market shares, which accounted for almost one dollar in every seven placed in TV and better than one in

every four in radio. Revenues increased to \$122 million. The next year, Katz set up its Independent TV Division, raising to three its number of separate TV groups.

The Blair Co.'s radio list was added to Katz's arsenal in 1987 and spun off as Banner Radio. Hispanic divisions were added to both radio and TV, and the total number of Katz radio outlets passed 1,000, while TV approached 200.

The sports syndication division was sold to Raycom, while the

owned radio stations were sold to a group of employees who formed New City Communications. Also in 1987, Katz took a major step toward market development, setting up a department for radio. A similar television effort followed in January 1988. An unwired TV network was launched in June, 1987.

By 1988, Katz passed the \$1.5 billion mark in total billings. That fact certainly would have pleased the serious looking man in the black bowler hat. □



Katz. Katz stations. The best.

100
years of
helping
stations
grow!

Your Hometown Station

22
WSBT-TV
South Bend, Indiana

26
POWER
WAGT-AUGUSTA

**SCHURZ COMMUNICATIONS
STATIONS**

Goulazian predicts 'a lot of sweat on our brows . . . a lot of tough meetings'

Spot television's zero growth concerns TV Group

Nearly \$1 billion is what Katz sold in TV time last year, or about \$1 of every \$7 invested in the medium. This makes Katz probably the most important factor in the spot television business today.

Katz's TV Group consists of four divisions, repping 193 stations. This means Katz reps almost one of every four commercial TV outlets in the country. In total, this is by far the largest number that any TV rep handles. The divisions, however, are not large individually. With the exception of one, Continental, they are no bigger than the "boutique" reps they were created to compete against.

Unlike Katz's Radio Group, each TV division is constructed to a market definition and organized to the dictates of the individual division president.

This is how the four divisions break down:

■ Katz American TV, headed by Jim Beloyianis, handles affiliates only, primarily in the top 50 markets. Its list contains 30 of these stations.

■ Katz Independent TV, under Marty Ozer, sells for 25 independents, from big market heavy-hitters, like New York's WWOR-TV to struggling UHF stations.

■ Katz Continental TV, with Tom Olson at its head, covers affiliates in markets 50-212. It currently handles 135 of these medium- and small-market outlets.

■ Katz Hispanic TV, directed by John Cuddihy, has two clients in the Caribbean and helps sell five channels in the heavily Spanish-speaking southwest which are in the Continental group.

Pete Goulazian is the major-domo of Katz Television. Trained

as an economist, he has had very little actual sales experience himself. "He's calm, logical; you can't get him wound up," says one co-worker. "But he can be tough as nails." He's on the road an average of one week in every four and has personally visited about 125 of the group's TV stations.

His management style is hands-on, but not intrusive. For example, he never pays an unannounced visit to one of Katz's 22 selling offices, but he likes to keep in close touch at all times. "I don't necessarily have to solve all their problems," he says, "but I like to be part of the



Peter R. Goulazian, president, Katz Television Group, started with Katz in 1967 as associate director of sales development, rising to assistant to the president of Katz Television in 1974, vice president of broadcast services that same year, and president of Katz Continental Television in 1981. Assumed present position in 1985. A Columbia University graduate with a BA in economics.

solution."

One problem Katz is trying to solve right now is the zero-growth performance of spot TV, which has been stalled at 28% of television and sales for the past three years. Goulazian thinks cable networks and syndication have been responsible for siphoning off well over \$1 billion from traditional forms of TV advertising in this period. The next five years will be difficult ones, with a lot more shaking out, he believes. Then, in his opinion, spot TV will resume its growth pattern.

"I think we'll have single digit growth for a while," he predicts. "We'll be challenged on how to manage our companies better for a while. We're going to have to reconstruct the way we approach doing business, and we're going to come through a period of about five years that will be very, very tough. We're going to have a lot of sweat on our brows and a lot of sleepless nights and a lot of tough meetings. We'll have to make some hard decisions before we come out into the sunlight."

Golden years again

But, he insists, the sun is definitely going to shine again on spot. "By the mid-'90s, we'll see again the golden years of growth," he says. "I really believe that."

When he talks about "reconstructing business," Goulazian is referring to some of the internal changes already going on at Katz. Prominent among these is the "two-tier" marketing concept, which divides the sales effort into two levels—creation of the demand for advertising and fulfillment of the order.

"I see at the end of some period, maybe five years," Goulazian observes, "there will be a very formalized, very precise, two-tiered structure in each of our operating divisions."

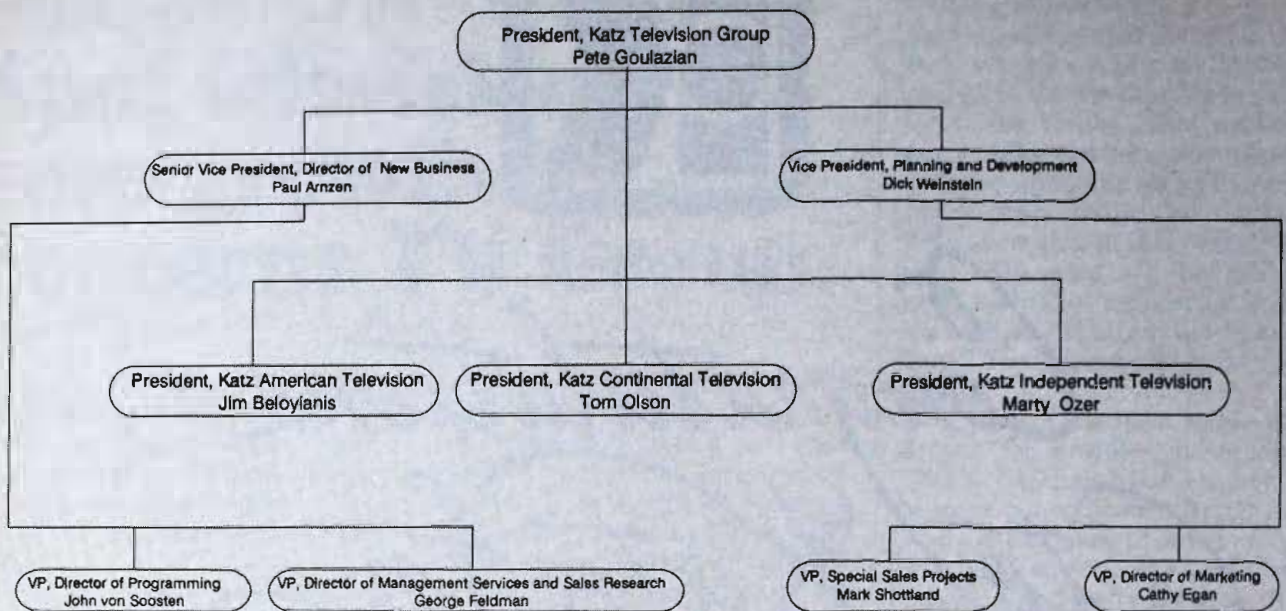
According to this scenario, marketing experts will be responsible for developing new and increased budgets by calling directly on advertisers. They will try to impress them with the virtues of various media, suggesting new ways to advertise, and try to regain some of the dollars diverted to promotion.



*Congratulations
to Katy for
100
Successful years!*



Television Group Organizational Chart



The second "tier" will be filling the avail by trying to direct the budgeted dollars into specific markets and stations.

Advertisers, Goulazian believes, will find new uses for television due to improvements in scanning techniques. "I think when the advertiser, with pinpoint accuracy, can measure sales on a market-by-market basis, he then has the interest in building very localized advertising and promotion plans," he comments.

"When they do that, I think, they will move totally away from mass marketing and mass media to very segmented forms of media and marketing. That's when TV in the spot form will really prosper. I think that is just a half decade away."

He finds it "inconceivable" that so much money is spent in spot TV today by even the most sophisticated advertisers when they don't even know how much product is moving or what brand share they're achieving in specific markets. "I cannot see anything but great years when the advertisers can differentiate their share of a product category on a market-by-market basis," he adds, "and they can strategically make decisions market-by-market that are meaningful."

Another technological change which Goulazian anticipates is "bridging the gap between the rep

and the agency." He puts it this way: "I hope it won't be too many more years before we are communicating interactively on some terminal link between our offices and those of our customers—time-buyers and supervisors in agencies. If we apply more of the technology that automation enables, we will both be more efficient."

To help improve Katz's profit picture while waiting for the revival of spot TV to begin, the TV group president perceives an area of growth in representing foreign media in the U.S. "We're very interested in becoming the representative for operations in Canada or South America in New York," he says. "I think expanding representation beyond domestic markets is something that we will look to do in the next couple of years."

New media unlikely

Expanding into new media, however, doesn't seem like a possibility at least at present. Katz has looked longingly at cable representation and envied other reps that have made a success in syndication. However, neither area has panned out for Katz, principally because they present too many threats to existing relationships with TV clients.

If there is an area where Katz can improve its profit performance, it

would be in acquisition of stations in the 19 markets where it does not represent. These include some majors, like Washington, Cleveland, Houston, Tampa, Oklahoma City, Flint and Rochester.

"I think the potential that's there could see us grow 15 or 20%," says Goulazian, who estimates that adding these major markets could mean an additional \$150 million a year to Katz's total sales. "The opportunities to grow in representation are very significant," he notes. "Those prospects are something we're pursuing with a lot of intensity."

"However, I would say that going into any year I would probably identify the No. 1 priority as coming out of that year with every station that we went into it with. I think I take more satisfaction in adding another year to a relationship with a given station perhaps than adding a new station. I really feel that. We represent some of these stations 20 and 30 years. I think that is really where the strength of this company is."

Looking at the TV industry in general, Goulazian says of the merger madness of the mid-'80s, "I don't think it's quite behind us yet, and it's still the toughest potential business problem we face. I think in the next year this shakeout will continue. Some more groups are going to be sold." □

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This year, the staff of Hearst Broadcasting, on behalf of the Hearst television and radio stations, wish all of the staff at Katz Communications a very Happy 100th Anniversary.

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WTAE-TV, WTAE-AM, WHTX-FM Pittsburgh
KMBC-TV Kansas City
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(THE KATZ REPRESENTED STATIONS)



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• *Radio Stations* • WBAL-AM Baltimore, MD • WIYY-FM Baltimore, MD
• WISN-AM Milwaukee, WI • WLTQ-FM Milwaukee, WI • WHTX-FM Pittsburgh, PA
• WTAE-AM Pittsburgh, PA • WAPA-AM San Juan, Puerto Rico.

Katz repped TV stations

ADD rank	Market	Station	Group
1	New York	WWOR-TV	I
2	Los Angeles	KCOP	I
3	Chicago	WGBO-TV	I
4	Philadelphia	WGBS-TV	I
5	San Francisco	KBHK-TV	I
6	Boston	WCVB-TV	A
7	Detroit	WXYZ-TV	A
8	Dallas	KXTX-TV	I
12	Atlanta	WATL-TV	I
13	Minneapolis	KMSP-TV	I
15	Seattle	KOMO-TV	A
16	Miami	WBFS	I
17	Pittsburgh	WTAE-TV	A
18	St. Louis	KDSK	A
19	Denver	KCNC	A
20	Sacramento	KOVR	A
21	Phoenix	KNXV-TV	I
22	Baltimore	WNUV-TV	I
23	Hart.-N.Haven	WTIC-TV	I
24	Indianapolis	WXIN	I
25	San Diego	KUSI-TV	I
26	Portland	KPTV	I
27	Orlando	WCPX-TV	A
28	Kansas City	KMBC-TV	A
29	Cincinnati	WLWT	A
30	Milwaukee	WCGV-TV	I
31	Charlotte	WCCB	I
32	Nashville	WZTV	I
33	Columbus	WCMH	A
34	New Orleans	WWL-TV	A
35	Raleigh	WRAL-TV	A
38	Buffalo	WBRZ-TV	A
39	Grand Rapids	WZZM-TV	A
40	Salt Lake City	KUTV	A
41	Memphis	WREG-TV	A
42	San Antonio	KENS-TV	A
43	Norfolk	WYAH-TV	I
44	Providence	WJAR-TV	A
45	Harrisburg	WHP-TV	C
46	Charleston	WSAZ-TV	A
47	Louisville	WLKY-TV	A
48	Dayton	WKEF	A
49	Birmingham	WTTO-TV	I
50	Winston Salem	WXII-TV	A
51	Wilkes Barre	WNBP-TV	A
52	Albany	WRGB	A
53	West Palm	WPEC	C
54	Tulsa	KOKI-TV	I
55	Little Rock	KARK-TV	C
56	Albuquerque	KGGM-TV	C
57	Jacksonville	WAWS-TV	I
58	Mobile	WKRQ-TV	C
60	Wichita-Hutch	KSNW-TV	A
61	Knoxville	WBIR-TV	A
62	Richmond	WXEX-TV	A
64	Shreveport	KTBS-TV	C
66	Des Moines	WOI-TV	C
68	Green Bay	WBAY-TV	C
69	Portland	WCSH-TV	C
70	Omaha	KMTV	A
71	Austin	KBVO-TV	I
73	Roanoke	WSET-TV	C
74	Springfield	WICS	C
75	Paducah	KFVS-TV	C
76	Lexington	WTVQ	C
77	Davenport	WQAD-TV	C

ADD rank	Market	Station	Group
78	Cedar Rapids	KGAN-TV	C
79	Spokane	KHQ-TV	C
80	Chattanooga	WRCB-TV	C
81	Springfield	KOLR	C
82	Jackson	WLBT-TV	C
83	Tucson	KGUN-TV	C
84	South Bend	WSBT-TV	C
85	Johnstown	WWCP-TV	I
87	Columbia	WOLO-TV	C
88	Youngstown	WKBN-TV	C
89	Huntsville	WHNT-TV	C
90	Evansville	WEHT-TV	C
91	Baton Rouge	WAFB-TV	C
92	Lincoln	KHGI-TV	C
93	Waco	KXXV	C
94	Las Vegas	KLAS-TV	C
95	Greenville	WITN-TV	C
96	Burlington	WVNY-TV	C
97	Col Springs	KKTV	C
98	Ft. Myers	WBBH-TV	C
99	Ft. Wayne	WFFT-TV	I
100	Sioux Falls	KSFY-TV	C
101	Montgomery	WAKA	C
102	Augusta	WAGT-TV	C
103	Savannah	WTOC-TV	C
104	El Paso	KVIA-TV	C
105	Lansing	WILX-TV	C
106	Madison	WKOW	C
107	Fargo	WDAY-TV	C
108	Springfield	WGGB-TV	C
109	Charleston	WCIV	C
110	Peoria	WEEK-TV	C
111	Salinas	KNTV	C
112	Lafayette	KATC	C
113	Santa Barbara	KCOY-TV	C
114	Rockford	WIFR-TV	C
115	McAllen	KGBT-TV	C
116	Monroe	KTVE	C
117	Amarillo	KVII-TV	C
118	Columbus	WRBL-TV	C
119	Joplin	KSNF-TV	C
121	Reno	KTVM	C
122	Duluth	KBJR-TV	C
123	Tyler	KLTV	C
124	Beaumont	KJAC-TV	C
125	Sioux City	KCAU-TV	C
127	Yakima	KNDO	C
128	Wausau	WAOW-TV	C
129	Terre Haute	WTHI-TV	C
130	Florence	WBTV	C
131	Wichita Falls	KFDX-TV	C
132	Binghamton	WMGC-TV	C
133	Columbus-Tupelo	WTVA	C
134	La Cross	WXOW-TV	C
135	Macon	WMAZ-TV	C
136	Boise	KBCI-TV	C
137	Eugene	KVAL-TV	C
138	Traverse City	WPBN-TV	C
140	Chico-Redding	KCPM-TV	C
141	Bluefield	WOAY-TV	C
142	Topeka	KSNT	C
143	Erie	WICU-TV	C
144	Odessa	KMID-TV	C
145	Bakersfield	KBAK-TV	C
146	Minot	KBMY-TV	C
147	Roch-Mason Cty	KIMT-TV	C

ADD rank	Market	Station	Group
148	Ft. Smith	KFSM-TV	C
149	Lubbock	KCBD	C
150	Wilmington	WECT	C
151	Albany	WALB-TV	C
152	Columbia	KRCG-TV	C
153	Medford	KTVL	C
154	Hannibal	KHQA-TV	C
155	Ablene	KTAB-TV	C
156	Bangor	WLBZ-TV	C
157	Dothan	WDHN-TV	C
158	Utica	WKTV	C
159	Idaho Falls	KIDK-TV	C
160	Alexandria	KALB-TV	C
161	Laurel	WDAM-TV	C
162	Clarksburg	WDTV	C
163	Salisbury	WBOC-TV	C
164	Billings	KULR-TV	C
165	Elmira	WETM-TV	C
166	Gainsville	WOGX-TV	C
167	Rapid City	KOTA-TV	C
168	Greenwood	WABG-TV	C
169	Watertown	WWNY-TV	C
171	Panama City	WJHG-TV	C
172	Ardmore	KTEN	C
173	Missoula	KECI-TV	C
175	Meridian	WTOK-TV	C
176	Grand Jct.	KREX-TV	C
177	Great Falls	KFBB-TV	C
178	Palm Springs	KESQ-TV	C
180	Jackson	WBBJ-TV	C
181	El Centro	KYEL-TV	C
183	Cheyenne	KGWN	C
185	Tuscaloosa	WCFT-TV	C
186	Eureka	KIEM-TV	C
187	St. Joseph	KQTV	C
188	Casper	KTWO-TV	C
189	Butte	KTVM	C
190	San Angelo	KLST-TV	C
191	Bowling Green	WBKO	C
192	Anniston	WJSU-TV	C
193	Lafayette	WLFI-TV	C
194	Rosell	KBIM-TV	C
195	Hagerstown	WHAG-TV	C
196	Lima	WLIO	C
197	Charlottesville	WVIR-TV	C
199	Laredo	KGNS-TV	C
200	Harrisonburg	WHSV-TV	C
201	Zanesville	WHIZ-TV	C
202	Twins Falls	KMVT	C
203	Presque Isle	WAGM-TV	C
205	Flagstaff	KNAZ-TV	C
206	Victoria	KAVU-TV	C
207	Bend	KTVZ	C
208	Mankato	KEYC-TV	C
	Anchorage	KIMO-TV	C
	Fairbanks	KATN	C
	Honolulu	KGMB-TV	C
	Juneau	KJUD-TV	C
	Sarasota	WWSB	C
	Puerto Rico	WLII-TV	H
	St. Thomas	WBNB	H

A = American, I = Independent, C = Continental, H = Hispanic.

Congratulations to the
Katz organization
on the occasion of its
100th anniversary

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KSNF-TV-JOPLIN, MO/PITTSBURG, KS
WZZM-TV-GRAND RAPIDS, MI

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Katz American: short-list approach

Jim Beloyianis, president of Katz American Television, has been with the company 15 years. In addition to witnessing the dramatic changes which have overtaken the company, he suspects that his career path has mirrored the changes in Katz itself probably more than any other executive.

"When I joined The Katz Agency as an account exec in 1973, Katz TV was maybe 70-75 TV stations," he recalls. "We had no divisions, we were structured into four regions.

"We were viewed by our competitors as this long-list representative, handling 75 TV stations. They were not only relatively new companies, but boutique reps that had 10 or 11 or 15-16 TV stations on their lists. They were all promising Katz clients, 'Be our 17th station and we'll close our doors.'"

These were turbulent times, and Beloyianis remembers "being picked at by these upstart companies."

Divide and conquer

In 1976, Beloyianis became a sales manager within one of the two groups that resulted from the first splitup of Katz TV into two divisions—American and Continental. The former was made up of independents and affiliates in the top 50 markets. The medium and small market stations were grouped in the latter.

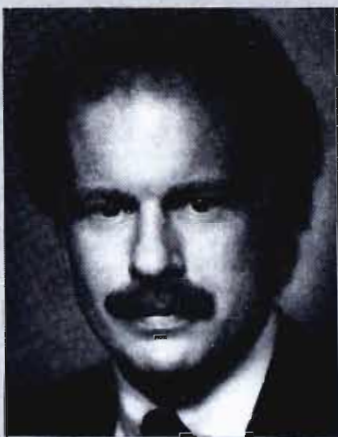
Beloyianis was promoted in 1978 to general sales manager of the American Division, which then was divided into three teams. Two years later, a fourth team was added, even though the division was reduced in size by the spinoff of a third division—Katz Independent. Total stations had contracted from about 50 down to 35.

Meanwhile, The Katz Agency was being transformed into Katz Communications, and the total TV list had grown from those 70-75 stations to between 120 and 130. Since 1983, when Beloyianis became president of Katz American, the total number of stations had zoomed past 190, and a fourth group, Hispanic, has been added.

"As the industry became more

competitive, Katz American became the shortest-list rep selling major market TV in the U.S., excluding the O&Os and Westinghouse," Beloyianis chuckles. "I find it almost funny, because in our American presentation, when we go out to solicit stations, that was the charge used against Katz in 1973 and 1974, and those same rep firms that had only 17 and 18 stations then are now up to 50 and 60."

With its present list of 30 affiliates in the top 50 markets, Beloyianis believes Katz American offers "the best of all worlds" to its clients. "We have the economic support of Katz Communications, which is billing in excess of \$1 billion annually," he points out. This means the ability to provide the extensive programming, management and computer support which no stand-alone rep can offer, plus "the personalized short-list representation—without compromising the best services only a 'long-list' rep could provide."



Jim Beloyianis, president, Katz American Television, was a media buyer/planner with Grey Advertising before coming to Katz as a salesman in 1973. Was a team sales manager and general sales manager before moving into his present slot in 1983. Holds a BS degree in economics from State University of New York, Stony Brook, and has done postgraduate work in marketing at the Bernard Baruch School of Business.

American will bill about \$385 million this year, Beloyianis says, more than what most outside reps will bill.

Realistically, he believes, the group could accommodate about five additional stations, meaning there are blank spots in the top 50 markets where Katz has neither an affiliate or an independent to rep.

Though American comprises 30 stations today, it has more sales teams than it did 10 years ago when it had 50 stations. Presently, each of the sales teams (Red, White, Blue, Stars and Eagles) handles just four to eight stations. Each team has a national sales manager who reports to one of two general sales managers who work directly under Beloyianis. Additionally, of the 22 Katz sales offices nationwide, about half report to each of the GSMs, who have both station and sales office responsibilities.

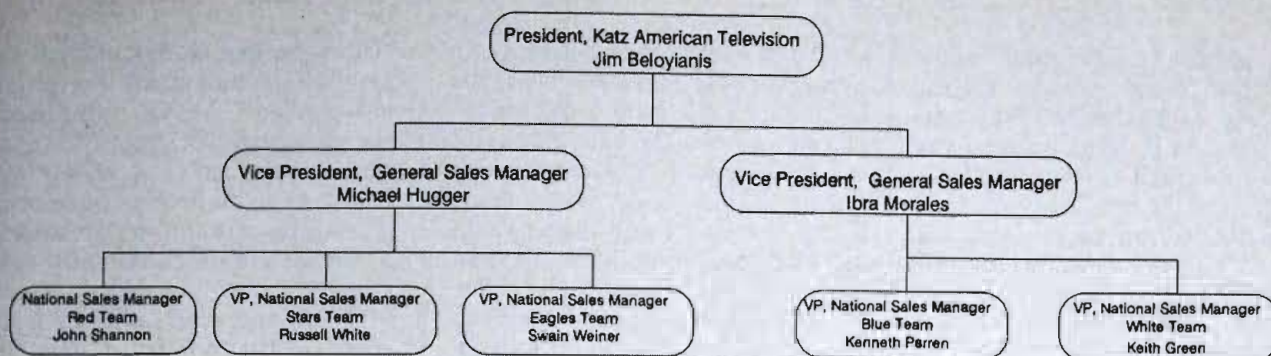
The same kind of close reporting procedure extends to other areas of the division. Katz Research people work directly under the heads of each division, and each sales team is assigned its own research unit of a manager, analysts and assistants who work exclusively for that team. "That's important," says Beloyianis, "because many of our competing rep companies will have research people that they share across 120 stations. Likewise, in programming, Bill Carroll works for the American stations exclusively, he's not sharing himself with 80 stations. That is a tremendous advantage to the Katz client because one of the problems in the rep business today is that clients feel they're not getting personalized attention."

Emphasis on training

In all, American employs about 125 account execs and managers with an additional 25 research and marketing people. Sales assistants and secretaries account for another 100. Many of the division's salespeople were trained in an intensive program installed by Beloyianis himself.

He came to Katz from Grey Advertising. Based on his earliest rec-

Katz American Television Organizational Chart



ollections of his new job he recognized the need for better trained sellers. "What would happen is, you'd come from an agency, they'd give you a yellow pad, you'd sit in the office for two weeks trying to learn call letters. Then they'd give you an agency list and out you'd go to sink or swim. That was the sales training you received in 1973.

"I had to basically teach myself. As a buyer you watched what the good salespeople did and what the bad salespeople did. You'd imitate the good ones and try not to do what the bad ones did."

Beloyianis feels the successful rep of the 1990s is the one that will attract and keep the best people, which he refers to as "free agents." "That isn't enough," he says, "because there aren't enough of those free agents available. So you must have a farm system and a training program that will develop new talent so that you get the composite of experienced free agents and home-grown talent that you can bring up through your farm system."

The American training program is administered by the five managers who run the New York teams. The trainee will be assigned to a different manager every two weeks, where he learns such diverse skills as how to analyze Broadcast Advertisers Reports or how to write client letters. Research will take over to teach use of rating books and computer analysis. Soon the trainees are acting as sales assistants, calling on clients with experienced sellers. The entire program runs from three to six months, in which time the trainee learns everything he needs to know about selling time in a highly competitive marketplace.

"In the last three years," Be-

loyianis states, "we've had rep surveys that show the Katz American salesforce consistently ranks at the top in most major markets."

Turning to the future of spot TV, Beloyianis thinks the prospects are bright because of an increasing awareness on the part of marketers about local differences.

"Historically," he says, "advertising agencies have focused on cost-per-1,000. Their job is to provide for advertisers the best CPM.

ple watching? And if they're watching, are they potentially going to buy my product?"

He holds that cost-per-1,000 should be a means of accomplishing a media plan, nothing more. "I think," he observes, "the smart rep is going to be the one who is able to find the key to unlock those doors to allow the advertiser to give credit to a medium market-by-market."

Another major problem that me-

"Historically, advertising agencies have focused on cost-per-1,000 . . . One of the challenges we face in our business is to get the advertiser to think in terms of cost-per-sale."

When that process first came about, there was a lot of merit to it. I personally think that has been carried to an extreme where the CPM is the end-all. However, it's not a means to enhance the sale of an advertiser's product.

"One of the challenges we face in our business is to get the advertiser to think in terms of cost-per-sale. If I run an advertising campaign on a TV station in a market, how much traffic am I going to generate in the store to buy my car, to buy my beer?"

"The industry has to come up with a better mechanism to measure that. When that happens, I think spot will be utilized to a larger extent than it is today because too many times the agency is focused on \$1.29 CPM. But are peo-

dia face in the future, according to Beloyianis, is "the quick-fix mentality of many brand managers." He explains, "Long-term used to be five to 10 years. "Now long term is two years. The brand manager has to come in and show results in three months or six months, so he's forced to do a lot of things that may not be best for the long-term growth of that brand.

"I grew up when a lot of P&G products were household names. There was Crest, Tide, Crisco, Duncan Hines. Today, so many of the advertising funds are being rechanneled into the promotion area that you ask a consumer what tooth paste he uses, he tells you: '25 cents off.' They don't remember the brand name, just that they got it for 25 cents off." □

Independent: working just one side of the street

Ozer the Closer" they called him when he was selling time for Metromedia. When he first came to Katz as president of its Independent Television Division in 1984, Marty Ozer found the group divided into three teams, the Sabers, Lancers and Swords. He wanted to change them to Daggers, Stilettos and Switchblades. The idea wasn't approved, but he did manage to get a "Golden J" Award established within the group, "J" being for "going for the jugular."

A big, bearded teddybear of a man, Ozer doesn't appear like the kind who would be interested in anyone's jugular. But 20 years of selling independent television has affected him. "When I was on the street," he says, "I wouldn't take 'no' for an answer. I felt there was no reason why I shouldn't get an order."

Down but not out

Three years into his tenure at Katz, his division suffered a shock from which many felt it would not recover. In mid-1987, Fox withdrew its seven stations from Katz in a dispute over commission percentage and length of contract.

Gone in one stroke were gross billings of \$140 million, about half of the division's annual sales. Fox had wanted to trim 1/4% off its commission rate and Katz wanted a three-year contract.

Since that major catastrophe, the division has recovered 92% of the lost billings by replacing the defectors in New York, Los Angeles, Chicago and Dallas. Since then, it's also added new markets to its list by signing up stations in Philadelphia, Portland, Ore., and Minneapolis. In all, four new groups have almost compensated for the loss of Fox.

"From that experience," says Ozer, "we developed a stronger division. We've taken that billing from one egg and diversified to numerous clients."

Representing 26 stations in markets that cover 39.5% of the nation's television homes, it's estimated that Katz Independent will bill near \$210 million this year. In-

cluded in the figure are sales of two professional sports franchises, the National Basketball Association's Charlotte Hornets and baseball's San Diego Padres. Referring to this business, Ozer says, "We're doing things no other rep is doing—selling TV time, promotions and signage in the arena."

Basically, the division caters to two kinds of clients—mature independents that have been on the air for a long time with established news and sports franchises, and younger stations that have much less going for them. "With the first kind of station it's not a question of whether you'll be bought or not, but whether you'll get a big enough share of the dollars," says the Closer. "With the other set, you have to battle some of the problems of the past, such as rating size. We've proved time and again that the viewer is the same who watches affiliates, but you still have people who have prejudices and are reluctant to buy a 2- or 3-rated spot. It's very frustrating."

Having a division that sells only independents gives his sellers a "purity of sell," Ozer explains.



Marty Ozer, president, Katz Independent Television, came to Katz from Embassy Telecommunications in 1984 after a long sales career with Metro-media, Metro TV Sales and Times Mirror TV. Graduated from Hofstra University with a BA in business administration.

"Unlike other companies, all our people do is talk about the value of independent TV. When you're selling independents and affiliates together, you can't negatively talk about, say, the decline of network primetime or mention that the early newscasts are predominantly older viewers.

"What you wind up doing is not covering the points of why you should be buying independent TV. Going in, our people don't have to worry that on the next set of proposals to the same buyer, they're going to have to do a 360 and tell them how wonderful the network news is or what's hot in primetime.

"They don't have those restrictions. So they're really free to swing away and sell their values and deal with any negatives as far as the affiliates are concerned."

Ozer thinks the future of independents is especially bright for several reasons. The baby boomers who were brought up on independent TV know where to find the channels, and the proliferation of cable puts indies at technical parity with affils.

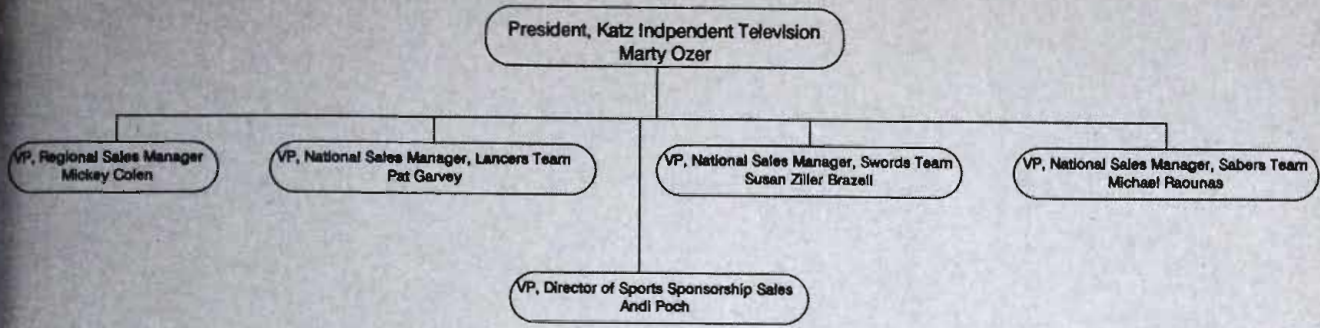
"Plus," he goes on to say, "now you have different and better programming. The kind of programming Paramount is bringing out in syndication; You'll see the Disneys, the Foxes, the big studios eventually all in high quality, first-run syndication. So I think independents face a very strong future."

Shift in clientele

A reversal in the types of advertisers using his stations is another encouraging sign, observes Ozer. "Stations had total reliance on kids' business, religion, direct response and package goods accounts. Those accounts have been eroding. Most package goods advertisers are spending a lot less money today than they did three to five years ago. That money is finding its way into cheaper media, such as syndication and cable.

"The kids' business has been slipping over the past couple of years—trouble in the toy industry and cereal manufacturers drifting away from sugar coated to fiber ce-

Katz Independent Television Organizational Chart



reals. Those were the backbone of revenue for independent stations. With that erosion, independents are still increasing their share of dollars in the marketplace.

"What this means is there's a broadening base of advertisers using independent TV. If those other areas come back in the foreseeable future, we'll be in a much stronger position."

Possibly one reason indies are getting stronger could be traced to the work Katz Independent's marketing unit is doing. This three-person team is going out and convincing clients that it's in their best interests to be in that medium.

"No other rep company has a marketing division that is specifically talking about the virtues and values of independent TV," says Ozer. "They pay lip service to it, but we have the three-man department that does nothing but that." Among their tactics—visiting agency planners, account supervisors and media directors to try to get client rating requirements eliminated.

Local involvement in special events is one wedge independents continue to exploit, Ozer observes. "They're in a very good position to get into event marketing where affiliates can't," he says. "A station can take a special and create an event out of it. I don't care if it's the fireworks show in Hartford, the marathon in Los Angeles or the symphony in Houston. You can tie in advertisers nationally with local retailers, to bring store traffic, awareness and give added value to TV."

Local sports is another edge that indies have over affiliates, and Katz is drumbeating this one actively. The rep's sports department, under Andi Poch, is now

beating the bushes for major sports franchises that will allow Katz to sell everything from time on the air to signage in the arena.

"I think you'll see us representing more sports franchises after the word gets out on the job we're doing with the Charlotte Hornets," says Ozer. "It's a big business, and the owners of the sports franchises, if they start taking the sale of their own time inhouse, which some are doing, realize they can't cover the country like we can."

Like other Katz TV divisions, In-

"I think you'll see us representing more sports franchises after the word gets out on the job we're doing with the Charlotte Hornets."

dependent is carefully organized to permit sales people to sell at top efficiency. The division has its own research unit divided into groups dedicated to the division's three sales teams. There are 21 Independent sales people and three sports specialists in New York, directed by seven managers. Of the 22 Katz regional offices, Independent has fulltime representation in 14.

Unlike most Katz divisions, however, the Independent sales teams are not arranged in any logical fashion, such as geographically or by market size. Their accounts are distributed by workload.

Describing his management

style, Ozer reveals: "I like it fairly loose, almost like a schoolyard basketball game. If you have good players, you throw them the ball. You don't impede them with a lot of restrictions and regulations. You let them go out and get the order. You don't bog them down with a million reports and stuff.

"Our idea is to have the salespeople out on the street selling, not in the office doing reports.

"I have one staff meeting a week. We have one conference call a week with our outside offices, and that's the extent of it. The door is open; if somebody has a problem they come in with it, but I don't go out looking for their problems.

"What that creates is an account executive who feels he has a lot of latitude in what he can do in terms of being creative in selling. If they have ideas, we'll let him run with them."

Client compatibility

This dovetails neatly with the way the division's clients run their business, Ozer points out. "Basically we have owners who are experimental, who are looking for new ideas. The nature of independent TV is experimental."

As an example, he describes one promotion, a projected working woman's conference which the station would sponsor in a large auditorium: "We'll promote it on the air," says Ozer, "go out and sell advertising space in the coliseum, and associate it with the time on the station's air, and charge admission. I think we could fill a 15,000-seat stadium in this market we're working in. It's unique." Then he adds, with typical competitive verve, "If you took that to an affiliate, they'd totally dismiss it." □

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Continental: turning size into an advantage

Tom Olson, president of Katz Continental Television, whose house is composed of 135 outlets all below market number 50, has had a challenge in maintaining a solid structure.

"In 1986 we had four national sales managers based here in New York," he discloses. "They had lists of stations which had evolved over 10 years as the division grew from 47 to more than 130 stations.

"We were looking for an opportunity to take maximum advantage of these NSMs and focus their efforts. All their groups had stations sitting all over the country.

"One might have a conversation with Spokane, Mobile, Portland, Me. all in the same day. Because of the regionalization of buying, the business that would affect those stations might come out of any one of our 22 sales offices. The logistics and the time demands of having to talk to those stations and those sales offices could get pretty awesome.

"Because we are successful and have grown, our competition always tries to use our size against us. So, if we could figure out a way to focus management's time and create a structure that turned our size to an advantage, we would be on target in a way that our competition couldn't duplicate.

Split into two camps

"So we went to a regional structure. We kept our concept of similarly-sized markets and overlaid that with narrowly focused regions of the country. We set up east, southeast, eastcentral, westcentral, southcentral and west regions.

"This also focused on the offices that produce the majority of the stations' revenue in those regions, since once you get past the top five offices you've probably identified 75% of a station's national revenue. Now, we've gotten to the point where a NSM has to deal with a limited number of offices, six at most."

Katz had set up its Continental Division back in 1976 under similar motivation: New "boutique" reps

were claiming that due to their own short lists they could offer more personalized services to their clients. So Katz took the 90 stations it then represented and split them into two camps—large markets and small. The biggies went into the American Division, Continental got the rest.

"The smaller and medium markets up til then had largely been stepchildren," Olson reveals. "No one in the representation business was excited about getting involved there, especially those below the top 100 markets. We said, 'There are some differences in the way large and small markets are sold, and we can take advantage and create a division to bring the same professionalism to sales in the small market arena, to do a job for these stations in a way that's never been done before.'"

Katz did it and succeeded to the extent that it estimates this year's Continental billing will be \$285 million, about one-third of the rep's total TV billing. Considering it's business no one really coveted 10 years ago, that's not a bad neigh-

borhood to be in.

The professionalism that Olson talks about really harkens back to how the agencies regarded these stations. Because small markets don't get the volume business of the big cities, agencies tended to assign inexperienced media buyers to buy these markets, considering them a training ground for media people.

As the buyers got experience, they moved up to greater responsibility. Hence, at most shops, buyers never got familiar with the idiosyncrasies of the individual smaller markets. The seller had to be the expert in these market characteristics, and they usually didn't bother to research them in depth because the dollar payoff didn't compensate for the time needed to do that.

"There's a big difference in selling Pittsburgh, Pa., and Pittsburg, Kansas, where one might get \$10,000 for a news spot and the other \$200," says Olson. "Human nature dictates the way you're going to spend most of your time."

Katz Continental changed all that.

Sharing equally

"We eliminated a lot of that because the huge disparity in rates didn't exist. Our people were working in a compatible, very similar arena, so all of our stations share equally in the time that the salespeople can devote to them to get the best budgets and the best orders."

Olson says the other major problem was with the division's image, the stigma associated with anything small—the "Does anybody know I exist?" syndrome. "That's a hurdle we admitted had to be overcome, but I think we did it with the degree of success we've achieved," he says. "Our people are proud of this division, and the labels of Continental and American and Independent have diminished over the years, and we've become just 'Katz.'"

Quicker promotion helped compensate for the relative obscurity of the Continental personnel, Olson



Tom Olson, president, Katz Continental Television, started in Katz's Chicago sales office in 1975 from WQAD-TV Cities. Brought to New York in 1981 as national sales manager, then rose to general sales manager. Took on his present position in 1984. Has a BA in marketing from Western Illinois University.

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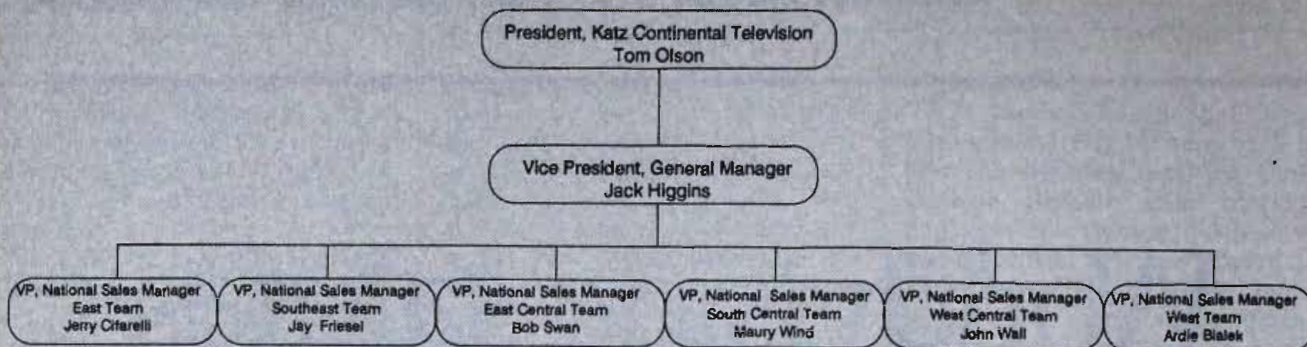


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Katz Continental Television Organizational Chart



believes, to the extent that many wouldn't leave for another division. The same holds true for the clientele. "A significant number of stations that were with us in '75 are still with us today," he points out. "So we were successful not only in bringing in new clients with the promise of results; we also kept the people who were with us because we continued to invest in our own company, expand our sales teams and add to our research, programming and support areas. The people who were with us benefitted from our growth."

Being big frogs

Fortunately for the stations, Olson notes, the second-class mentality didn't pervade the thinking of their people. "A number like the small market environment," he says. "It's home. They don't look at it as a stepping-stone. They enjoy involvement in the community. The community service aspect of broadcasting is not a thing of the past in these markets."

The biggest change to hit the under-50 market segment in the past decade has been the proliferation of stations. Olson estimates that 90% of the smaller markets now have at least three stations, and almost one in five has five or more channels. This, and the encroachment of cable with its importation of outside signals, have caused these stations to review their images. "They're not just wondering what the other people in town are doing, they have to pay attention to what else is coming into the market," Olson remarks. "They have to pay attention to the look of the large market news, the talent, the graphics, all that goes into making

their shows attractive, because their station is now being compared with these incoming signals."

"I think the station boom and competition has led to a general upgrading of the operations in many of our markets," Olson maintains. "They're running better facilities. It's led to better planning.

"We hope we've played a part in that by supplying them with infor-

sion management people than ever before in the history of this company and probably in the history of the representation business," Olson asserts. "And it goes back to the structure that allows us to be zeroed in on a particular region of the country.

"One of our people in Chicago, for example, belongs to a merchandising trade organization. He goes to the meetings, gets to know the

The biggest change to hit the under-50 market segment in the past decade has been the proliferation of stations. Olson estimates 90% of the smaller markets have at least three stations and almost one in five has five or more.

mation about what to expect when a new independent is about to sign on, say, or by sharing examples of what happens when cable penetration exceeds a certain level, the impact on audience position, and so on. We hope we've been able to supply them with some anticipatory information so they're better positioned once these new challenges become realities."

Selling these stations to the advertising community has also begun to change. With the national sales manager's newly acquired knowledge of specific markets, he's better able to target his sales approach, not just to agencies, but directly to advertisers.

"We're making more direct advertiser calls today with our divi-

people who are sales managers with local cookie companies and wholesale food brokers. That's not the type of thing that a line sales manager did even a few years ago. But we're doing it today, and it allows us to have contact with people who can influence national spending decisions."

Where the dollars are

Olson says that after New York, Chicago and Los Angeles, the Atlanta and Dallas sales offices provide the most business for his group. New York will write about 30% of the total, the next two bureaus contribute in the low teens, then other offices drop down to single digits. Stations in the southeast

region are the biggest billers, followed by those in the east and west.

As to the future of the under-50 market stations, Olson says the things to look for include a recognition on the part of both stations and reps that "we can't simply wait for the agency or the advertiser to come to us with money. As a result, our sales people have got to go out and make cold calls, we've got to interest people in using TV in our sized markets, and we're doing it."

He says this is being matched by a growing awareness on the part of stations that in these tough times, "They simply can't just wring their hands and say, 'National sales are down, the future is in local; we're going to spend all our efforts and money there because we're too unimportant a revenue source.'

"The more forward-looking owners and managers," says Olson, "have even gone so far as to put marketing people in place to work with national as well as local people. They're aware we've got to take a new perspective—not just what have we got to sell, but to ask the advertiser: 'What are your goals?'

"The more forward-looking owners and managers have even gone so far as to put marketing people in place to work with national as well as local people. They're aware we've got to take a new perspective—not just what have we got to sell..."

then come back with our knowledge, our arsenal of what we can do, and say: 'What's a match?, What works?'"

On the agency side, Olson perceives a reining in of the regional buying mania that overtook the business 10 years ago. "I think some of their profitability has been negatively affected by it because it costs money to run all these far-flung regional operations," he contends. "The movement recently by Ogilvy & Mather to consolidate all their buying in New York, plus all the talk about consolidated buying

among many of the major shops, seems to suggest they're looking for ways, yes, to enhance the clout they may have in negotiation, and, yes, that's a benefit to their client, but it will also help internally control some of the costs.

"If that occurs, the national rep provides some significant advantages because we are right here and we handle a lot of stations and we can execute for them very rapidly. So, some of the advantages of regional buying may have been diluted. I think it's going to come back and play advantageously for us." □



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Hispanic TV cuts across divisional lines

John Cuddihy was working on Katz Continental's southern-central team about the time Lorimar bought WLII-TV San Juan and brought it in for representation.

Around the same time, April 1987, there appeared to be increasing interest on the part of advertisers in reaching the Spanish-speaking market and from TV stations looking at a potential ad volume of \$500 million. Always seeking new ways to position itself for added revenues, Katz set up a separate Hispanic TV Division, and brought in Cuddihy, who lived in Mexico as a child and speaks Spanish, to manage it.

Cutting across divisional lines in a way few other Katz operations do, Hispanic now sells for the Lorimar independent; WBNB St. Thomas, a CBS affiliate; and five Continental stations in the southwest, such as KGNS-TV Laredo and KGBT-TV Harlingen.

Threefold mission

Cuddihy's assignment is in three layers: one, to develop new dollars for Spanish-language stations; two, to interest traditional Hispanic advertisers in going into the general market to reach their Spanish-speaking customers on American television; and three, to get more business for the stations in the Caribbean and the Virgin Islands.

"Because Hispanics have learned to speak English," Cuddihy observes, "it does not necessarily mean they have given up their cultural ties. We believe there is a need for special creative to reach those Hispanics. It hits them at home whether they're watching *Dallas*, *Dynasty* or *60 Minutes*."

Perhaps more important from a strategic viewpoint, representation of the Puerto Rico and St. Thomas stations puts Katz into the area of international representation, something chairman Jim Greenwald thinks is the next universe that the rep is gearing up to explore.

Aside from Cuddihy and his assistant, there are 21 Katz sellers involved in Hispanic sales. These are

regional specialists in each of the Katz offices who work parttime trying to develop Spanish-directed dollars from both ethnic and general advertisers. So far, the effort has attracted some 30 advertisers including Burger King, Ford, Toyota, P&G, Philip Morris and Budweiser, to name a few. They have placed orders from agencies in such diverse offices as New York, Boston, Miami, Cleveland, Chicago, Dallas, Houston, Minneapolis, Los Angeles and San Francisco.

So far, according to Cuddihy, the division has nurtured about \$1 million in sales, and expects to increase that figure exponentially as more and more advertisers discover the lure of a growing and free-spending Hispanic population.

"One of the important philosophies that we have brought to the Hispanic marketplace is to think of television as being a mass medium with many different programming formats as opposed to one format," Cuddihy explains. "I think before we got involved, it was considered that you had Spanish-language and English-language and the language was the format. That's not really true. We have news, we have kids, we have Hispanic programming,



John Cuddihy, director, Katz Hispanic Television, joined Katz's Continental Division in 1984 from Warner Amex Cable after media experience at Ted Bates and William Esty. Holds a BA in communications and philosophy from University of Miami.

women's programming, sports programming. These fit in quite comfortably with some high quality Spanish programs."

Cuddihy tells advertisers he can provide them with VHF full-power coverage of most Hispanic markets and the ones with the highest concentration of Spanish-speaking viewers. "Primarily," he says, "we're dealing with Laredo, which is 92% Hispanic, Harlingen, which is 87%; El Paso, 65%; and Corpus Christi, over 50%. In those markets, where we're talking about over half the market Hispanic, it behooves us to find ways to reach those people."

Nationally, he estimates 80% of Hispanics are concentrated in 35 markets around the country as widespread as Miami, California, Texas and New York.

Helpful agencies

Spanish advertising agencies have been extremely helpful, says Cuddihy, "because they recognize the same thing we do. Just like there are different groups within the English-speaking world, there are different groups in the Hispanic—all the way from bilingual to people whose prime language is English, though they are Hispanic. The gray area is where we get involved."

Though he also deals with major agencies, Cuddihy says his prime area of concentration now is on the Spanish language agencies. "These are quite a large group and growing, representing half a billion dollars in revenue. My focus is dealing with planners, media directors and buyers at agencies specializing in the Spanish marketplace. Budgets have moved into these agencies, so wherever Katz is, we want to cover all the agencies, whether it's dealing with Spanish language or English-language TV. So long as they are involved in television, we want to be part of it."

Also, he says, "There's been more and more recognition on the part of our stations of the growth and importance of the Hispanic community. □

Radio sales' big umbrella

Five separate divisions with common structures

The Katz Radio Group consists of five separate divisions, representing a total of 1,440 radio stations in 754 markets.

The group's president, Ken Swetz, has put together a team of division presidents, each very different in personality. Still, their divisions conform to a common structure that Swetz devised. Basically, under each division head are two main subordinates: One oversees sales exclusively; the other sets up the sales goals, sees they are met and takes care of everything else.

With minor exceptions, each division has a salesperson, or a sales group, in each of the 14 Katz Radio sales offices: Atlanta, Boston, Chicago, Dallas, Detroit, Houston, Los Angeles, Minneapolis, New York, Philadelphia, Portland (Ore.), St. Louis, San Francisco, and Seattle.

Sales projection

Swetz is projecting the group will sell more than \$460 million in station time this year. That's 15% above the 1987 projection.

The five Katz Radio Group divisions are:

■ **Katz Radio**, presided over by Stu Olds, who took over the firm's core list of stations two years ago. This division, originally Katz Radio Sales, dates back to 1935 and consists of some 300 AM-FM outlets in about 150 markets. Included are many Capacities/ABC, Malrite, Multimedia and Hearst stations, including such stalwarts as KABC/KLOS Los Angeles, WNEW-AM-FM New York, WMAL Washington and KOMO Seattle.

■ **Christal Radio**, acquired in 1984 from the rep firm founded by Henry Christal. It is now headed up by Bill Fortenbaugh. Originally composed primarily of 50 kw clear channels, this list of 350 outlets ranges from the brashness of New York's WHTZ(FM) to oldtimers like WSB Atlanta and WGN Chicago.

■ **Banner Radio**, acquired in March 1987 from Blair. Its topper is Charles Colombo, who came over

to Katz from Christal. One of the oldest rep lists in the country, this parcel of more than 200 stations includes such bellwethers as WABC New York, WLS Chicago and WBNS Columbus, possibly the longest continuing rep-station association in the business at 52 years.

■ **Republic Radio**, comprising the former RKO list, now presided over by Jerry Cregan, who assumed the division's presidency in 1986 after 14 years with Katz. When purchased in 1984, the list was "boutique" size: 22 stations in 15 markets. Today it extends to 180 outlets in 120 markets and is the fastest growing of the Katz Radio divisions, in sales as well as number of clients.

■ **Katz Hispanic Radio**, set up in 1987, originally comprising the eight Tichenor-owned stations, now composed of 32 outlets in 22 markets. Gene Bryan, general sales manager, runs the group under Stu Olds' direction. The list includes

such well-known Latino rockers as XLTN(FM) Tijuana, Mexico (San Diego) and WIND Chicago, as well as outlets in San Juan, Ponce and Mayaguez, Puerto Rico.

Katz's idea of acquiring other radio rep firms dates back to 1977, when the rep purchased Simpson & Reilly, a regional TV and radio rep.

"In 1984, when Interrep was formed," relates Swetz, referring to his major competitor that mushroomed from the strong foundation of McGavren-Guild, "we decided to fight fire with fire. Katz Radio was a vertical operating division, a profitable entity and a big revenue producer to this corporation. We felt if we did it once why can't we do it twice, three, four or five times? So Katz went out and found other reps to assimilate.

Industry consolidation

"When I first started over 20 years ago there must have been 45 reps," recalls Swetz. "Today there's 15. With the evolving era of merger and acquisition, the big guys were buying up the small guys and people were going out of business.

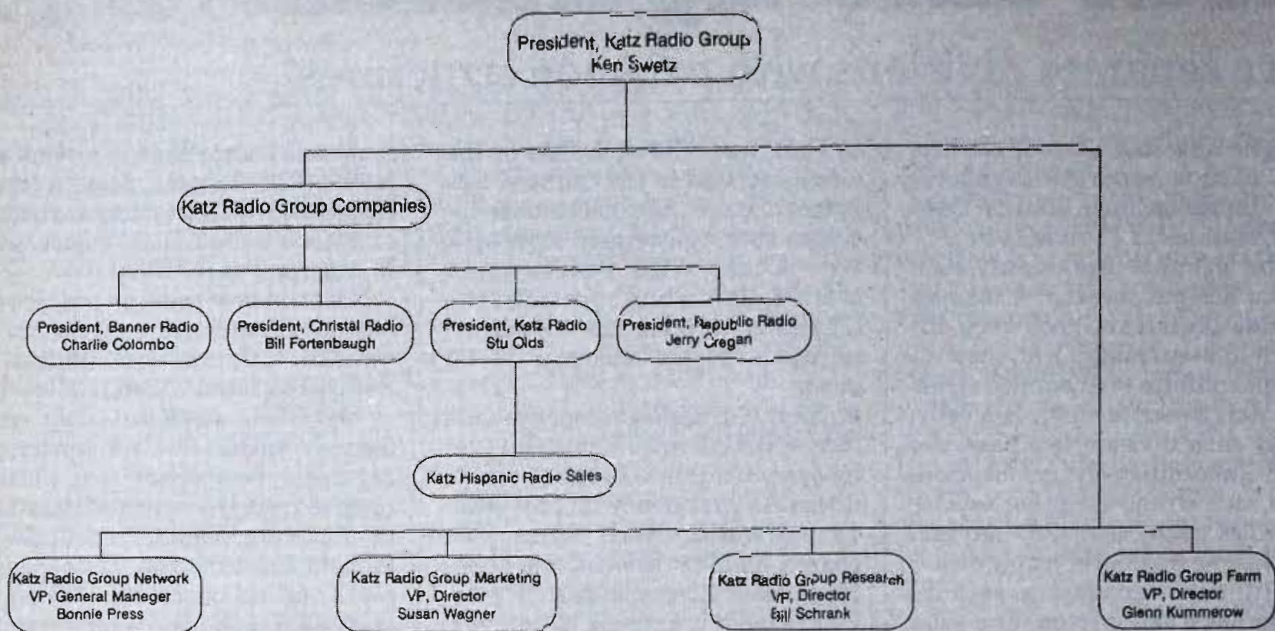
"In addition to that, the government was going through its deregulation process and we knew the FCC rule of 7-7-7 was going to be changed, modified, waived, or whatever. Concurrent with this, in the 1980s, Wall Street found broadcast. They started lending money to anybody with the expertise or desire to purchase a broadcast entity. So the big groups, knowing that they were going to own more than seven AM and seven FMs, began to expand their horizons.

"Now, the big problem with a single rep firm is that you rep one owner in a single market. So if you had somebody you were already committed to, and if one of your group clients went in and bought a station in a market where you already had representation, there was nothing you could do to accommodate him.



Ken J. Swetz, president, Katz Radio Group, took over as head of Katz's radio operation in 1984 when rep acquired Christal Co. and RKO Radio Sales. Previously, he headed Katz Radio. Joined company in 1969 as radio salesman, promoted to New York sales manager in 1972 and general manager, Katz Radio in 1974. Holds a BA from Iona College.

Katz Radio Group Organizational Chart



"So, we figured, what we did once we could do numerous times, and we tried to replicate Katz Radio though the acquisition of other companies, bring them into the corporation, and form the Katz Radio Group. And, we accomplished all those initial goals that we set out to accomplish."

Acquisition trail

In 1984, Katz acquired Christal and RKO, setting up separate divisions. Then, the major coup came in 1987 when Blair Co., experiencing problems, was broken up and sold to a number of different companies through Reliance Capital. "We had the opportunity to acquire what is now Banner, and we did that," continues Swetz.

Next came the formation of Katz Hispanic, which was based on the economic reality that the fastest growing segment of the U.S. population is the Spanish-speaking minority. A separate list of stations appealing to this subculture was organized and set apart in 1987.

Today, each of the Katz Radio divisions is not only a separate cost center, but each operates out of its own floor at Katz's headquarters near the United Nations in New York. Christal even occupies space in a separate building. In the Katz sales regions around the country, each radio rep has its own separate

and distinct branch office.

So, owning five individual rep firms allows Katz to service as many as 10 stations in a market. "There's one big compelling reason we did what we did," continues Swetz. "Audience projections show that in the major markets, there used to be a big gap which separated the No. 1 ranked station from the 12th station." He holds up a chart which looks something like a funnel. "The No. 1 guy back in 1976 had about an 11 share; the No. 12 station had about a 2 share. Through 1987, these numbers are closing in, because of the rise of FM, concentration of ownership, a increase in programming services and consultants and narrowcasting." By the year 1994, Swetz's graph shows, the difference between the first and 12th station in the market will have shrunk from 9 share points to less than five.

He calls the future "the 4-share world," with little separating one station from another. Katz, long known in the business as a top-of-the-line rep, fully committed to providing research, marketing, sales promotion and other costly services to clients, and similar services to agencies and advertisers, is intent on maintaining that "full service" image. Reality dictated that the only way to keep services up during a period when competitive pressures are forcing prices

down, was through the economies of scale.

"We went big when big was unpopular 15 years ago," Swetz observes. "We found that you had to represent all kinds of radio stations to be of service, and you had to be on demand to the advertiser and the agency.

"When you buy a brand new house you don't go to one store to buy a stove and another for a refrigerator and a third for your washing machine. You buy all at one stop.

"What we tried to do is represent all kinds of radio stations in preparation for what we perceived advertisers and agencies needed. That has come full circle, and now we don't just represent all kinds of radio stations, we represent multiple stations in many markets. This is what's called the megarep concept."

Will there be even more acquisitions and more Katz-owned radio divisions?

"There's not many left," sighs Swetz. "I think we're heading to the next stage of growth in the medium. This doesn't mean we have to acquire another rep firm to get more stations. The question is—how are we going to market those stations that we have?"

To answer his own question, Swetz calls up an incident out of the recent past. He tells about a Radio Advertising Bureau board

meeting where he asked an advertising spokesman when he was last approached by a radio seller. The man couldn't remember. Swetz then asked him what was the last time he was approached by TV and print. That was more recent. Swetz remembered that, when he started out selling magazine space, he called on advertisers all the time. he never negotiated rates, only position in the book.

"The reason I could go see this guy as a print salesman was that I had the circulation all over the country. The inherent flaw of radio is that it's local.

"We've got to break away from the traditional ways we've sold and make a transition to the customer-oriented sell," he argues. "That's what radio has done locally. Radio stations locally haven't waited for the First National Bank to call on them. They went out there and asked, 'What are you trying to do, who are you trying to reach, what's your customers' lifestyle and has it changed?' They put themselves in a marketing posture.

"We have been operating for the

"We've got to break away from the traditional ways we've sold and make a transition to the customer-oriented sell. That's what radio has done locally. Radio stations haven't waited for First National Bank to call on them."

last 20 years the way the stations have mandated it. They said, 'Get me the business; I don't care about any other radio stations.'

"We're our own worst enemies. We fight among ourselves more than any other medium. Every radio station in the U.S. has doubled its sales staff compared to five years ago. Not only that; they've segmented them into vendor, co-op, retail, etc. What we have to do is segment our sales staff just as the stations have done. But we'll need their cooperation to do it."

Katz has already mapped out its route and started down the path.

Its first step is to divide the sales force into two parts—one creating opportunities for avails and the other filling them. The first function will be performed by marketing teams drumming up enthusiasm for radio in general, but with specific station lists to deliver, unlike the generic appeals of Radio Advertising Bureau.

Katz set up a companywide radio marketing department just over a year ago, headed by Susan Wagner. "I see a whole bunch of Susan Wagners all across the country," says Swetz of Katz's long-range strategy. "They won't be involved with

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THE BEST



the everyday business of selling avails but will create an opportunity for those avails."

Once the avail has been established, the second sales team would concentrate on pinning down the business. "And," observes Swetz, "they may be selling multiple stations, or the entire market, rather than just single stations."

Another way Katz has adapted to the future is via unwired radio networks, administered since 1984 by Bonnie Press.

One of the first things Swetz did when he assumed the presidency of Katz Radio—then a one-group division—in 1978, was to install a direct-reporting responsibility. "When I was selling, he reveals, "I loved to report to a committee. Nobody knew what you were doing."

Next, analyzing the top priorities of a rep, he distinguished two equally-balanced functions—to enable its station clients to price their time competitively, and to get them the greatest share of dollars in the market. He reasoned that the second half of the equation would be relatively simple if the first was done well.

Saner management

Bill Fortenbaugh, now president of Katz's Christal Radio division, was eastern region manager under Swetz when the latter headed up Katz Radio. "I watched Ken Swetz, who works harder than anybody, kill himself," recalls Fortenbaugh. "There was a president and a general manager. Everybody in the world reported to the general manager, who was Swetz. He tried to oversee all salespeople, all offices, as well as administer what was going on with the growing list of radio stations, which at that time was about 100. It was killing him.

"You can't do it. No way. What you'll do is focus on the sales problem, and the station problem doesn't get handled because it's more of a staff project and it just keeps building on your credenza and it never gets done.

"So what Ken did when he became president of Katz Radio was not to give that job to any one guy. He cut that job essentially in half. One half he gave to sales, and he created the post of general sales

manager. And he said to the general sales manager: 'I don't want you to even worry about pricing, strategizing, rate cards, budgeting or monitoring of the station's goals. I want you to go out and hire and build the best sales team you can.'

"On the other side, he said 'I want you to set up marketing plans and give sales what they need to sell. Whether that's correct packaging, pricing, budgeting, whatever. Then you monitor that and work with sales.'"

"That person's entire reason for existence," concludes Fortenbaugh, "is to set goals and monitor performance against those goals for the stations in each division."

"When I was selling, I loved to report to a committee. Nobody knew what you were doing."

Jerry Cregan at Republic Radio defines the station vice president's job as "going down to the radio station with our general sales manager and our research department to come up with a strategy: What is the best way to sell that particular radio station? To maximize the dollars, as opposed to an individual sales person getting the avails, scratching his head and saying, 'What do I do now?'"

Because it works

When Katz began to acquire other reps in the mid-80's, one by one they were reorganized to this structure. Swetz maintains, "Our competitors say all Katz Radio Group companies are alike. They're marionettes of Swetz. The truth of it is, yes, they are alike. Want to know why? It works. That's why I ain't looking in the rear view mirror at them, and they're trying to crawl up by tail. And we won't let 'em."

Asked to project the future of radio, Swetz feels confident in its ability to succeed in the difficult media wars ahead. Again, he illustrates with an anecdote out of his own experience. He tells how he

was on a sales call to an advertising agency when he got off the elevator on the wrong floor. There he met a marketing executive with a candy company. Swetz asked him if he ever used radio. When the rep came back in the negative, Swetz asked why. He was told that if radio could get him space near the cash register for his product, he'd use it. The reason: When candy is positioned near the checkout counter becomes an instant pacifier for shopping mothers, and sales increase something like eightfold. To Swetz, this illustrates the point: how radio can trump other media. Because of its close relationship with retailers—supermarkets and department stores—it can offer package goods advertisers a bonus they may have overlooked when insisting that their products needed a visual message.

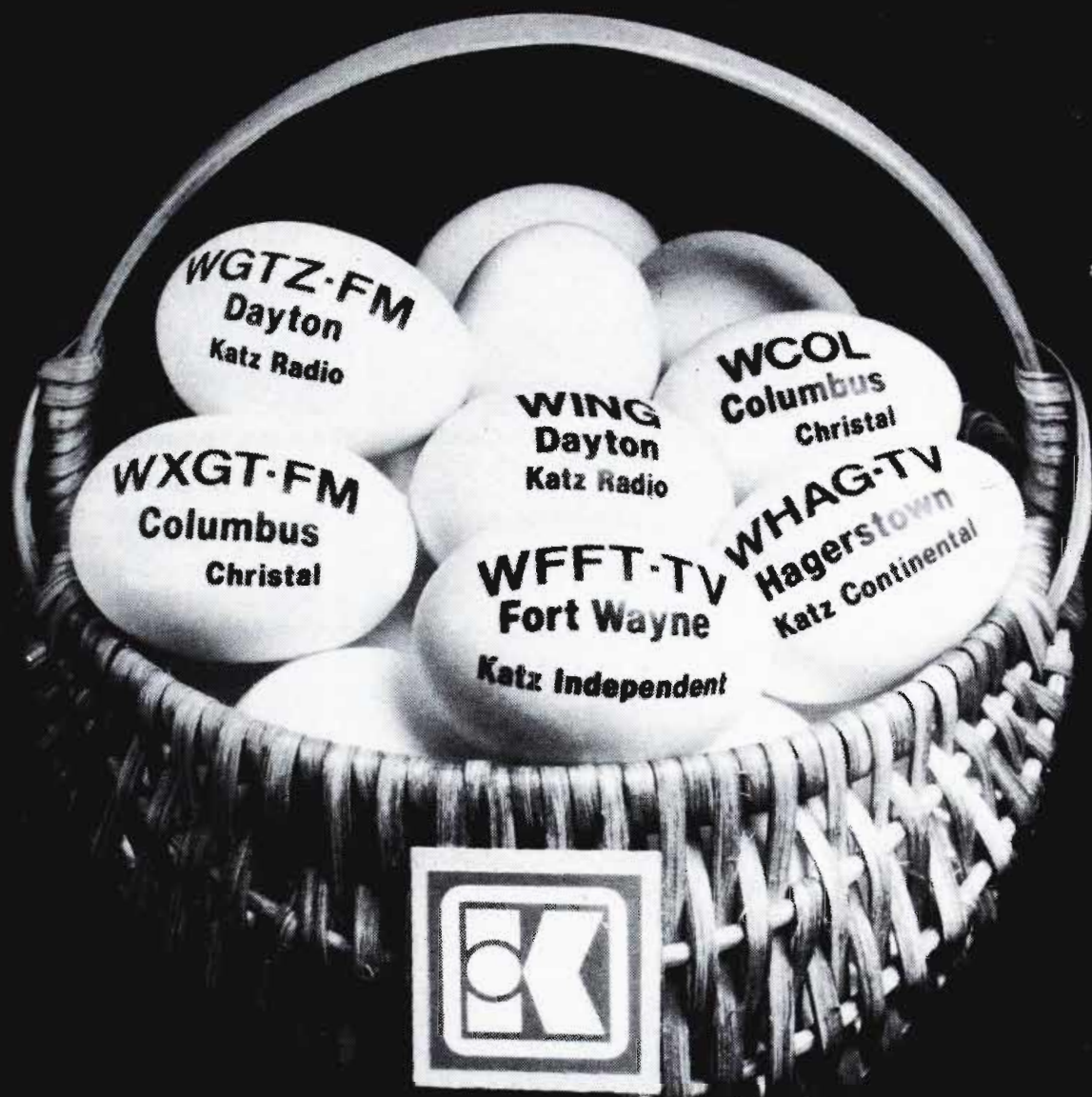
Selling the creatives

"We have to do a better selling job against the creative people at the agency level," he says. "We have a little problem there because it's easier for them to build a portfolio out of print and TV commercials, rather than sound. But better creative people like to work in sound; they can be more creative."

On the subject of the future of radio research, Katz Radio Group president has some revolutionary ideas here, too, again inspired by his own experience: "My father is 83, my mother's 71," he observes. "I go into their refrigerator; they've tried everything. The advertiser have written them off. You go to my refrigerator; it's like Mother Hubbard's cupboard.

"Why should demographic breaks be 18-49, or 25-54? They have nothing in common. Breaks should be by lifestyle: preformative years—going to school, taking your first job, formative years—getting married, having kids, postformative years—the kids are gone and what do you do now? If you had that, you could get back to some real selling."

At this point, Swetz gets a gleam in his eye. "When I retire, that's what I'm going to become—a media buyer. Have all those jerks come in and try to sell me something." □



We put all our "Begg" into one Askit."

"Thanks to all the Katz Reps"

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Katz Radio: Division bills some 20% of U.S. spot

Stu Olds is known around Katz as "a people person"—a good communicator who delegates responsibility well. Though only 38, the president of Katz Radio presides over the top-billing radio rep in the industry. Estimates put the 300 stations which fall under his supervision at 20% of the \$1.315 billion spent in total spot radio last year, or close to \$260 million.

When Olds took over the key job at this top-of-the-line division two years ago, he recognized the strength of the list—some of its clients have been with Katz for 50 years—but the business had changed dramatically in that time. The narrowing of share differences between the stations had intensified the competitive arena. Olds' first priority was to add a fourth station management vice president to the group and get more salespeople into the street. He bumped the selling force from 38 to 52, upping it again to 64 this year, and enlarged the New York team from 10 to 17.

Formalized sales training

More important, perhaps, he sensed a need for better-prepared people in the trenches. Among his early changes was installation of a serious sales training program, said to be the first in the radio rep business. "This is a program to bring in new, talented people and put them through a formalized training program that is more intense than anybody in the business has ever done before," notes Olds. "They meet at 7:30 in the morning, 12:30 and 5:30 in the afternoon, every day of the week. They go through a 12-week program before we ever put them on the street."

A major change in the rep business over the past 10 years caused another critical change within the division. "In the old days, you could count on 60% of your business coming out of New York," Olds says. "Now, with agency buying so regionalized, that figure is down to 30%." Hence, shortly after he took over the group, he moved three of his station vice presidents out of New York and closer to the

point of action.

How have Olds' gambits paid off? He estimates that in 1986, when radio sales grew a mere 1.8 per cent, the Katz stations outperformed the industry by boosting sales 14.6 per cent; in 1987, with radio down .4 per cent, his list was up 5.5 per cent. This year, with a 4-6 per cent increase expected industrywide, the Katz list is up 12%.

Olds estimates that Katz Radio became the No. 1-billing rep firm in 1979 when it passed Blair Radio, which, of course, Katz acquired in 1987. "The list of stations that we represent, because we've been in business for a very long time, tends to be the leading stations in most markets," he says. That's just based on historical leadership.

"We also tend to be associated with very good ownership," adds Olds, rattling off such names as Capcities/ABC, Malrite, Great American Broadcasting, Metropolitan, Owens, Hearst and Multimedia. The list includes such notables as KABC/KLOS Los Angeles, WGAR/WHYT Detroit, KRLD Dallas, KOMO Seattle, WTIC Hartford, WNEW-AM-FM New



Stu Olds, president, Katz Radio, started with Katz's Chicago sales staff in 1977, moved to the Detroit office in 1979 and then to manager of Katz Radio Group Network in 1984. Earned a BS in speech communication from University of Wisconsin and an MA in communications from University of Oklahoma.

York, WPAT-AM-FM Paterson, KNEW/KSAN San Francisco, WMMR Philadelphia, WJJD, WJMK Chicago, WMAL/WRQX Washington, KGB San Diego and WMMS Cleveland.

WMT Cedar Rapids has been a Katz client since 1935, WNAX Yankton since 1938, ranking as the two stations with the longest continuing association with Katz, so far as anybody knows.

Internal competition

As with all the Katz divisions, having a common owner means nothing when it comes to competing for dollars. "As far as we're concerned," says Olds, "there's a Chinese wall between each and every company. We compete as hard against Christal and Banner as against McGavren or Hillier, Newmark. The world is too competitive out there to worry about who you're beating out for dollars."

Sellers get paid only for selling their own stations. A salesperson's quarterly incentive is based primarily on three factors: (1) individual performance against a budget, (2) office performance against a budget, (3) division performance. These factors are weighted: 50, 30 and 20. "But when it comes to [unwired] network," says Olds, "we combine our stations together to really compete as a unit against the rest of the world."

Another area where change is occurring is with "additives"—the practice of packaging competing stations together in order to give an advertiser better reach. "As stations move closer in terms of numbers, sometimes they need a partner," explain Olds. "It's a way of separating your station out from the crowd. If there are 10 adult contemporary stations in a market, and they're all doing 4 shares, and yours is very strong with 25-34's, you may want to marry it to the guy who is strong 35-54. That way, you have a better 25-54 mix with which to go after the dollars."

What does Olds predict as the future of radio? "I think it will see some very, very good growth for a couple of reasons," he says. "One,

33
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57
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66
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Katz Radio Organizational Chart



it's a very localized, personal medium. Marketers are becoming market sensitive. Things like scanners in grocery stores; for example—if somebody knows that Campbell chicken soup moved through St. Louis, they are able to switch copy tomorrow. Radio is one of the few media you can do that with.

"Two, it's become a much more targeted medium than anything else. Now there are 9,000-plus radio stations. In the old days, you might have a beautiful music station, a couple of adult contemporary, a country, and maybe one or two other formats. Now you have ADR, soft adult contemporary, a very mature adult contemporary. You have a format 41, a news, a news-talk. So the market is very segmented, which has given advertisers more choices in terms of where to direct their messages against a very specific, targeted audience.

The promotion bonus

"Another thing radio's always been able to do is go beyond the advertising message. Promotion has always been something radio has participated in actively. As people continue to spend promotion dollars, radio will be a good tie-in medium."

As advertisers try to make their dollars work harder, he believes, radio will need to keep adding more values. "What we have to do is make sure that we are thinking as creatively as our medium," he continues. "We need to keep positioning the promotion value at the agency; focusing on special opportunities to make sure radio is growing faster than the competition.

"At Katz," he continues, "we try to put ourselves in a position to do that by having enough people in place so we really can penetrate an agency, not just give lip service. We do that by having a huge competitive advantage in the number of people on the street. We do it by having specialty sales areas, like sports and farm, new business and network."

Olds looks upon his division as a special one at Katz. After all, it was the group out of which emerged the rep's billion dollars worth of broadcast business. And at least three of Katz's legendary leaders, past and present, headed up the division: Jim Greenwald, Sal Agovino and Ken Swetz.

"We're a unique animal," says Olds of Katz Radio. "We take a lot of pride in being No. 1, and doing it in a setting that's 100 years in the making. My predecessors created an environment that allowed us to have all the tools, all the systems, all the support—everything you can possibly want to operate suc-

cessfully. That helps us work harder and smarter than anybody else and encourages us to perform at a level that nobody else can match.

"Because for a long time we have outperformed the rest of the industry, our clients have higher expectations. They expect a Katz seller to get big rates, bigger shares. They expect a Katz seller to win the unwinnable orders. And we expect the same of our people.

"If an agency asks for computer runs, we give them what they want. But we also give them 10 more ways of looking at it. If someone asks us to provide a package, we give them a package that meets the need, but we also position that package in four or five different ways to make it better.

"We've made our norms and expectations so high that we routinely perform higher than anybody else. When you've got people who are given high norms to follow, and a history and a tradition of accomplishing them, you're going to get great performance." □

Olds looks upon his division as a special one at Katz. After all, it was the group out of which emerged the rep's billion dollars worth of broadcast business. And at least three of Katz's legendary leaders, past and present, headed up the division.

Banner: Colombo and his troops capitulate

For a while, Charles Colombo felt like an enemy was chasing him. He was at Christal Radio in 1984 when Katz bought Christal. He jumped to Blair "expecting to ride in on a white horse and save the damn thing." He didn't. In 1987 Katz bought out Blair and Colombo was "captured."

"We had been bought by our major competitor," shrugs Colombo. "People felt like you're the Americans and they're the Germans, and they won."

Of course, the ex-fugitive feels different today. He's president of Banner Radio, the successor to the Blair group, and captivity hasn't been so bad after all.

"They want you to perform in the way the company performs," he explains, "and the way you can perform if you had all the restrictions off your back. Once our people learned that, everything started to make sense."

Colombo goes on: "We were able to pay our people better, and now we're a professional, professional rep."

Blair's problems

Not that Blair wasn't, of course. "Blair was great in a lot of ways and all wrong in a lot of ways," Colombo notes. "The troubles there had nothing to do with the radio rep business. It had to do with a lot of things. Radio was only a little bitty thing there, and the radio problems were the result of corporate problems."

"Some people hadn't made their deals [sales goals] in years. They were always short. In our first year, Katz made up the difference, and that attracted people's attention. One of the reasons Katz is so big is that they do business best of anybody. Now our clients see that."

Individually, the ex-Blair people made out well, too. They were folded into Katz's superior employee-ownership plan without loss of tenure or vesting privileges.

"Once the people got over the initial feeling of being sold to the competitor, they realized the benefits," concludes Colombo.

Today, he presides over the industry's fourth largest rep company, consisting of some 200 stations. Represented are such major players as CapCities/ABC, Jefferson-Pilot Broadcasting and Scripps-Howard. Included in the calls are biggies like WABC/WPLJ New York, WLS/WITZ Chicago, KGO

ing excellent communications between the division's New York office and its branches.

Among the first things Katz did upon acquiring the Blair list was to add sales people in five different cities, bringing the total to 50.

"Quality," "image" and "personality" are words Colombo likes to

Colombo anticipates combination selling of unrelated stations which, he says "may be the best thing that every happened for selling radio. Rather than beating up on each other, we're selling the whole medium."

San Francisco and WMC Memphis. WBNS Columbus has one of the oldest running rep-station contracts in existence, signed by John Blair himself 52 years ago.

Colombo is thought of as an exceptional administrator by the people who work for him. He imparts a strong "family feeling" to the division and is credited with establish-

use when discussing his list, his salesforce and the way his people sell. "Quality—that we've always had," he says. "Good personality, hard work and technically correct. We do all the research and backup that's required in the '90s, but with personality. We keep personality in it, too. We are Katz, so we're going to be that image. What we do on our own depends on the people, who are different."

Discussing the future of radio, Colombo sees a number of trends emerging. He anticipates more combination selling of unrelated stations which, he says "may be the best thing that ever happened for selling radio. Rather than beating up on each other, we're selling the whole medium."

'Additive' selling

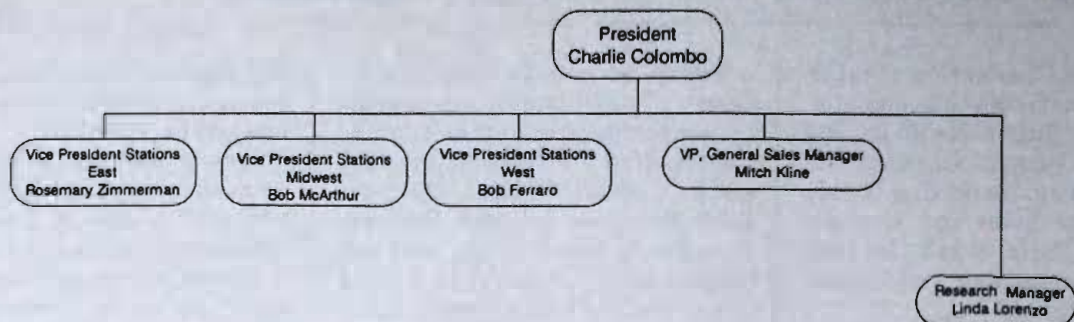
Some combinations (sellers prefer to call it selling "additively") go back so far, he says, that time-buyers think the stations are owned by the same owners. "After a time, a pattern develops and they seem to be like any other combo, so long as they fit together in a buy."

Though some operators have been known to resist marrying of their stations to competitors, "Once they understand it, they're all for it," notes Colombo. "Some



Charlie Colombo, president, Banner Radio, formerly president of Blair Radio, came to Katz when Blair was acquired in 1978. Before that, was president of Christal Radio and COO of Eastman Radio. Has a journalism degree from University of Missouri.

Banner Radio Organizational Chart



come to us and say 'Go out and get us a good partner.' Some buys are only five deep. After that, it's over. If you're not up in that range when they buy by numbers, it's hard to get bought."

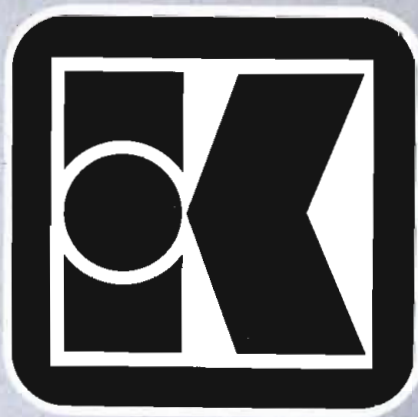
He also likes the idea of advertisers combining radio and TV into marketing plans, something Katz has been emphasizing in its marketing division. "We're the only company that can do that," Colombo points out.

He also perceives more advance planning by agencies and advertisers: "When the AOR's get sold out during the summer and people can't get on with their beers, the

next year they learn a lesson and buy a little earlier. For as many stations as there are, a lot of them get sold out. That will force more advertisers to think long term."

Colombo likes the idea of advertisers combining radio and TV into marketing plans.

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Christal: quality list, qualitative selling

Every rep will tell you his list is the great one," says Bill Fortenbaugh, president, Christal Radio, "but this one really is." And who's to argue when such three-letter calls as New York's WOR, Chicago's WGN and Atlanta's WSB show up on the same sales sheet?

"When Henry Christal started out," Fortenbaugh continues, "all he would represent were 50,000 watt, clear-channel market leaders. So if you came to Henry and said, 'I have a new FM rock-'n-roll in Charlotte,' Henry would have told you no. Nobody, of course, would tell you that today. But those are the roots of his company, and things tend to stay according to the culture that still lives on in this company."

Katz acquired the Christal group in 1984. Fortenbaugh, then eastern sales manager of Katz Radio, took over as its head a year later.

In terms of sales, Christal ranks third in the industry behind the Katz Radio division and McGavren Guild. But, maintains Fortenbaugh, "we're No. 1 in sales quality." Tightly run and professional, the division's view is longterm; most of its management personnel came over to Katz with the acquisition, and many have been with Christal for 20 years or more.

Per market billing leader

Christal's list, Fortenbaugh says, tends to mirror radio formats of the country from a percentage standpoint. "I would say, if there's some generalization about it, we tend to have high-rated, well-respected, big-billing stations. On a per-market basis, we tend to outbill all our competitors, and that includes Katz."

Fortenbaugh wasn't always in the rep field. Actually, he was preceded in the rep business by his wife, who persuaded him to get into it while she was a sales assistant for Katz and he was selling soap for Procter & Gamble. After a stint at Avco, Fortenbaugh joined Katz in June 1970 and has been in radio sales ever since.

At the time of the Christal acqui-

sition, he was on the management team that contemplated buying the old-line rep firm.

"We recognized at that time we had to acquire other rep firms be-

seven markets. Well, I already have a client in three of the seven, but in those three I own a company that fills in other markets. For those three you go to Christal, the other

Christal's list, Fortenbaugh says, tends to mirror radio formats of the country from a percentage standpoint: "I would say, if there's some generalization about it, we tend to have high-rated, well-respected, big-billing stations. On a per-market basis, we tend to outbill all our competitors, and that includes Katz."

cause that was the way the rep business was going," he says. "We needed it for networking reasons—to sell network time and to accommodate our clients. We saw it as a way to go out and say to a guy, 'You own seven radio stations in the top

four to Katz, so we'll be doing business in all seven markets.'"

Group clients, says Fortenbaugh, like to operate where they have all or most of their stations with a rep they know and trust. "So it's a great solicitation tool, a way to firm up relationships with existing clients and a way to pitch new business and say to somebody 'We'd like to take you into the group.'

"One of our big corporate clients is the CapCities group," he says. "They own Power 95 [WPLJ(FM)] in New York, which is a direct blood competitor to Z100 [WHTZ(FM)], the station I rep. It's okay if they're in division because those people in that division only get paid on what they sell. We try to kill those guys on Power 95."

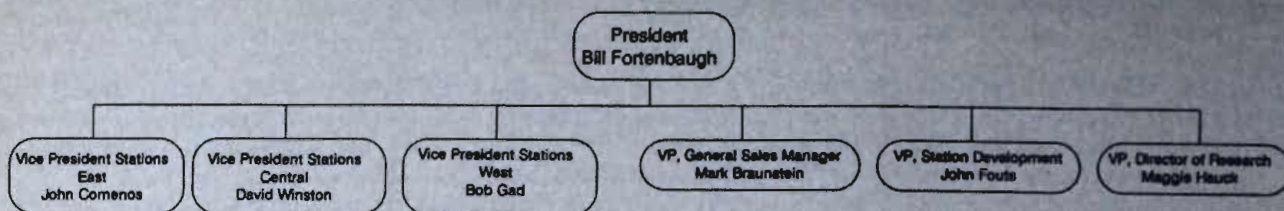
This last statement is the credo behind all the Katz divisions—sellers sell only stations in their own division, receive compensation only on what they sell, and compete fiercely against all the other divisions.

"The best analogy is a guy walking down the street looking to buy a car," says Fortenbaugh. "On one corner is a Pontiac dealer, the other a Chevy dealer and the third a Cadillac dealer. The Pontiac dealer isn't happy if you buy a Chevy.



Bill Fortenbaugh, president, Christal Radio, started with Katz Radio as a salesman in 1970, rose to Eastern region manager in 1978 and vice president, stations, Atlantic Division, a year later. Assumed his current position in 1985. Holds a BA in economics from Northeastern University.

Christal Radio Organizational Chart



General Motors may benefit, but not him.

"Our people only get paid on what they sell. That's critical. If you didn't have that, then people would wonder where their allegiance is. Their checks say Christal

"Our people only get paid on what they sell. That's critical. If you didn't have that, then people would wonder where their allegiance is. Their checks say Christal Radio. Their boss is Bill Fortenbaugh, president of Christal Radio, and when they go in, they try to take all the money on the table and not leave any for anybody else."

Radio. Their boss is Bill Fortenbaugh, president of Christal Radio, and when they go in, they try to take all the money on the table and not leave any for anybody else."

Backroom savings

Returning to the auto analogy, Fortenbaugh continues: "I've got a guy out there trying to convince people to buy Pontiacs. But by the same token, all the backroom operations, the design functions, the accounting functions, the ordering of the steel, the making of glass can be combined operations. The same thing applies to the rep business. There's huge backroom savings. So that's how we're set up, and it's a very efficient way of doing business."

The one major change when Katz took over Christal was to reshape its operational structure to conform to that of the other Katz divisions. Now the rep has three

geographic regions across the country (east, central and west) with a vice president of stations in charge of each region.

Christal differs from the other divisions in that it has 13 sales offices to their 14, Portland being the

exception.

Discussing Christal's selling philosophy, Fortenbaugh notes: "Everybody will tell you that they sell beyond the numbers, that they sell qualitative, that they position their stations' local importance and each station's niche in the market. The reality is that not everybody does those same things to the same level.

"Obviously, there are people in

the business who gravitate toward the opposite way of doing business and there are people who would gravitate toward the totally esoteric, all-qualitative, non-numeric basis. "Christal is toward the qualitative end of the sell. We spend a lot of time positioning our stations, based on their ability not just to deliver rating points, but to deliver consumers of whatever it is the advertiser is trying to sell.

"What happens is you get higher rates by doing this. The advertiser makes more money, and we get higher commissions."

This "qualitative" selling of stations will totally replace the gross-rating-point mentality during the next decade, Fortenbaugh believes: "I think in the next five years that whole process of arguing about gross number of listeners is going to go away and everybody will realize that what we're talking about is users of products, and stations will all be positioned that way.

"You open an Arbitron book and it tells you how many people listen to what at what times of day. You're going to be able to open the thing and it's not going to have anything like that—how many people listen on Saturday from 6-10. It's going to tell you how many of them are users of peanut butter or white jackets." □

"Everybody will tell you that they sell beyond the numbers, that they sell qualitative, that they position their stations' local importance and each stations' niche in the market. The reality is that not everybody does those same things to the same level."

Republic: Katz Radio's fastest-growing division

The Katz Radio division that has grown the most in the past five years is Republic Radio. This is because it started with the smallest base and because of the leadership of its president, Jerry Cregan.

Acquired in 1984 as the RKO list, this group started with 22 stations in 15 markets. It had only 19 salespeople in seven offices, making it a "boutique" rep.

Cregan, an all-purpose executive with 15 years experience at Katz, as well as service with three other radio reps, was installed as president in 1986. "We made a commitment to build Republic into a full-service rep firm," he recalls. "We immediately went to 12 offices with 32 salespeople. We used the RKO stations as a shell to go out and build a base of new clients.

"In addition, we introduced Probe, the radio portion of the computer system of Katz Communications, to interconnect all our offices across the country."

Broad expansion

Soon, Republic had expanded its research services from a one-person department to five, then to eight. Today Republic has 40 sellers on the street in 13 offices. From its boutique base, it now represents 180 stations in about 120 markets. "We didn't build Republic with castoffs from Katz," notes Cregan. "We went out and solicited major radio stations in markets where Katz may not have had representation, or where Katz may have been competing for a particular client." Some of the stations added include those from such groups as CapCities/ABC, Infinity, Legacy, Shamrock and Malrite.

The results have been dramatic. In 1986, the first year Katz people were in place, the industry was up 1.7%. Republic was up 15%. In 1987, when the industry was down .4%, Republic sales were up 26%. Through July of this year, with the industry up 3.8%, Republic is up 52%.

"In order to get up there with Katz, Christal and Banner, we have to be a little hungrier," observes Cregan. The strong suit of the

group, according to the veteran radio exec, is its salespeople. "Every rep says, 'We have terrific salespeople,'" notes Republic's president, "but we have a combination of people; over half the sales staff has had station experience. There are good reps that come out of agencies and other businesses, but we feel having salespeople who worked at stations is very important.

"To somebody who worked outside the industry a station could be just a number in a book. But people who have worked at a radio station have a feeling for it. They know the problems, what goes into a station, and are more result-oriented."

Senior management

The senior management team at Republic consists of four people including Cregan. They total 100 years of sales experience between them, "the most in the industry," he calls it.

"This team is responsible for the planning, strategy, direction of not only Republic Radio, but how we sell the individual stations on a day-to-day basis," he observes.



Jerry Cregan, president, Republic Radio, started as a Katz Radio seller in 1974, moved up to sales manager and was a vice president of stations until he took on his present post in 1986. Had been with HR/Stone, Jack Masla and Alan Torbet; before that with William Esty Advertising.

"You take those great salespeople and put them with the best research in the industry; we're second to none."

He continues: "We do two kinds of research. One, station specific, what a station can use; not from a sales standpoint, but from a programmer's standpoint. We give them a programmer's information package. Then what we do is send them a confidential analysis on that programming package. We tell them what's good about the station, and if there's a negative, we tell them that too. We're partners.

"From a sales standpoint, we issue an Arbitron or a Burke sales analysis to our sales people. That has only positives in it. They can access that through the Probe system for instantaneous retrieval in any of our 13 offices.

Qualitative data

"In addition, we use qualitative information—Simmons, Scarborough, Media Audit, whatever the radio station subscribes to. That's very important because it helps us differentiate our station from the others.

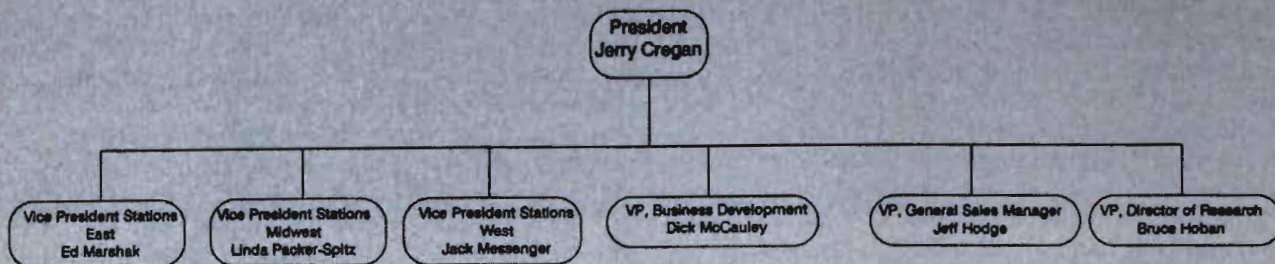
"We believe we have the best internal monitoring system in radio. Radio Expenditure Reports is the Price Waterhouse within the industry. It lists each individual account and shows the share of dollars that our radio stations received.

"We get that on a monthly basis [most reps get it quarterly], and we send a copy of it to our client stations.

"We use that in two ways, as a report card and road map of how can we increase our share. Until we can secure 100% of every dollar going into the marketplace, we can always get better, and we use RER to identify accounts and set up strategies to get a higher share."

Here is how Cregan dissects the next crucial phase of radio: "In the 1990s, there's going to be a change in the way we do business," he begins. "It used to be that 75% of the marketing dollar was spent on advertising and 25% was promotion. In the last five to seven years that's

Republic Radio Organizational Chart



swung to 60% promotion and 40% advertising.

"By promotion," he explains, "I mean couponing, case lot incentives where, say, when you buy 4,000 cases you get the first 1,000 cases free. In the auto industry, when you see 2.9% financing, General Motors is taking out from the marketing dollars the difference between 2.9 and 10.5 per cent. They take that out of the marketing dollars because GMAC is still a bank; they're in the financing business, so they take it from this pocket and put it in that one.

"So the promotional creep has affected the advertising business. Not only radio, but TV and newspapers. For the first time in history, they put a group together and discounted newspapers nationally, which was unheard of before.

"The second major change in the business is corporate takeovers. Who ever thought that General Foods or Nabisco would be taken over, or of the airline mergers in the past few months?

"The corporate takeover has affected the advertising dollars because what a corporation will do is hold the advertising dollars for the last minute and sometimes even pull them and put that money into corporate earnings.

"With the corporate earnings they can hold on to their corporation. If they put it into advertising, their earnings are diminished, and they can be a takeover candidate. By pulling their advertising dollar they know full well that six months down the road they may have a brand share problem, but they'd rather deal with that in six months than lose their company today.

"The third thing is disinflation. If you go back seven years, when you were doing budgets for a radio

station, you'd put down a 7.5% increase for inflation. Last year, you had inflation of 2%.

"Those factors put downward pressure on pricing. So corporate says to the general manager, 'Get the billing up.' The general manager says to the general sales manager 'Get the billing up.' The sales manager says to the rep, 'Get every dollar that's out there on the table.' This has put tremendous downward pressure on prices. I'll make up numbers now. If a buy was for 100 rating points a week at \$100 a point, the advertiser was prepared to spend \$10,000. To make sure you didn't lose out on the buy, radio stations were pricing themselves lower, and maybe an agency would bring in the buy at \$85 a point. So, instead of spending \$10,000, they'd spend \$8,500. If you project that out over a six-week campaign over 50 markets and the number of campaigns we have in the course of a year, it's a lot of money.

"We'll be selling store traffic, sales force incentive programs . . ."

"Years ago, if that situation persisted, the agency would overdeliver. They would buy 120 points as opposed to 100, because their income was predicated on a 15% commission. Today, most of the true national advertisers are on a fee basis. So the agency income is not affected. Now, what they do is give it back to the advertiser because the advertiser is more cost-conscious these days.

"That's where we are today, and that's what's happened to the advertising business over the last five to seven years.

"The key is, in the 1990s, we're going to have to address that. We'll have two levels of selling: One is going to be calling directly on the advertiser to position radio as a marketing tool to overcome marketing problems.

"We'll be selling store traffic, sales force incentive programs, distributor motivation. That will be sold directly at the advertiser level.

"Now, with the Katz Radio Group, with four companies, we can go in and talk to the national advertiser and deliver a 40 reach or a 60 reach because that's the terminology of the national advertiser.

"Before, when we were a single company, we could offer a 15 reach or a 20 reach in some marketplaces. But a national advertiser is not interested in one station in one marketplace. He wants to go in and reach the total market. With the Katz Radio Group we're positioned to do that.

"Print has been calling on advertisers directly for years. But radio said, 'We can't do that.' Sure we can do that.

"So, radio will do that.

"The other type of sale will be against traditional spot business. That's when you call for avails—100 points a week in 15 markets. The agency has the approval and they call for avails and all the reps go in and try to get the highest share for their particular station. You're going to have your traditional spot business continuing. But you're also going to have the other level of selling to the advertiser to position radio as a marketing tool." □



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**GAYLORD BROADCASTING
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Hispanic division finds new approaches to market

Katz Hispanic Radio is a group of 32 Spanish-language stations in 23 U.S. and Puerto Rican markets. Though a separate division of the Katz Radio Group, it reports through Stu Olds' Katz Radio Division, which provides its "backroom" functions, such as research, billing and accounting.

Gene Bryan, general sales manager of Katz Hispanic, oversees a staff of three sellers in New York, and one each in Los Angeles, Chicago and Dallas. At other Katz sales offices, which have relatively little business that is exclusively Spanish, a "point person" is assigned to handle traffic for the group.

Founded in 1987 out of the eight Tichenor stations in the southwest, long-repped by Katz, the group was fortified with the addition of 24 other primarily- or exclusively-Spanish outlets on the Katz Radio list. Included are such notable calls as KHOT-AM-FM Fresno, KALI(AM) Los Angeles, WAQI/WTHM Miami; WKDM(AM) New York and WIND/WOJO Chicago. The group offers stations in 12 of the top 15 Hispanic markets, with only San Francisco, Dallas and Phoenix absent from that list. Spanish-language networks have also been put together on request.

In all, the 32 outlets reach close to 85% of the nation's Hispanic population of nearly 18 million, according to Bryan.

General market pitch

"The other thing that we've done," says Olds, "is not just to attack Hispanic-directed dollars, but to go after general market dollars to expand the base that our Hispanic stations do business in. So we're calling on agencies beyond those that spend in Spanish radio, calling on general market shops to get them to spend in Spanish radio."

Some general market advertisers who are already heavy into Spanish radio include: AT&T, American Home Products, Borden, Colgate Palmolive, Ford, Frito-Lay, General Motors, General Mills, Kodak, Sears Roebuck, J. C. Penney, McDonalds and the U.S. Army, to

name but a few.

The reason Katz set up a separate Hispanic division, Olds explains, is to capitalize on the tremendous growth of the Spanish-speaking population, which has doubled in the last decade.

"It's the fastest growing segment of the marketplace, period," he says. "Projections for the future are astronomical [36.5 million by 2020]. The population bases of some of the border cities along Mexico are going to be huge, so we try to educate the advertiser on the importance of the Spanish marketplace."

\$40-50-million market

Olds figures the total Hispanic spot radio market today, with 184 stations in operation, is worth some \$45-50 million annually, of which he estimates his group will place one-third of the business.

The sales pitch to general market advertisers goes like this: (1) If you're a TV advertiser and have a Spanish shop, you should be using radio, and the relationship is more crucial in the Spanish market than in the general market; (2) If you're an advertiser who is not buying Spanish radio, but are a regular

user of radio, why aren't you buying Spanish radio? If you're buying AOR, CHR, or beautiful music, you are not reaching this segment of the population at all. If you're a radio buyer already, how much more is this segment going to cost you?

"Then," continues Olds, "we tell them about the importance of individual markets and their ability to literally control and dominate a segment of the population through Spanish radio. It would be impossible to have the same effect without spending tons of money in the general marketplace. Then we talk about the stations we have which are capable of reaching and controlling an audience. It's a pretty compelling story."

The major value of buying Spanish radio, according to Bryan, aside from the fact that over half of Hispanic-Americans do not speak English, is the strong affinity that Spanish-speaking people feel to these stations. Typically, they listen to radio twice as long as Anglos, they show a preference for brands with a high advertising profile, brand loyalty is exceptionally strong, and this segment of the population has an earning power in excess of \$26 billion.

Keeping it all in Spanish

"The big obstacle in selling Spanish radio is to take the misconceptions out of the sale," Bryan says. These include the belief that Hispanic radio skews older, that listeners are below-average wage earners, and that attracting Hispanics to retail stores will drive away Anglo customers. Research proves all these beliefs are unfounded.

"A lot of the marketers out there would really like to get into the Spanish marketplace," observes Olds, "and part of our mission is to give them an education. Part of that is what vehicle to use, how to do promotions, how to use merchandising, how to tap into the stores and aisle displays and all those things that go along with marketing to the Hispanic population, just as you would in the general market." □



Gene Bryan, national sales manager, Katz Hispanic Radio, came to Katz from Caballero Spanish Media in 1987, where he was sales manager in New York. Holds a BA in communications from Marist College and an MA in business from the U. of Dayton.

Von Soosten discusses syndie picks, Katz's posture with clients, distributors

Program experts have a big say in what stations buy

As vice president, director of programming for Katz Television Group, John von Soosten, sits as the national program judge for nearly 200 stations. His opinion on what shows a station should buy, and which to pass by, influences millions of dollars in programming decisions.

His staff of seven professional program experts is the largest of any rep organization and is considered to be one of the toughest in the business.

In this interview with TV/RADIO AGE, this well known programmer offers opinion on such topics as the chances of success for new shows in syndication, the future direction of programming and what it's like to compete against himself.

TV/R Age: Why does a rep need a programming department, and what is it you do?

Von Soosten: All reps have them. Their function is to consult with the stations they represent on programming decisions, such as what shows to acquire. This is basically in syndication. We don't get into network; we don't usually judge content of local programming.

Katz was one of the really early reps to get into programming, though I can't swear it was the very first. But we have one of the largest departments. We have seven full-fledged programmers in the department. Many other reps has one super-programmer, if you will, and several lesser functionaries who support the one.

Here, each program person has an exclusive list of stations, so each one is as important as any other. Their only difference is which divi-

sion of Katz they work for, but they are all on the same stature in terms of responsibilities, whereas at some of the other rep firms there is a junior programmer level, and the top programmer is the one who speaks on behalf of the company.

TV/R Age: How would you describe your function?

Von Soosten: We guide our client stations in their local programming effort to be competitive and to improve the programming performance of those stations.

Obviously, viewers tune in to watch programs, not commercials. If you can help a station improve its programming performance and at-



John von Soosten, vice president programming, Katz Television Group, joined Katz in 1984 from WNEW-TV New York, where he was program manager since 1979. Before that he was production manager since 1972-79, responsible for all local production. Previously, he had been with WOR-TV New York.

tract more viewers of a demographic that's attractive to advertisers, you can help the station enhance its sales performance. Also the rep helps itself, so it's self-serving, but a major benefit to the station.

TV/R Age: How is your department structured?

Von Soosten: We have one vice president for the Katz American division (Bill Carroll); three in Continental (Mitchell Praver, Ruth Lee and David Smith); one in the Independent division (Serge Valle); and two handle all three (myself and Jim Curtin).

TV/R Age: What are you telling stations about your fall projections?

Von Soosten: *Cosby* in off-network will do very well—a megahit. Which is exactly what stations paid record prices for. In first run, there are two big anticipated shows—*Family Feud*, which we think will be successful, but not a runaway hit. We look at it to make a dent in *Let's Make a Deal*. At this point its network performance is not impressive; it has been slow building, possibly because it's still summer-time. I doubt if it's going to knock off *Let's Make a Deal* in its first year, but as *Win, Lose or Draw* did, it could make an impression in terms of its demographics.

The other show looked at with great anticipation is *USA Today*. We were not convinced that the magazine format is the right way to go in the access time period, and the way *USA Today* was described to us last fall, we were wary of saying it would be the show to watch. We gave it a very limited endorsement, saying to stations: "If you're in the magazine show business, i.e., if you're looking to replace one of those shows, if you are a strong news station, which has a natural built-in audience flow, if there is nothing else available in the market, any or all of the above, then you may like *USA Today*."

I think the show will be reasonably well produced. I just don't know if the content will get the viewer every night. *Current Affair* is a very-much-watched show because of the nature of the material.



"The People's Court"

There may be a new longshot breakthrough next season—the "next 'People's Court.'"

It's more sensational. People are responding to it. I don't think *USA Today* will be as sensational. That could be one of its shortcomings. It may not have the sex appeal with a capital "S."

One of reasons that a preponderance of Katz stations didn't clear it is that roughly half already clear *Wheel of Fortune* and *Jeopardy*. So they don't need *USA Today*.

TV/R Age: What are your predictions on some of the other new syndicated shows?

Von Soosten: The others that are going to do well are: *Live with Regis and Kathie Lee*, which has a very good shot at becoming a solid performer in the marketplace. I don't see any new show bursting on the scene like *Oprah Winfrey* did. People are asking, "Is it going to knock off *Oprah*; is it going to knock off *Donahue*?" No, absolutely not. I think *Regis & Kathie Lee* will do a nice, salable number, by which I mean the demographics will be good. It will be an attractive-looking show and will be well-honed in the New York marketplace, where it's been rehearsing for a number of years.

Of all the new shows, if there is going to be a breakthrough hit, one of these two could be a longshot breakthrough: *On Trial* or *Family Medical Center*. If they are well done, based on the subject matter, they could catch the fancy of the

audience and be the next *People's Court* or the next counterprogramming effort to *Oprah* or *Donahue* if the station is looking for an alternative to a talk show. Both at this point have definite possibilities.

TV/R Age: Can you put a value on your contribution to a station?

Von Soosten: This varies from station to station. We can compare performance year to year. If you find improvement in households or demographics, naturally that makes everyone happy. We do regular ongoing reports to the sales community on a station's performance when the rating books come out.

Here's an example: One of stations I deal with in Anchorage was changing its programming every two months. I said, "Look, get *Oprah*, get *Donahue*, get *Cosby*, pay the price and get them on the air.

It's turned the station around. We said the same to our station in Davenport, Iowa, and it went from No. 3 to No. 1 in the afternoon.

TV/R Age: What's your longterm prediction on programming?

Von Soosten: Today's buzzword is reality. Reality in the sense of *A Current Affair* and Fox's *Most Wanted*. Shows that have a little scandal attached. I think the success of those shows, and if *On Trial*

is successful, that's analogous to *Current Affairs*, but not sensationalized—real stuff speaking for itself, that's the entire show. They will spur other shows of a similar nature.

I think NATPE in '89 will be inundated with reality-based shows and variations on the theme. There will be more medical shows, court reality shows, magazine reality shows.

In other areas, there are going to be a lot of off-network sitcoms available, compared to other years. It will become almost, but not quite, a buyer's market.

But I don't think we're going to see more *Cosby* and *Who's the Boss* bidding wars. I think the stations have already gone through that and pretty well cleaned out the company coffers to buy those shows. They'll not be wanting to bid at the high stakes, but they'll still need to buy the sitcoms that are coming off-network to support *Cosby* and *Who's the Boss*.

You can't run one off-network sitcom and expect to have a successful operation. You need to surround it with other similar-type shows, especially in the top-50 markets, in early fringe.

But they'll have to be cost effective sitcoms. So I think you'll be seeing a lot of old fashioned negotiating.

TV/R Age: What's the future for game shows?

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"Family Feud"

*Von Soosten expects
"Family Feud" to make a
dent in "Let's Make a
Deal."*

Von Soosten: They'll always be around because they attract a sizeable audience when successful, are cost efficient to produce, and if they work they're a goldmine.

I don't think that *Wheel* or *Jeopardy* will be knocked off in the near future. I think there will be gradual erosion of *Wheel* in particular, and *Jeopardy* seems to be fairly strong, so there will be opportunities for game shows in the fall of '89 and the fall of '90, but I think *Wheel* will be king of the hill for many years.

By the way, a point I stress with stations is, 'Be sure any show you buy is cost effective.' If you're going to renew a show, remember—it may not be doing the same in 1992 as it's doing in 1988 and may not be worth the same prices.

TV/R Age: Do you involve yourself in the deal the station makes with the distributor?

Von Soosten: From a program judgment point of view, yes: How will it perform. Will it achieve the goal we set for the show? If it does,

then we'll talk about the business deal.

By the way, we don't give blanket recommendations. This is very important. Some reps do give blanket recommendations, usually negative ones. We certainly will not give opinions of shows on a national basis, only on a one-to-one basis with the stations—recommended for their specific needs, or their specific market.

TV/R Age: You came to Katz from WNEW-TV New York. You're now repping WWOR-TV. Do you see any conflict here?

Von Soosten: No. Before I worked for WNEW, I worked for WDR [Now WWDR], so I'm now working for the station I started my career with back in 1966. In terms of conflict, it doesn't exist. I still have friends at WNEW. But it's a very different station now, under different ownership.

TV/R Age: But you developed WNEW's programming strategy, and now you're competing against

it.

Von Soosten: I was responsible for buying many of the shows that are now appearing on WNEW. I'm competing against myself in some respects. You work very hard for many years to build up a very strong program library, both of syndicated shows and feature films; then suddenly you're working against what you built up. That's kind of a challenge. We've worked hard here putting together a strong program schedule for WWDR. It will be a strong schedule this fall. I predict WWDR in the 1990s will become what WNEW was in the 1970s.

TV/R Age: What's your appraisal of the current movie packages being offered for sale?

Von Soosten: Certainly the majors will have packages with big titles, and some with a heavier concentration of titles than in the past because business is much more competitive. Stations are also looking for smaller packages, especially those with exploitable titles, action movies and male-oriented, because they attract an audience.

I think the impact of cable will be considerable, with major box office titles already having received exposure on pay cable and home video. It certainly lessens the value of some of the titles that have been seen often.

TV/R Age: Your department has a reputation for being tough but fair program appraisers. Do you agree?

Von Soosten: We have no axes to grind, no enemies, but we see a lot of TV shows and we have a good perspective of what's out there, of what will and what won't work. While an awful lot of it is subjective, we have so much depth of experience in this department, plus our research people, we can evaluate what's going to work and what's not going to work.

Syndicators know that we are probably the toughest stop on their rounds. So they come to us first. If they can get past us they know they've got it made, because we are the best. We ask very tough questions, we're demanding in terms of

the information we require, the explanations that we want. At the same time, we're fair. I'd speculate that there are some shows on the air today that probably wouldn't be on there if it weren't for Katz's recommendation.

There are some shows on the air probably longer than they should be because we recommended them, too. They have been cleared by our big stations. A lot of a show's success depends on which stations clear it. If a rep gets really enthusiastic about a show, it gets cleared, and we have the longest list of stations, so that makes us very important to syndicators.

I'd say we're nice guys, but not pushovers, either. Because of the role we play with our stations, we owe allegiance to them, not to the syndicators. We have to be careful of what we do. We can't recommend every show. But we have offered the invitation to many, many producers and syndicators to come in and talk to us *before* they put down anything on video tape. We say to them, "Before you spend half a million dollars, come in to chat with us about the product, and we'll offer, from our perspective, an opinion of whether the stations need this product, or whether the idea looks like it's going in the right direction." Many syndicators and producers have taken us up on this.

We kind of see things from both sides of the fence, both from the station side and from the syndication side, because we work closely with both segments. Syndicators come in here every day of the week, and though we work for the stations, we can really help guide the syndicators by telling them whether or not the market is oversaturated with the kind of show they're proposing, or maybe the market is not good for this show, or whatever.

The door is always open. Anybody who wants to come in, can. It's easy to get to see us. It's sometimes tougher to get us to recommend a show. And I think a lot of syndicators understand why we have to be tough. Sometimes they go away griping, but I think basically, deep down, they understand that there's a reason we have to be that way. And they know if they can pass muster with us, they must have a pretty good product.

We try not to be arbitrary. We try not to hate a show because of a personal point of view, nor do we fall in love with a show because some person bought us lunch yesterday. We have to divorce the personal feeling and be professionals. Some of our best friends don't necessarily produce the best shows, and some that we wouldn't spend a lot of time with often have some very good ideas.

TV/R Age: Do your stations often refuse to accept your judgments?

Von Soosten: Very few stations will argue vehemently with us. We do get into hot and heavy arguments from time to time, not with animosity, but intellectual debates.

Many of our clients are very demanding. They want more than just an "I like the show" type of evaluation. They want research to back it up. They want specific examples of similar shows, want to look at similar stations in other regions of the country. Clients can be very tough and very demanding.

And every client is the most important client. Whoever you're dealing with at that moment is your most important client, regardless of market size, or what you think of that client as a person or a company.

TV/R Age: Do you think your experience working for independents prepared you for a job that deals with so many affiliates?

Von Soosten: I came from the top indie in the country. I had to learn about affiliates. That's why it's good there were people in this department who had affiliate experience.

The team we've assembled as the seven programmers, if you take a look at their depth of experience, you see people who have worked as syndicators, programming chiefs, at rating services, some with long station backgrounds, others with the networks. If you look at the seven of us with our different experiences, you realize it's a well-rounded department, and undoubtedly the best in the business. □



"The Cosby Show"

"...I don't think we're going to see more 'Cosby' and 'Who's the Boss' bidding wars."

Big data system pays off

Reach and Frequency Media Mix didn't come easy

When Katz introduced its long-awaited Reach and Frequency and Media Mix computer packages to television stations on Sept. 9, 1987, it was as if a maestro had finally delivered his magnum opus to a waiting world. "Nothing short of technological breakthroughs," is how Katz Television Group president Pete Goulazian described them. "They establish new standards for our industry."

The two brothers responsible for the programs, Paul and Jim Belitz, president and general manager, respectively, of Katz Media Data division, admit that the work was the most difficult they had ever tackled in the 13 years they've been with Katz. The systems took a whole year to develop at a cost "in six figures" and of such complexity that, had they known about the problems starting out, they might have undertaken the task with far less relish than they did.

Still, the Belitzes say, it was worth the effort. "It will generate a great deal of money for our stations," says Paul Belitz. "It's not money Katz will share in directly because these systems will help our stations sell locally. But our whole endeavor here is to help our stations and that's what it will do."

Who else could have?

As the only rep with its own in-house data processing resource exclusively dedicated to its clients, Katz is the single entity that could have undertaken a task of the magnitude of R&F/Media Mix.

Up till last year, reach and frequency were not terms used much in TV, though every radio professional is familiar with the concept of cume audience and total impressions. Though other computerized R&F analyses had been available in TV before, they were not up to the sophistication of Katz's, which is on-line and driven by the rep's mammoth IBM computer. Previous editions were geared for PCs,

limited to about four broad day-parts, compared to 25 in the Katz system, and, most important, were generic. The Katz version is market specific.

A station salesperson can sit down at a computer terminal and in a few minutes figure out the total audience and number of impressions of a schedule with a real budget in his or her specific market. What's more, he can compare R&F by TV, radio and local newspapers.

The bottom line is that this systems allows Katz TV clients to show local advertisers that, using an alternative package including electronic media, they can reach more people, more times than by using print alone, at no added expense. By taking fewer or smaller newspapers ads and diverting that money into television, they can dramatically increase the impact of their schedules.

"Newspapers account for over half of all local advertising dollars," says Katz Television Group president Peter R. Goulazian. "Spot television, on the other hand, garners about 14% of the local adver-

tising pie. Capturing even a small percentage of newspaper dollars translates into very big dollars for spot TV."

Now that they've had a year to experiment with R&F/Media Mix, stations are ecstatic. "It's helped position our station as the consultant in the market," wrote Cliff Brown, general manager of WDAM-TV Hattiesburg, Miss. to Jim Belitz. "I truly feel R&F is the most effective sales tool WDAM has ever used." He relates how he showed a sample mixed media schedule to a local car dealer who was surprised to discover that newspapers reached only 11 per cent of his market to 98 per cent for TV. The dealer then turned over his total ad billings to the station for a two-month period. "He told me he would spend around \$200,000 this year in advertising and he asked me to develop a plan for allocating those dollars," Brown revealed.

Because R&F/Media Mix was so costly to develop, stations that subscribe to Katz's computer network pay an extra monthly fee, unlike for some other Katz-developed programs which are provided without additional cost to subscribers.

Compatible backgrounds

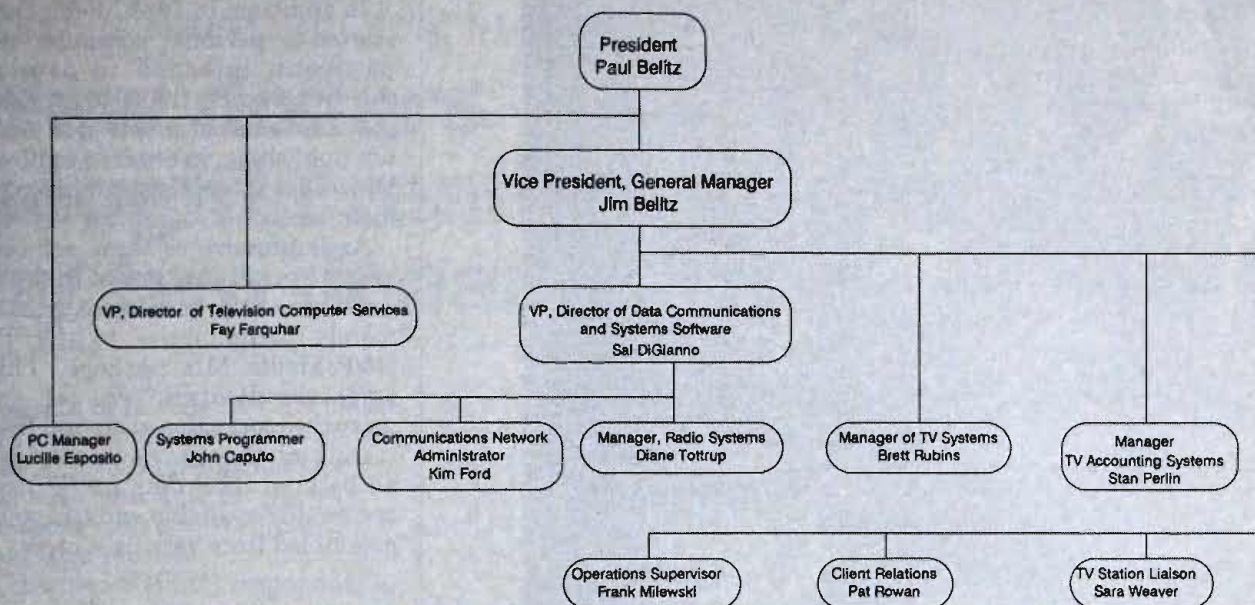
The computer network, KOSMIC, for Katz On-line Systems for Management Information and Communication, links about 100 TV stations and all 22 Katz TV and 14 radio offices with about 120 terminals in Katz headquarters.

KOSMIC was initiated back in 1975 when Paul Belitz joined Katz and began putting together the most advanced in-house computer research department in the rep business. He had been an independent media consultant with 12 years in the business. One of his clients was Katz. Dick Mendelson, now Katz president, was then vice president of operations. "He made the decision to start an in-house computer capability," says Belitz.



Paul Belitz, president, Katz Media Data, operated his own media research and time buying business, Paul Belitz Associates, before joining Katz in 1976. Earlier, he was manager of client systems for Arbitron and had experience with Bristol-Myers and IBM.

Katz Media Data Organizational Chart



The ex-consultant started working on an automated avail system by which stations could get rating information on the street within days of a sweep. About one month into the project, he realized he needed help and called in his brother. "Jim worked for a shirt and clothing manufacturer and had an accounting background," recalls

Belitz. "I had the media background." Over the objections of their mother, Jim joined the firm and the two have been making unique contributions to automation in media ever since—the "glue" that bonds the Katz effort together, in the words of one co-worker.

"Our mother was against it because our father and his brother had been in the garment business together and didn't get along," Jim Belitz explains.

Their first project was an immediate success. The on-line avails system reduced from weeks to hours the laborious task of hand-typing numbers from rating books at the most critical periods of the year—immediately after a sweep.

It was also to be one of the first applications of a philosophy that has become almost a passion at Katz—free the seller to sell. "Up to that point, what would happen," Paul Belitz relates, "when the Arbitron books came in, you'd Xerox pages, circle the numbers and type them in to get your avails. It took a couple of weeks every quarter. The reps worked nights and weekends, and on Sundays the secretaries would come in and type up what had been done during the week. You had sales people and sales assistants, college grads, doing this work. The avail system got the sales force back to selling."

"And," adds his brother, "for the

first time in years, wives and husbands got to see each other on weekends during those quarterly periods." Around the same time, Katz replaced its mainframe payroll computer with a more versatile



James Belitz, general manager, Katz Media Data, before joining Katz in 1976, was manager of retail systems for Phillips-Van Heusen. Was a computer analyst and programmer before that. Has a degree in electronics from New York Community Colleges and completed advanced studies in computers and programming with IBM.

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Reach and Frequency System is demonstrated at a client station by Media Data pres. Paul Belitz, standing r., and g.m. Jim Belitz, standing c.

IBM model which could handle some of the untested concepts the Belitz boys were about to explore. In the ensuing 13 years, the computer has been replaced five times by more powerful models. Its current memory capacity is 22 billion bytes, which will soon be upgraded to 30 billion.

All of 1976 was spent feeding Arbitron and Nielsen data into the computer. The next year, out came Katz's first avail system for radio. In 1977, a communication network was set up between Katz offices and stations, replacing TWX's

with KatzGrams. This enabled the company to use electronic mail even before the term was invented.

In the succeeding years, Media Data has turned out a staggering number of research innovations, most on-line and many unprecedented in the industry. These include, for television: an electronic rate card; a package builder, and a PC-based research and ranking system. For radio: an optimizer; an instant analyzer; an instant ranker, and a programmers' information package. For radio and TV: a contract management report system

and a management tool for tracking sales wins and losses.

In addition, in 1984 Media Data started a personal computer department, intended to develop software and do the spadework to get client stations involved in desktop publishing, in order to improve their sales promotion and management tools.

As impressive as these achievements were at the time of their appearance, they seem today to be merely preliminaries to the TV R&F/Media Mix package. This, agree the Belitzes, was far and away the most exhausting and frustrating job they have ever attempted because R&F data for TV was not readily available and had to be assembled from various sources.

Pitfalls surface

Though they knew the task would not be easy, they were unprepared for the pitfalls and dangers of this undertaking. They say they spent thousands of hours sampling Arbitron runs, and poured the equivalent of hundreds of thousands of dollars into an endeavor from which they knew the company would receive little or no compensation because its application was for noncommissionable local TV sales. "It was the first time we were ever late delivering a project," sighs Paul Belitz. "But we weren't that late," corrects his brother, "considering the complexity of the thing."

In the unencumbered Katz chain of command, no approval was necessary to get the project launched. Media Data knew it would work for stations, and that clients would make money off of it. If Katz received no reward directly, its satisfaction would come in the form of satisfied clients.

So, what's next for Media Data? Last April represented the first meeting of the Kosmic Users Committee, a group intended to identify the research needs of Katz' sales force around the country. Ideas for future projects were discussed. Paul and Jim Belitz, with their MD staff, are now evaluating the proposals. Whatever they choose to work on next, one thing is almost certain—it won't be as tough as what they just went through. □

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Group marketing in radio, television aims at those ignoring broadcast

New dollars sought creatively by two departments

Talk to anyone at Katz about the economic future of the broadcast media and the rep business, and you get essentially the same answer: "We have to develop new revenue."

"Instead of simply responding to dollars that are out there—the typical rep way of doing business—we're going to have to create them," says the president of Christal Radio, Bill Fortenbaugh. "We've talked about it and talked about it, but nobody's done a real good job of doing it."

Katz, at least, is now doing something about it.

Last fall it set up a group marketing department for radio under Susan Wagner. It followed with a similar division for television in January, headed by Cathy Egan.

The main responsibility of these two departments is simply to bring new bucks into the marketplace.

Wagner and Egan are eager, energetic, creative young women who talk about Katz's "proactive posture" in trying to find new sources of revenue and its "thinking outside the square" when it comes to pitching new ideas to prospective clients.

'Try it, you'll like it'

Their approach is similar: First, beat the bushes hard for prospects that haven't been in broadcast before, were once big spenders, or are spending heavily in other media; second, induce the new prospects to sample radio or TV; and third, keep them coming back by constantly devising new marketing ideas.

Wagner, for example, scours industry trade journals for leads. She will then make an introductory call

on a totally new client to suggest how radio might be included in its marketing scheme. She tries to find out what its goals are and then attempts to figure out some way to get radio involved.

For instance, she read about a chemical company that makes a product used in the production of boats. "I'm not even to the boat company yet, but to the chemical company, talking about driving the consumer into the boat showroom to ask for boats made with this product," she explains. "Traditionally, they've done nothing but industrial and trade advertising."



Cathy Egan, vice president, Katz Television Group marketing, was in sales and marketing with WCBS-TV New York, CBS Market Development and CBS TV Stations division. Later, was marketing director for Field Communications before joining Katz Independent Television in 1980 as marketing director. She holds a BA from Manhattanville College and an MBA from Fordham University.

She brought to radio a new customer, The Games Gang, which had come out with a new product, Falterdash. "What I did was watch the game industry," says Wagner. "It had been primarily kid-directed. Then, with Trivial Pursuit, it changed. It was no longer kids, kids, kids. More games were targeted toward the adult or the entire family, which said to me 'They're changing their marketing strategy.' It wasn't just buy Saturday morning TV any more; there's got to be a way to reach the adult consumer who's obviously in their marketing plans now. Radio became a great choice. We've been working with the client and finally the opportunity came down and was executed through our network."

Invisible spot

Egan perceived that in the past few years TV hasn't been aggressively marketing itself. At a recent workshop sponsored by the Association of National Advertisers she observed that barter and cable were highly visible, but spot was totally absent. Only two rep firms, her included, were in attendance.

Seeking advertisers who were once heavily into TV but have slackened off, or those who haven't tried the medium at all, she attempts to excite them with marketing ideas that are new, creative, innovative, even revolutionary. She will frequently suggest using TV in conjunction with other media, like radio or print, even involving unconventional marketing stimuli like interactive phone lines or computer messages.

For example, she proposed to the maker of a suntan protection product a campaign that rolled out as the seasons changed. As the weather grew hotter, the message would change, too. Customers could use a special telephone line to find out what suntan index was required for their type of skin under changing conditions.

She tries to tie together seemingly diverse advertisers in ways that no one may have thought of before—a toothpaste, for instance, with a photography company for a "pretty smile" contest.

Of course, marketing media to prospective clients is nothing new.

Rather than try to convince the agency planner or buyer to include their media, Egan and Wagner go directly to the advertiser.

Associations like Radio Advertising Bureau and Television Bureau of Advertising have been doing it for decades.

The difference with the Katz effort is that it can suggest specific marketing plans, including stations, networks and media combinations that the generic media promoters can't. Observes Wagner: "If I go to see someone I can say, 'I represent WOR, WPAT, WRKS, WNEW, WABC, etc.' That elicits a certain response. When I say 'I have that kind of audience available to you, not just in New York, but in Los Angeles and Chicago and Detroit, Dallas and Houston,' that makes a certain impression."

Advertiser-directed

Another area in which the Egan-Wagner tandem may differ from others is the targets which they approach. Rather than try to convince the agency planner or buyer to include their media, they tend to go directly to the advertiser—the product manager, brand manager or director of marketing. "We were so busy servicing and calling at the agency level that very little time was spent with the client," says Wagner.

"Our counterparts in print do an excellent job of covering the client, and I think that's why they have such a splendid posture in the media market. I don't think radio, or even TV, has done a great job, but

we're trying to fix that."

Where did the broadcast media fail? Possibly they got a bum reputation because of their internecine competitive nature. As Wagner puts it: "Someone running to the advertiser waving call letters, screaming 'Why didn't I get bought?!'"

Katz's approach is designed to eliminate this vision, so that neither advertisers nor agencies seem to object to a rep calling on clients. "I've had agencies invite me along on client calls," says Wagner. "They've been very productive because most agencies realize this is a joint partnership."

Not always, of course. "In some cases, agencies may think of us as adversaries, but we're really partners," she believes.

Nor have all advertisers been receptive. "I've had people who flat out just won't see me," Wagner continues. "I think that's crazy. If you have somebody who's going to enhance your business position, it would seem to me you ought to see them."

Egan says the reception she's received from agencies has been encouraging too. In fact, a Benton & Bowles account exec told her recently that one of her suggestions was the "best idea I've heard TV



Susan Wagner, vice president, Katz Radio Group marketing, joined Katz in 1983 after stints with Fairleigh Dickinson University and as director of music/drama for the Department of Defense in Europe. She holds a BA in music from Syracuse University and an MA in marketing from Fairleigh Dickinson.

When approaching a prospective new client, both Egan and Wagner attempt to find out from the start what the client's marketing objective is.

people come up with in 10 years."

Perhaps one reason agencies don't appear to mind a rep talking to their clients is that in recent years lots of dollars that used to go into traditional advertising have been shunted into sales promotion, which is not commissionable. Says Wagner: "We try with our proposals to get everybody involved: client, agency, marketing, sales promotions, other media."

When approaching a prospective new client, both Egan and Wagner attempt to find out from the start what the client's marketing objective is. Then they try to attack that goal as imaginatively as possible. Each will then sit down with her marketing staff and brainstorm some possible solutions. They will then put together a plan that might suggest budgets, markets, media, promotions, incentives, tie-ins with other products, and any other considerations that might satisfy the goal.

Getting the idea accepted and included in budgets has been the obstacle so far. Though Wagner reports that she can take responsibility for about \$4 million in new business over the last 10 months, it's been a slow, tedious and often frustrating job. "It isn't the instant gratification you get selling spot day to day," she states. "But we can no longer sit and wait for the avail bell to ring. We're no longer just salespeople. We're marketers. So, we're in for the long haul." □

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BROADCAST SERVICES OF STAUFFER COMMUNICATIONS, INC.

Sales research provides tools

There are magic numbers for even the weakest station

One philosophy that has made Katz the most successful rep in the business is this: Free up the salespeople so they can sell. This means providing them with the best sales tools they can get and turning them loose at the agencies.

Katz Television sales research provides these sales tools. Robert Einhorn, who took over as head of this department in 1979 when it had about 20 people, now supervises 53 people.

"We're not developing new dollars; we're not trying to get new business into markets," says Einhorn. "Our main thrust is to help the sales people to bring in the most dollars on the buys that are up."

The current selling environment puts pressure on sales research in a way that didn't exist when he started out. "The tougher the business is, the more pressure there is on sales research to come up with new selling ideas," he says.

Close-in servicing

Sales research works with all three Katz TV divisions. Each of the 14 sales teams has a research team working directly under it and dedicated to its stations. The research unit consists of a manager and one or more analysts. The researchers work closely with the sales manager to provide the data this team needs, based on the demands of the sales force. The total sales research effort falls under the national sales manager, rather than the research department, and provides its reports to all 22 Katz offices rather than just the New York headquarters.

The size of each SR team varies according to the TV division to which it is attached. Those who work in the American division (affiliates in markets 1-50) are divided into the five research teams to match the five sales teams in the division. Each team has a research manager and one analyst.

The continental division, which consists of six sales teams, has a similar number of research teams with two managers and 12 analysts (two per team). The Independent division consists of three sales teams supported by a like number of research teams, each with a manager and three analysts per team.

Bob Einhorn, vice president, sales research, Katz Television Group, came to Katz in 1972 from ABC Television Network affiliate relations. Was an account executive and sales researcher before becoming research vice president in 1981. He has a BA from Syracuse U. in television and radio and an MA in communications from Columbia University.

The basic tool that SR produces is a breakout report used by sales to produce station avails to meet the requests of agency buyers. By program and selling block, this report tracks a one-year history of the station's performance and estimates the next two quarters, program by program and block by block. It also contains similar information on the competition. "Our job here is to maintain the estimates and put in the selling comments or whatever is useful to help the sales person sell those spots," notes Einhorn.

Katz's size comes into full prominence at this stage. Observes Einhorn: "At most reps, the researcher would sit down in front of a CRT terminal and put in all the back data himself. But we have a separate department called television computer services (TCS), which reports to media data, not to research. Their responsibility is to create all the back data. Then research gets it and we put in the estimates and comments."

What this separation of labor does, Einhorn emphasizes, is "It frees up the researcher to work on research, instead of spending all his time in front of a CRT."

Katz's SR operation is also among the fastest in the industry. Only three days after the end of a sweep period estimates are in the hands of the sales staff. "So research now has more time to analyze the results of the sweep and produce more sales pieces, attend more book review meetings and be available to the sales manager on more special projects," Einhorn points out.

Producing individual sales pieces for Katz stations is another major function of sales research. The department turns out between 7,000 and 8,000 one-page documents a year which dramatically demonstrate the individual strengths of Katz stations.

Each piece positions the station's strength against its competition. County coverage, audience growth, daypart dominance, demographic leadership and special opportunities are some areas which might be targeted for these quick-take reports. SR has its own desktop publishing staff which now creates about one-third of them on personal computers and prints them out on the latest laser color printers. Most take the form of striking graphs or charts which the salesperson can use when talking to an agency buyer or leave behind after his visit.

Keeping it simple

"The idea is to try to get a point across as quickly and as clearly as possible," says Einhorn of these sales flyers. "A buyer is not going to spend a lot of time looking at a long, complicated piece. He just doesn't have time. So you have to make the point very clearly and effectively, try to get their attention and get out. Almost as the buyer is throwing it out, they're getting the message."

The challenge is to find the right story to tell in these few seconds. "What we're trying to do is come up with the highest number on these estimates that we can justify," Ein-

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WRALTV 5

horn says. "If we can convince the buyer to give us a 10 rating instead of a 9, we can get more money for it. If not, we want to make it realistic enough so the buyer feels we're not throwing baloney.

"Our goal is to put out useful material. The last thing you want to do is put out material for the sake of putting out material. So we try to gear in to what our salespeople need and what their problems are. That's what our people are constantly instructed to ask: 'What do you need; what's your story?'"

The types of materials required by Katz's three TV divisions differ. For example, American, composed of large market affiliates, needs in-depth research because so much money is spent in each market. Buyers will spend more time on a buy, so a sales person needs deeper backup material to convince skeptical buyers. "Any tiny little thing that might be useful," Einhorn explains. "This program might have been inflated on the competition because of the Olympics." "Our station is picked up by cable and

"It used to be that the rep was the supplier of data. Now that buyers have their own desktop PCs, that's changing. They can get HUTs, etc., immediately. The usefulness of avails is changing. We're having to look at what we can supply that they can't get elsewhere."

theirs isn't; any little thing." The goal in selling Continental's smaller markets is to keep a buyer abreast of what's important market by market, since he or she isn't spending as much time analyzing these less-costly buys. "What we do here is provide the salesperson with information so they can talk as expertly as possible," comments Einhorn. "So the buyer might think 'You cover the market better, maybe you deserve a better cost-per-point or better percentage of the market.'"

Independents are relative. "Those that are strong and compete with affiliates, we deal with like an affiliate," Einhorn explains. "Others that are struggling we try to be more creative, so you can come up with reasons why new programming is going to do better numbers. You show station growth and project it out."

And what if a station hasn't got a particularly advantageous story to tell?

"We have a saying," says Einhorn. "You can always find a story." Here are some samples: "We're growing, so you can have confidence that if you buy the last number, at least you're going to be in good shape ... maybe we don't have the numbers, but we skew more efficiently ... Here's Simmons data to show heavy users of certain products viewing our station ... Here's a new ADI added to the county and it's effect on the market ... Here we're on cable and the competition is not."

The changing environment of tougher sales and more information is making the challenges even greater to sales research, Einhorn believes.

"It used to be that the rep was the supplier of data. Now that buyers have their own desktop PCs, that's changing. They can get HUTs, etc., immediately. The usefulness of avails is changing. We're having to look at what we can supply that they can't get elsewhere.

"Our feeling," he concludes "is we're coming up with our strengths. It's up to the competition to do the same. I like to think we do that better than they do and more often. If we do this and they don't, that puts us far ahead of everybody." □

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It's the only area where Katz sells something beyond radio, TV inventory

Sports rep activity seen offering big growth potential

Sports is one area where Katz's management is predicting major growth potential, and the only division in the company not exclusively connected with radio and television.

Andi Poch heads up this arm of Katz Independent Television as vice president and manager of sports/special sales. Formerly an account executive with Madison Square Garden, Poch claims to be a rarity at Katz: "I never schlepped a spot in my life," she boasts.

The division anticipates about \$20 million in annual sales, though it's composed of only four people. They not only coordinate sponsorships, minisponsorships and time sales for Katz-represented independent TV stations but have branched out into an area of untapped promise,

Beyond broadcast

"We have gone after the representation of teams," reports Poch. "Some, like the San Diego Padres [baseball] have taken representation in-house. They had a three-man sales staff, they knew the San Diego market, but in the rest of the country they found very quickly they needed someone else to go out and sell for them. So, we have an exclusive sales deal with the Padres, where we sell not only the TV, but all signage inside the ballpark, the promotions, giveaways and charity tie-ins.

"We took that as a model, and in every situation where we represented a station that carried a professional or college sports franchise, we went after that team. So we're selling everything from signage to promotions with almost every team that we rep. Not quite ev-

ery team, but almost every team."

The division's coup to date has been wrapping up three separate deals with the Charlotte Hornets, the new National Basketball Association franchise, which started play this November in a new 25,000-seat arena. One contract provides for Katz to be exclusive sales agent for all TV and radio time, another deal covers inside the stadium signage, and the third provides for all promotions.

"We put together really massive overall media-marketing-signage-



Andi Poch, vice president, sports sponsorship/special sales, Katz Independent Television, was with Madison Square Garden Network as account exec before coming to Katz Radio sports sales in 1982. A year later she became a sports sales exec for both radio and TV. Named director of sports sponsorship for Katz Independent in 1984 and a divisional vice president in 1986. Earned her degree in English and journalism from University of Michigan.

promotional packages," says Poch. "When people sponsor the Hornets, they virtually own that team."

In order for a team to employ Katz as its sales agent, there does not have to be any connection with a Katz-represented TV station, Poch emphasizes, though most of the time there is. "But we can handle any team that takes the rights in-house," she says. "We have pitched a couple that have done this in markets where we have nothing to do with representation. We're very close to doing this."

Team members

Among the teams Katz represents, aside from the Padres and Hornets, are the NBA's Miami Heat and Milwaukee Bucks; Major League Baseball's New York Mets, Milwaukee Brewers and Minnesota Twins (through 1988); National Hockey League's Philadelphia Flyers; Vanderbilt University basketball and football; Syracuse University basketball and Villanova University basketball.

One of the major changes in sports management over the years is the recognition by teams of the financial value of promotions. "It's not always a big profit center for the team," says Poch, "but they do it to get bodies into the seats with the merchandise giveaway. That's why a lot of them didn't charge a license fee on top of it."

Now advertisers are more than willing to pay a fee for the right to promote their product on the air and in the arena on a special night or day. Katz has earned a reputation as a leader for planning, organizing and carrying through on these promotions. The reason, says Poch, is that "It's not like selling spots and a couple of tickets to a game. We ask a lot of questions and come back with a promotion to marry up with the media."

Most of the time, Katz will handle everything from the printing and manufacture to the distribution of the giveaway item and the coupons attached.

"We go to great lengths to find, market by market, what the advertiser's plans are," explains Poch. "What makes them tick, because every package is tailor-made.

I never sold two that were alike.”

As an example, her department had been repping the Milwaukee Bucks for only a month, but in that time it had 16 promotional ideas on the table with as many different advertisers.

First order of business is to identify the client's need. It may be motivation of the sales staff, or shelf space, or consumer traffic building, product identity, public relations or image building.

The giveaway product may range from a Coke Beach Towel with coupons wrapped inside, to the Philadelphia Flyers' Youth Hockey League, which provides complete outfits for youngsters, as sponsored by Nestlé.

In this instance, for 10 weeks, the youngsters attended hockey clinics and got skates, jerseys, pucks and other hockey gear, all embossed with a Nestle Crunch logo. Parents got coupons. Katz put together the entire event as a “turnkey” package. Then, during halftime of a regular Flyers game, the youngest tots played on the ice. “Terrific” is the word Poch uses to describe the impact, from a marketing, public relations and packaging standpoint.

Illusion shattered

American Express found Minneapolis to be a priority market, but perception was that the AE card was too hard to obtain by middle class people. Also, the Twins did not accept the card for ticket purchases. This combination gave the illusion of elitism.

To solve the problem, Katz and the advertiser worked out a multi-time program. The team did a day-time businessman's promotion. Credit card billfolds were given away at a game with an AE application inside, stamped in a certain way. In the scorecard was an ad with a specially marked tearaway coupon. Then the Twins started accepting the card for ticket purchases, and tied this in with a season ticket drive, placing AE applications inside. Poch calls the results “incredible.”

For Allstate, the Padres run three youth clinics a season. Children have to come to the neighborhood Allstate location with their parents to register. They attend

baseball clinics with the team coaches (no players) and get to see a game courtesy of the insurance company. In addition to the public relations value, the promotion also generates a mailing list of potential customers.

“We're trying to think of ways to put something back in the advertiser's pocket, and that's what Katz does really, really well,” observes Poch.

“And, of course, we understand media. When teams take their rights in-house, what they generally do is price it just based on the air. They don't understand pricing and cost-per-point. People say you're not supposed to sell sports by cost-per-points, and I believe that. It's a conceptual sell.

“We're trying to think of ways to put something back in the advertiser's pocket . . .”

“But at a time when advertising dollars are being scrutinized, you still have to make it work. So, for advertisers it's refreshing for them to be dealing with people who understand those media needs.”

Continues Poch, “Teams like us because we have 22 offices and are equipped to go out and hear about every bit of potential business that's coming down from all over the country.”

Her group is important to stations too. “They go out and make commitments that cost millions of dollars to a professional team,” she remarks. “They've got to make sure they've got the guns to be out there to sell it. I know they are very dependent on us to do that, which I love and I hate. But when I'm at a game and see what the response is, what people in that city feel about their team, that excitement and enthusiasm that surrounds a local franchise—I say it's a way to capitalize on a mania that captures a local marketplace.”

Even in cases where a team experiences a terrible season Poch has

found advertisers win more often than they lose. She tells about selling a tie-in promotion to Taco Bell for the Chicago White Sox when Katz was representing WFLD-TV. The franchiser bought TV and the left field auxiliary sign, sponsored a fireworks night, contributed to charitable funds and brought a family of four to the ballpark every night.

Only the team lost

The team had a poor season and, when the station was sold the following year, Katz lost the representation contract. But the same regional manager for Taco Bell also handled Minneapolis. “When I came to see him the next year, sort of cringing,” relates Poch, “he said, ‘Let me tell you something. I got so much mileage out of that. It was the best servicing I ever had. I could see the results.’”

“People identified us with the team, and no matter how bad the team was, I was back and the first to renew.”

In addition to professional and college sports, Katz has also been pitching some major local events. It represents the Los Angeles Marathon through KCOP(TV) and last year got a corporate sponsorship from Dash, which handed out samples at the finish line.

One wouldn't normally think of linking a housewife-connected product like Dash with a sporting event, but, like many of the department heads at Katz, Poch is a creative thinker when it comes to sales promotion. In fact, she was instrumental in bringing Ivory into sports via signs in Madison Square Garden.

“Sports isn't just a male-dominated field any more,” Poch asserts. “There are others interested, not just the beers and automotives. Package goods and consumer goods are real neat to go after because they're showcased in a different way.”

Another bonus of this department, Poch maintains, is that it has helped the Independent Division sign up stations. “I know Katz has gotten representation of stations because of our efforts,” she says. “It may not be the only reason, but it's a big reason.” □

Do-it-yourself webs grow

Flexible networks offer near saturation of U.S.

Representing 193 television stations and 1,440 radio outlets, Katz virtually blankets the country, giving it a natural edge in development of unwired networks.

Back in 1984, when the rep acquired the Christal and Republic stations and their ad hoc networks, and combined them with the Katz list, what emerged was the first real Katz Radio Group Network. Three years later, the first unwired TV chain by a rep was set up as a test sample for Procter & Gamble.

Today, Mark Shottland heads up the TV web, and Bonnie Press administers the radio chain. Both insist that their networks are not intended as a way to whittle down spot rates. In fact, the TV network was offered to P&G only after the advertiser promised that the buy, estimated at between \$10-20 million, was not coming out of spot budgets, according to Katz sources.

"We're not looking for anyone who is now heavily into spot," contends Shottland. "We're looking to bring new dollars to our stations, and repackage the medium a little bit differently. We approach heavy users of network TV, cable and syndication and offer them an alternative."

Following a star

Shottland says the P&G campaign, which lasted six months, produced "very good results" and reportedly was "extremely smooth-running." Since then, United Artists put the network to use with some imagination: It bought 161 Katz stations for the film *Big City, Bright Lights*. The producer mainly bought spots in *Family Ties*, which features the film's star, Michael J. Fox. The theory was that viewers of the series would follow the star into movie theaters. Unfortunately, notices on the film were disappointing, and when the movie vanished from theater screens, so did commercials from the TV screen.

Currently, Campbell soups is using the TV network in late fringe, linking 184 stations. "Campbell's agency, Ogilvy & Mather, has always been in the forefront of looking at new and different ways to buy time and package it," says Shottland. "I'm not sure how they positioned it to the client, but obviously they saw something new and very good there and were asked to make a buy. I think the client is anxious to see how it works out, and if it does, I'm convinced they will make more use of it."

As is the case with the longer-running radio web, the TV version offers advertisers almost total saturation of the country (91 per cent of TV homes vs. 99 per cent of radio listeners over 12) or any configuration of stations for regional exposure.

To date, the television buys tend to favor near-saturation of the country, while radio buys are more pinpointed. The largest radio buy to date has been 429 stations, Press reports. Most of her buys are for a

specific number of markets—the top 50 or top 100, for example.

The advantages of unwired over traditional webs is that the ad version can be more flexible. An advertiser may mix and match—markets, dayparts, programs, formats, demographics, regions, anything he wants, and still save time and money on one-invoice billing and single payment. He provides one copy of the commercial and cuts one check, just as with an ordinary network buy. Katz assumes the responsibility for feeding the spots to the stations either by satellite or tape and then pays the stations for their time.

Simplicity and ease

"What we're offering," says Shottland, "is the simplicity and ease of execution of the network buy plus the flexibility of spot."

Some of the longtime users of the radio network include the Footlocker division of Kinney Shoes, Gulf, Chevron, Frito-Lay, J. C. Penney, Sears, Hallmark, Universal and Columbia Pictures. Last year's billings amounted to \$65.5 million in 284 separate campaigns, according to Press. This year, through August, 272 campaigns have produced \$64.4 million. "Obviously," she says, "it's an expanding area."

Regionalization is perhaps the most common use advertisers have for one of the unwired webs. "Regular networks offer regional networks too," concedes Shottland. "However, we also offer complete availabilities all the time. With the wired networks you may not be able to get desirable areas regionally. We also offer copy splits. Campbell doesn't market soup in New England the way it markets in the southwest. Plus, there are marketers who couldn't use television because of some strange distribution pattern. Now, we can sit down and literally create a network that didn't exist before and get them into the medium."



Bonnie Press, vice president, Katz Radio Group Network, joined Katz Radio Group as account exec in 1984 from Christal Radio. Became vice president, marketing in 1985 and took on her current post in 1987. She has a BA and MA in mathematics from NYU.

Controlled distribution of gross rating points is another advantage of the unwired webs. "You can weight your GRPs, which you can't do on a traditional network today," adds Shottland. "A 7 network rating could be a 5 in New York, a 2 in L.A., and 8 in Chicago. What we can offer is a smooth distribution of GRPs by controlling the amount of weight in each market. It may take two spots in New York and one in L.A. and three in Detroit. But if you do that, then you can get an even distribution of your message."

The additional spots are factored into the cost of the network, and a post-buy analysis will confirm the distribution.

On the radio side, naturally, formats are the deciding factor in where to put weight. Since Katz may represent 10 stations in a market, the choice depends on the criteria of the buy. Explains Press: "Say you're selling Geritol. You're looking for a 50-plus audience. We would choose the stations that are oriented toward that group of people. We wouldn't include the rock-and-roll station. If it's Wrigley chewing gum or Bubblicious, we wouldn't sell beautiful music."

"So we'll start with the demographic. Then it will be further sorted down by the various other terms of the avail by qualitative information. Maybe they're looking for 25-54 adult, but they're looking for the white collar businessman who earns \$50,000 or more, has two kids, lives in a house in the suburbs and drives a Porsche. Those types of qualitative distinctions will help us select the stations."

Networks woven out of demographics is one idea the Katz divisions are selling. It could be an all-news network, all-game-shows or all-talk.

Mark Shottland, vice president, national sales projects, Katz Television Group, came to Katz from Grey Advertising in 1974. Promoted to national sales manager in Katz's American Division in 1980 and a divisional vice president in 1981. Took over as director of Katz's unwired TV network in 1987. Has a BS degree in communication sciences from State University of New York, Albany.

If there is no station in the market that meets the criteria, or if Katz does not represent a station in the market, the rep will direct the advertiser elsewhere. "The one thing we will not do," says Press, "is sell a station that we do not represent."

Networks woven out of demographics is another idea that the Katz divisions are selling. "You could set one up by teens, working women, adults 50-plus, by program or program type," observes Shottland. "You could have an all-news network, or all-game shows or all-talk."

Another advantage of the unwired webs is that they are not limited to traditional network dayparts. TV access time, says Shottland, "works well, has fairly similar programming in every market and the numbers are comparable to primetime." Next most popular periods are late fringe and early fringe, he says. When buying primetime, naturally, advertisers will get the station breaks on affiliates and in-show spots on independents. "If there's a problem, we'll look at a different daypart," he comments.

No clearance problem

Because rates are from the station's rate card, the advertiser does not have to fear his spot will be bumped if a better deal comes through at one of the stations. Notes Press: "When we sell something to an advertiser we endeavor to get him the best competitive rate on a station, but a rate that will clear. Unlike wired networks, which guarantee virtually 85%

clearance, we talk about 100% clearance. We don't have to worry about bumped spots or things like that. Once it clears, it clears.

"There will be situations where a station is just sold out. There is no time left or the daypart is not available. It will affect us in the same way it would affect our spot units."

There can be discounts, she notes, depending on such factors as demographics, time of year, number of markets and composition of markets. "You can't say, as you could 10 years ago, there's a 15% saving or a 20% saving. That doesn't hold water any more. Every opportunity depends on the composition of the particular avail."

Shottland says the unwired networks seem to get more attention at agencies when time is scarce on the wired networks. Then, he says, "you have people looking for different outlets. If the general feeling is that time is wide open on the networks, people will be very complacent. It's like an oil crisis: You wait until there is one before you buy a car that gets good mileage."

Shottland says the unwired networks seem to get more attention at agencies when time is scarce on the wired networks. Then "you have people looking for different outlets."

He thinks the best way to look at networks like those Katz offers is to think of ways to use them creatively, for their marketing value and how they can improve audience delivery, rather than as a cost-saving substitute for something else.

"We tell people, 'Use your creativity.' We're not sitting on a set of hard-and-fast rules. Because we haven't done it that way before doesn't mean we can't do it. Because we're new, we can do almost anything at this point." □

Management Services plays role in maximizing station revenues

A few years ago, many people assumed that farmers didn't watch television. Katz was looking for a way to get more national spot business for its farmbelt clients, so it commissioned A. C. Nielsen to retab its farm diaries. The retab showed that farmers did indeed watch television, though not necessarily at the same times other people do.

Katz provided the fruits of this research to its field offices and stations in the midwest. Before a year was out, sales on these outlets were up considerably—\$5 million attributed directly to the influence of this report. In its second year it accounted for another \$7 million boost, and in its third, \$10 million. Now an annual farm study is one of the major publications of Katz Management Services, the department which is always looking for new ways to provide support material to stations.

"When stations first sign on with

us," says George Feldman, who heads up this unit, "they're always surprised at the amount of material Katz gives them."

Though he admits that much of the work he turns out ultimately benefits the rep in the form of added business, he emphasizes that "this is not a profit center for Katz. It's a service that makes us a better rep."

Feldman divides his function into three areas: sales support data, used primarily at the local level; customized audience research data for both radio and TV, and management research. Here are just a few examples of the type of material his department provides, usually without cost to clients:

- Market positioning reports to increase advertiser awareness of markets served by Katz stations
- Transshipment studies, which identify location of retail and wholesale grocery store sales
- Advice on how to get a signal on

a cable system or improve channel position, and how to compete against cable sales

- Recommendations on how to negotiate network compensation contracts, with market comparisons and ways a station can better its bargaining position

- Interpretation of rules and regulations pertaining to political advertising, so stations can price spots efficiently.

In the field of customized audience research, for which stations do pay a fee, the department will take existing Nielsen and Arbitron data, which many people find hard to interpret, and tailor it to the specific needs of the station.

Katz is cheaper

Feldman says more than 70 TV stations use this kind of information to find out what combination of programs will optimize their own on-air promotions. Of course, he says, they could get the same intelligence from outside consultants, at about four times what it costs from Katz.

For radio stations, the department will customize reach and frequency data. Also, it can show which radio stations provide the best mix for TV stations to advertise on.

In the area of management research, Feldman's people will track affiliate switches, facilities changes or any competitive event in a market.

Among the most useful work it turns out is revenue forecasts which will project a station's business three and five years into the future, based on 23 revenue forecasting models which the department has developed.

"We're continually coming up with new things to help stations do a better job," says Feldman. What can broadcasters look for in the future as aids to running their operations? These are some of the concerns that Feldman says he's considering: the impact of high definition TV, industries not utilizing TV, localism and improvement of station image, results of campaigns combining TV with other media, and impact of remote control devices on commercial tune-out. □

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WGGB-TV

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Plugging up the holes

New business effort aimed at 19 missing markets

Paul Arnzen is Katz's "point man" with television stations. Not just the stations Katz represents, but those in the markets where the rep has "holes." He's vice president of new business.

Presently, Katz represents TV outlets in 193 of the 212 markets in the country. It's blank in Washington; Cleveland; Houston; Tampa; Oklahoma City; Flint, Mich.; Rochester, N.Y.; Tricities and 11 lesser areas.

"These are some pretty big markets," declares Arnzen of the top bunch. "Washington and Houston, between them, that's \$250 million total billing. In a five-station market, your share is 20%. It's not hard to get up to \$700 million that we could compete for."

Mergers, acquisitions and trade-offs account for Katz's absence in these markets. "Every time a station is sold, things change," Arnzen explains. "Relationships that are older tend to be favored. When they buy a station they look for old relationships, so that makes for change in the business."

Welcomed to the fold

Washington (WTTG) and Houston (KRIV) are Fox stations now, formerly owned by Metromedia, which was a longterm Katz client. When Fox bought the group in 1987, it spread representation among a number of Katz's competitors after a disagreement over commission rates. "We replaced them with others," recalls Arnzen. "One year we lost Fox; the same year we picked up United."

In that coup, Katz took over representation of the Chris-Craft-United combine, which included KCOP Los Angeles, KBHK San Francisco, KPTV Portland and KMSP-TV Minneapolis. Then it replaced its biggest loss, WNEW-TV New York, when it landed WWOR-TV.

When trying to lure a group or station into Katz's camp, Arnzen

says, "We try to tell them what makes Katz unique from the run-of-the-mill rep. And we've been very successful at doing that." Since he started as Katz's main headhunter in 1984, 69 stations

"This is always a combined effort between myself and the division president and also includes Pete [Goulazian, president of the TV group]. A lot of people are involved once I make the contact. Many

"One seller doesn't handle a large market affiliate which has a \$5,000 late news spot and a small market which has \$200 spots. The salesman's naturally going to gravitate to the larger rate."

have been added to the fold, representing gross billings of \$339 million.

"We will visit them several times even before we get a presentation date," he says, describing his *modus operandi* to woo a new client.



Paul D. Arnzen, senior vice president, new business, Katz Television Group, before coming to Katz in 1984, was general manager of WNYT-TV Albany, N.Y. and station manager, WCCO-TV Minneapolis. Sold for KDFW-TV Dallas, WPRI-TV Providence and John Blair Co. Holds a BA from Nasson College, Springvale, Me.

times it's made by somebody else and I start the followthrough process. But it's a team effort—never just one person who goes out and wins a station."

The main presentation takes about four hours. In that span Arnzen will cover the gamut from past to future—from Katz's long history to where growth is coming in TV. But the main part of his presentation centers on what he calls "the specific uniqueness of Katz."

He talks about the TV group's three operating divisions, which allow for "purity of sell." He explains: "One seller doesn't handle a large market affiliate which has a \$5,000 late news spot and a small market which has \$200 spots. The salesman's naturally going to gravitate to the larger rate."

"We don't mix independents with affiliates. The salesman's not put in the position of having to argue the case for one today and the other tomorrow. The guy is telling a consistent story. That is purity of sell, and we're unique in that in the rep business."

He stresses Katz's support units, such as its media data and marketing departments, which would be impossible for a rep to sustain were it not for Katz's "critical mass" of 193 stations. "We feel our size allows us to offer services that no

Harvesting agriculture dollars

In the 30 years that the National Association of Farm Broadcasters has been giving out its annual Meritorius Service Award, only one rep has won it. That was in 1983, and the recipient was Glen Kummerow, vice president and director of agricultural sales for Katz Radio Group.

It's indicative of Katz that it should be one of only two reps that has a fulltime agent assigned to develop more budgets for the often-overlooked area of farm sales. When the rep sees an opportunity, it darts in quickly and tries to get more than its share of business for its stations.

Working across divisional lines for the entire Radio Group, Kummerow has been able to nurture \$9 million a year in annual billings for the four radio divisions.

He's been able to do this without selling a spot. His function: Work with agencies and advertisers to plan radio campaigns aimed at farm listeners, and with client stations to help them position themselves for more ag dollars. He says he spends about 100 days a year on the road, traveling from his Katz office in Chicago to visit clients and prospective customers wherever they may be.

Once he develops a budget, he'll advise the sales managers of the Katz radio divisions, who then compete for the dollars. "Few stations are directed to the farmer," he says, "so these get a disproportionate share of the billings. My job is to get funds into farm radio, and when I do, our stations will garner the lion's share."

other rep can offer," Arnzen observes.

Then he comes to what he considers the big difference between his company and the competition—dollars. "We try to show them where we can deliver more sales. A perfect example: We are in 22 offices. No other rep has more than 17."

Washington is a case in point. Though it has no station there, Katz has five salespeople in the capital. Other reps are void there. "Any time you can become a member of that kind of advertising community, you're going to look better because when it comes to a buy, who are you going to buy from? The person who's in town calling on you all the time or some guy who's flown in from Philadelphia to cover the Washington territory?"

Specialty sales units are another factor he uses to impress prospective clients—for example, Katz

Glen Kummerow



Working across divisional lines for the entire Radio Group, Kummerow has been able to nurture \$9 million a year for the four radio divisions.

units which specialize in such areas as religious sales and direct response, again unique in the business.

"It all boils down to the dollars you get for the station and their share in the market. So you've got to have the uniqueness, the purity of sell, the marketing, the management services, where we offer an aspect that no one else has—the number of offices we have, specific game plans for reaching specific goals."

Client maintenance

Coupled with Arnzen's new business responsibility is client maintenance. "I have a specific list of clients, owners and general managers of groups we have with us, that I have to keep informed about what we're doing," he notes.

For example, it's his responsibility to let them know what Katz's marketing department is up to, or if a new media research package is ready for delivery. "Now, the division president would send a memo out on any new development, but

Coupled with Arnzen's new business responsibility is client maintenance. He has a specific list of clients he keeps informed about what the rep firm is doing.

the station people don't always read their mail," he says. "So, I have a contact list, and I keep in close touch with these people. It may be just for conversation. 'Say, I know you got a memo on it, but here's what we've done and here's the success we've had . . .' I also like to know what's on their mind and let them know we care about their business. A lot of my job is just communication."

Arnzen is one of the few people in the rep business who has had extensive station experience to go along with a background in rep sales. He started with Blair in 1966, then moved into station sales and management. He reveals: "Most people at this end are reps. Few

have worked at a station. Maybe some have been local sales people—that sort of thing—but I suspect less than 30% would have that kind of background, and probably zero have been general managers, at least those that I can think of."

Arnzen, on the other hand, was general manager of WNYT-TV Albany, N.Y., and prior to that, station manager of WCCO-TV Minneapolis.

"So, it's easier for me to communicate with the guys I'm talking to," he says. "In my job it's very important to be in on the networking of people and to know what's going on. I had a lot of good contacts when I came here, and I've got a lot more now." □

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Planning and development V.P. also oversees special sales efforts

New businesses: It's going to happen —sooner or later

One of four major responsibilities in the lap of Richard Weinstein, vice president, planning and development, is to find new businesses for Katz to get into.

He's been with Katz just over two years, and Katz hasn't gone into any new businesses in that time. In fact, Katz hasn't been involved in any significant diversification for the past decade. Still, that doesn't mean the interest is absent, Weinstein insists.

"If you hire a guy and ask him to

spend 40-50% of his time looking for new businesses, that implies the commitment to do it is there," he declares. "Then the question becomes, 'What makes sense?' So, to the extent they've hired Dick Weinstein to look for stuff, the intent is there."

Weinstein says it's going to happen, sooner or later, probably sooner—that Katz will find at least one area in which to expand. "Wherever you are in business, it depends on the personalities. If the chairman wants to get into new business,

it's going to be done. If you're too cautious, any opportunity will be turned down." Then he thinks a second and adds: "The environment here is a good one. Cautious, but a positive orientation toward finding new businesses."

Weinstein thinks that, with the maturity Katz has reached in radio and TV representation, it's essential that the company find new ground for growth. But that's easier said than done. Many of the opportunities that might fit the rep's talents would conflict with its existing business. And to venture out-



Dick Weinstein, vice president, planning and development, Katz Television Group, joined Katz as vice president, client services, after careers with Petry TV, Arbitron and as president of Birch Radio. Holds a BS in marketing from NYU and completed his post-graduate work at the City University of New York.

TO ALL OUR FRIENDS AT KATZ

*Happy
Anniversary*

**WBKO-TV
WIFR-TV
WHSV-TV**

**WTOK-TV
KHQA-TV
WBNB-TV**

The Benedek Broadcasting Group

side familiar ground would be a mistake, he feels.

On the other hand, he says, top management is determined to do something different. "In my opinion, it's almost a necessity," he says. "When you're as large as we are in representation, you can't be totally dependent on the growth of spot TV or spot radio. That is something that is very much recognized by everyone in this company from top management down. The challenge is, how do you do that and not damage your core business? But it's got to be the right time, the right place, the right situation." So far, no one has found

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"I went to P&G and a few majors out there and said, 'I'm not trying to sell you anything. Just take a look at this menu of stuff we've created and tell me if this is Marketing 101 or is it different?'"

anything that meets these criteria, he says. The other three phases of Weinstein's job are providing services to clients in the area of station trading; overseeing Katz's special sales units, such as TV market development and its unwired network; and supervising the company's corporate relations effort.

On station trading, he explains, "When we hear of stations for sale we will contact our clients who are interested in buying stations to see if they are interested in buying those stations. We see if we can make some marriages. We don't charge for that service. It's an ac-

commodation that Katz offers its clients. Obviously, what does well for our clients does well for us."

The current trading market, he thinks, will be heating up again after a hiatus of about a year. The frantic buying and selling of 1986, stimulated by tax advantages that ended that year, was followed by a period of calm in which entrepreneurs held on to their new acquisitions expecting double digit profits. That period has passed, and Weinstein says stations available for sale are at an all-time high, at least in the two years he's been active in this venture. "There are

buyers, there are sellers, and things absolutely will come to pass in the next few months," he believes.

Most of the investors interested in buying are those already in the business, he points out, rather than those on the outside who want to make a quick profit on a fast turn-around sale.

Marketing development

As to Katz's new marketing development areas, he thinks "We're on the right track. We have put together some of the most creative stuff I've seen in a long, long time. My background includes a bunch of years on the agency side, and I know this stuff would turn me on if I were back at an agency.

"I went to P&G and a few majors out there and said 'I'm not trying to sell you anything. Just take a look at this menu of stuff we've created, and tell me if this is Marketing 101 or is it different?' The response was terrific. So I say we're tracking right. It'll be a hit. It's just a matter of when, but we will hit."

The unwired network, Weinstein believes, has strong possibilities. However, he is adamant that it should not be interpreted simply as a way to downgrade spot rates. "Under no condition will this just be a translation of spot dollars into an easier way to buy our medium," he says. "We have limited who we've gone to and what we've talked about. If it's just shifting money from column A to column B, no.

"What we've seen so far is that its success is totally dependent on the tightness of network time. That's logical: If network is very tight, prices are going up significantly; then advertisers and agencies want to talk to us about an alternative.

"The networks had a terrific up-front season," he goes on to say, "a record high of \$3.3 billion. I think that period is over. We're going to go into a little bit of a lull. I don't think anybody is predicting double digits for 1989. But I think people went out to make their buys up-front, they got it at prices that were acceptable to them, and I think, if the scatter market gets real tight, the unwired network will pick up."

Congratulations on a Century of Service!



An ESOP fable: motivating Katz employees

Lots of companies have programs to encourage employees to economize on the job. No such plan is needed at Katz. The employees are on the lookout all the time for ways to save pennies. That's because every penny saved is literally a penny earned—by the Katz employees. They own the company; every share of stock belongs to them—and lower costs result in higher profits, and higher profits result in higher personal income.

Back in 1970, when the Katz family was considering ways to divest itself of ownership of what then was The Katz Agency, the Federal government was just beginning to offer tax incentives to employee stock ownership plans (ESOPs). Eugene Katz, then chairman, turned down outside offers for the company when he learned of the ESOP concept, enabling Katz to become the first company in the communications business to receive an ESOP charter.

That's why, today, when secretaries send overnight mail from New York to Chicago, before they seal the package they put out a call for other overnight mail going to Chicago. They realize the money saved will come home to each employee personally rather than show up as a number in the profit column on a year-end balance sheet, as would be the case with a privately or publicly-held company.

In-house is cheaper

That's why, too, each month Michael Packman, the company's senior vice president and chief financial officer, receives dozens of personal checks from employees. The workers are on an honor code to pay for their own personal phone calls from the Katz offices.

Katz's 100th anniversary logo was designed in-house. "We have an agency that does things like that," notes Lucille Luongo, vice president, corporate relations. "But the people in creative services said it was their job and they wanted to do it. So they submitted designs and saved us \$10,000–15,000

on what it would have cost from an outside agency.

"Those are the kinds of things people are constantly doing here," she adds. "It's not the executives telling them to use their pencils

chairman of the company right down to the mailroom clerk has a financial ownership stake in Katz.

"You can see it by talking to the employees. They are very close to the company. They feel angered

"Of course, I never heard of an ESOP until I came here seven years ago. I found out this company is really different. It's owned by all of us, not just a select few. Everyone from the chairman of the company right down to the mailroom clerk has a . . . stake in Katz."

down to the nubs but the people themselves coming up with ideas."

"Of course," says Packman, "I never heard of an ESOP until I came here seven years ago. I found out this company is really different. It's owned by all of us, not just a select few. Everyone from the

when something bad happens to the company; they take it personally."

Packman says he has no doubts this motivates them to work harder and better because "they honestly feel that helps out the company in the long run." And what helps the company shows up in their own checks at retirement time.

Each year, the company contributes about 15% of each employee's annual compensation, in the form of stock, into the ESOP trust. Only current Katz employees may own this stock, and upon leaving the company must surrender it back to the trust. Incidentally, Packman emphasizes, the employees don't have to put in a thing; the company pays it all.

When the employee retires or leaves, he or she receives a cash equivalent of the stock—sometimes well into six figures, depending, of course, on length of service and current value of the shares.

The latter figure has risen dramatically in the last five years, soaring about 75%, Packman estimates. Over the past nine years it's more than quadrupled in value.

"It's part of the function of my department to organize the paths of people when they retire or when they leave," says Packman. "And you see a lot of smiles on people's faces when they leave here with



Michael I. Packman, chief financial officer, Katz Communications, formerly with Young & Rubicam and S. D. Leidesdorf, came to Katz in 1981 as director of financial services. Named treasurer a year later and CFO in 1983. Elected senior vice president in 1985. Holds a BA in accounting from Hofstra University and is a CPA in New York.

The trust has been a model for others. The ESOP Association cited it as one of the best in the U.S.

their separation checks.”

No single employee, even chairman Jim Greenwald, may own more than 5% of Katz stock. Of course, there is a vesting schedule. After three years an employee is 20% vested, 100% at seven years.

Also, on an annual basis, the ESOP trust yields up distributions in the form of bonuses. “Everyone gets some form of bonus or incentive over and above his base salary,” notes Packman. These are performance related, and longevity with the company is factored in. Clericals generally receive from 6 to 16% of their annual salaries;

managers can get up to 25%. Administrative and clerical workers generally receive their bonus at year-end; sales people are given incentives up to eight times a year.

Once a year, each employee gets an ESOP statement indicating how many shares he or she owns, what they are worth, and to what percentage he is vested. Also noted are shares forfeited by those leaving the company and what percentage of the forfeitures the individual employee received. A total stock value rounds out the report.

Once a year also a stockholders’ meeting is held. In past years the meeting was almost always in New York, but recently it has moved to the branch locations. These meetings are videotaped so each employee can view the proceedings. During the meeting is a complete analysis of the ESOP trust, indicating where the money is and where it went, with a three-year comparison of such indicators as assets, liabilities, operating income, net income and revenues.

The trust has been a model for others. Three years ago the ESOP

Association cited it as one of the best in the country. Numerous companies have studied it and embedded examples of Katz’s operation into their own charters.

The trust has also provided funding for major acquisitions by the company in the past, such as the purchase of the Park City radio stations back in 1982.

Today, the ESOP trust isn’t used for company financing. Instead, Packman says, when a major acquisition is contemplated, management prefers to make seller-financed deals, or to loan money from Katz’s banks. Because outsiders are discouraged from participating in the ESOP trust, management tends to stay away from Wall Street financing when funds are required.

Katz ESOP standing also offers tax advantages, both to the company and to the banks with which it does business. Half the earned interest on loans to ESOP companies is nontaxable, so banks will split those tax savings with their ESOP customers, reducing interest rates. □

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12

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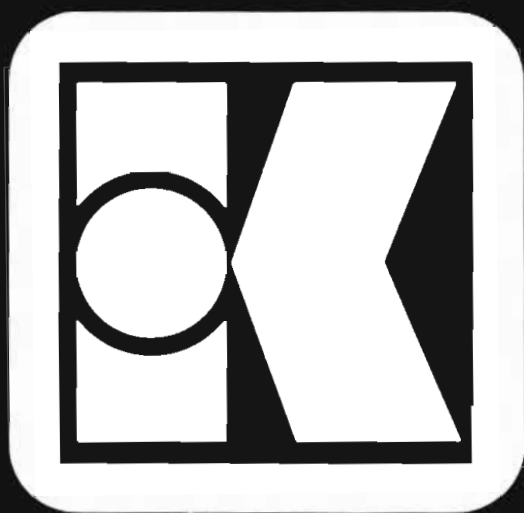
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Viewpoints

Nikolas Davatzes



President and CEO, Arts & Entertainment Cable Network, in a recent speech before the Cable Television Administration and Marketing Society convention in Atlantic City

Cable's education job includes light viewer, government officials

Continued growth is essential to the cable industry, and I believe the industry can add 10 million subscribers over the next two-year period and therefore achieve 60% penetration. The importance of continued penetration growth goes beyond the financial gains we all will accrue. The importance lies in the integration of our industry into society, making it an indispensable part of every home, like the telephone system.

Clearly, if we are to achieve the 60% penetration level in the near term we must pour enough energy and resources toward the crucial noncable consumer: the light television viewer. Research has told us that the light TV viewer can be sold on cable. These are the consumers who are seeking exactly what we have to offer—a real alternative to broadcast television. But, in the understandable push to reach and retain the mass audience, those crucial light viewers have not been dealt with in a focused way.

It's time to bring them center stage: by focusing our marketing energies on convincing the light viewer to buy cable in a way that highlights cable's benefits and differences from broadcast.

Preconceived notions

The selling strategy required is a little different than the mass-market approach used in the past. By selling cable via a needs-benefit approach we can overcome whatever preconceived notions the light viewers may have. These people tend to know less about cable, primarily because television, as a whole, doesn't interest them.

In a research study A&E conducted with Horowitz Associates, only 49% of all noncable subscribers could identify any basic cable service by name. This research clearly shows that noncable subscribers need to be educated about basic cable before they will subscribe.

At A&E we developed the "CNF," or consumer need

factor. This factor not only measures the importance of a program type but the desire of people to see more of the program type on television. Multiplying these two factors together gives a measure to operators of the programming that would attract new subscribers and thus provide the foundation for a needs-benefit sales approach.

The Horowitz study particularly singled out the following program types as the most desired: quality drama, historical documentaries, educational programs, nature and science shows, up-to-the-minute national news and improvisational comedy: subjects, by the way, that cable deals with better than anyone.

There is no such thing as a truly cable-resistant viewer. We just haven't used an approach that appeals specifically to the light television viewer, an approach that emphasizes what is different and unique about cable but that doesn't oversell.

Government relations

As for cable's relationship with government, I believe that the next administration and the next Congress is going to be less supportive of our industry. We need to prepare ourselves for a change with regard to regulation.

It's an "appearance vs. reality" game that the media and the government are playing with us. The public attitudes toward businesses like ours have been shaped by the developments in businesses not like ours. The telephone company is constantly seen as a parallel situation to cable's trend toward consolidation and vertical integration. It's not. But the appearance of power has planted an image in some minds that cable has the same kind of control that the phone company has—and that the solution is regulation.

We must counter that perception with reality. We and our public affairs professionals must continue to counter the onslaught of articles about cable's supposed "reign without rules," as a recent *New York Daily News* piece called it. And we have to keep reinforcing, both with the public and the government, that cable has made an indispensable contribution to American society. It has opened up a whole new world of information, education and entertainment.

Open market environment

In fact, a case could be made for characterizing the television industry, before cable, as an environment that suppressed creativity and diversity by virtue of monopolistic, oligarchic practices that grew from the dominance of the broadcast networks.

Today the open market environment has encouraged both program suppliers and cable operators to devise innovative programs that promote education, cultural enrichment, health awareness, participation in our democracy, and much more.

Finally, I believe the next 24 months will see a continued effort to improve customer relations. Consumer rates can continue to rise. The key to justifying these increases rests with making our consumers aware of the value of cable—as a source of quality entertainment, education and information, and as a positive community resource.

Programming

Hersch forms financial company specializing in entertainment

Stuart Hersch, former CEO and chief financial officer of King World Productions, has formed an entertainment financial company with Stephen I. Diener, former head of Heron Communications. The new firm, Hersch, Diener, Raphael & Co., will specialize in providing financing for the entertainment, media and leisure-time industries.

The focus initially, according to Hersch, will be on television and radio broadcasting, home video, motion pictures, publishing, cable TV and legitimate theater businesses located in the U.S. and abroad.

The new company's other principal is Allen Raphael, a former entertainment portfolio manager and senior research analyst with Soros Fund management. Raphael will be managing director of the new

Company explores purchasing some overseas assets.

company. Hersch will serve as chairman, and Diener becomes president.

Hersch, Diener, Raphael has made its initial arrangement. It entered into a joint venture with Mabon Nugent & Co., leading investment banking firm with offices in New York, Boston and London.

Overseas purchase. It's understood the new company is exploring purchasing some overseas assets.

Hersch says the investment opportunities in the entertainment business are "enormous. Newly created technologies will create many opportunities. Similarly, deregulation of the radio and television industries and growth of diversified entertainment companies overseas will impact the alignment of entertainment businesses and

the methods of financing these businesses.

"Further, the older generation of the entertainment industry 'moguls'—the pioneers of the busi-



Stuart Hersch

ness—are moving on, and the business is being taken over by a new, forward-thinking generation with their eyes on the global, fragment-

ed entertainment business."

Hersch describes the new company, as "the first-and only 'Wall Street' type firm run by experienced executives who have operated entertainment companies." He adds that the "traditional Wall Street firms are operated by invest-

Older generation of moguls is moving on, says Hersch.

ment bankers who are very qualified, yet have no understanding of the fundamentals of the entertainment business or the people in it."

Before joining King World, Hersch was a partner in the law firm of Hardee, Barovick, Konecky & Braun, where he represented clients including those in motion pictures, television and home video. Under Diener's direction as president of Heron Communications and chairman of its Media Home Entertainment division, Heron's worldwide revenues increased from \$25 million to \$200 million in less than four years.



Viacom Enterprises holds luncheon in New York announcing new first-run court show strip, "Trial By Jury," to be hosted by Raymond Burr. Burr is flanked by, l. to r., Dick Clark, executive producer, Henry Schleff, chairman and CEO, Viacom Entertainment & Broadcast Groups, and Michael Gerber, president, acquisitions and first-run programming, Viacom.

Webs' primetime soaps losing their lather

The networks, which have occasionally used primetime to introduce a new daytime soap to the widest possible audience, are having a tougher time than ever scoring with their tired primetime serials.

CBS began *Capitol*, its serial with a Washington, D.C. locale, in spring 1982 as a primetime Sunday movie, followed by its daytime start the next afternoon. ABC adopted a similar ploy with *Loving* in spring '83. Despite such sampling, the dramas have to hold their own in a very different afternoon environment. *Capitol* faded last year, and *Loving* is the lowest-rated serial on the air now that *Ryan's Hope* has been killed. *Dallas*, which 11 seasons ago brought the soap genre to primetime, enjoyed a strong 1981-82 season, averaging a 28.4 Nielsen rating and 46 share, followed by *Falcon Crest's* 21.4/37; *Dynasty's* 20.3/34; and *Knots Landing's* 17/28.

NBC at that time had *Flamingo Road* as its serial, but its 14.8/24 led to its cancellation. For a time, NBC mulled *Road* as a daytime entry.

Most ad agency media experts expect the remaining primetime soaps to continue slipping, though most of these soaps should stay strong enough to survive another season.



Buena Vista Television will distribute "Twenty Questions," new game show for the fall 1989. The new half-hour series is based on the parlor game. In the pilot episode Ilene Graff and Mike Jarrick and host celebrities including Markie Post and Harry Anderson.

'Hour Magazine' focuses on host; directed toward getting more women

Gary Collins' Hour Magazine has a new, refocused direction, stressing theme weeks as one of its major lures for attracting 18-34 women.

The Group W Productions daily informational program, now in its ninth season, has recently undergone a number of changes, explains Ron Ziskin, its new executive producer, "because the program was relatively unfocused in the last couple of years."

Now the emphasis is females, with host Collins' name as part of the show's title. For the first eight seasons the show was simply *Hour Magazine*.

"Over the years the program has been promoted as a format, rather than a personality-driven show," says Ziskin. "You can't be a program on television without being personality-driven."

In addition to new theme graphics emphasizing Collins' name, the show has gone to a quicker turnaround from tape to airdate to allow for greater spontaneity and timeliness, Ziskin stresses. The show has gone from a two-week tape gap to airtime to taping and going on the air three to five days later. The show is also now all-satellite delivered; in the past it was both on the bird and tape-delivered.

There are 111 stations airing the show; two years ago the number was 130. The falloff is attributed to new daytime strips, and to the show being shifted by some stations from access to morning time slots. In New York, for example, the show airs on WNYW(TV) at 10 a.m. and in Los Angeles at noon on KTTV(TV).

From a high of a 5 Nielsen of a few seasons back, the show's May numbers were a 4 rating, 22 share, Ziskin points out. "The ratings slipped because of new shows like *Geraldo*, shifts to the a.m. time slots which produce less audience, and the feeling the show was less focused."

Fed from Hollywood. The show is now fed from the Hollywood Center Studios to Group W's tape and satellite center in Pittsburgh, where the new *Hour Magazine* is

transmitted to receiving stations.

Ziskin, 37, who replaced Marty Berman, who had been with the program since its inception, and is now with *Geraldo*, feels theme weeks are a strong attractive element—which maintain the program's goal of providing useful information.

During the first weeks of its 39-week season of original programs, the show's themes have included parenting, sex and love, psychics and future shock. Ziskin thinks there will be no problems in creating weekly themes.

With Collins providing input on theme ideas to the five show producers, five associate producer/researchers and the one supervising producer, Ziskin says the program's seven segments provide between six to eight minutes of information per segment.



Ron Ziskin, r., executive producer of the revamped "Gary Collins' Hour Magazine," looks over a script with Collins on the set in Hollywood.

The program's regular fare of cooking and health topics remains, and will be the focus of theme weeks. The show's older audience should not be turned off by all the new elements, Ziskin believes, because "variety will always be the show's hallmark." There will also be cohosts Valerie Harper and Kitty Dukakis were the first two host/guests of the new season.

The show's director, Morris Abraham, is responsible for the "new, brighter look" and the show's uptempo pacing.

Each of the five show producers is responsible for an entire pro-

gram, including the development of themes, which Ziskin boasts, is "unlike any other strip show. For a line producer, it's difficult to concentrate on five shows. We want to hook people and not have them channel switch."

The barter show has two national minutes and 10 local availabilities per hour.

Ziskin feels the program can be as controversial "as any other daytime strip." He doesn't feel he is competing with *Oprah Winfrey*,

Geraldo or *Donahue*. These shows, he says, are personality-driven and the topics they probe are slightly offbeat—"the more provocative the better. They don't hit the 18-34 demographic every time."

Taping two shows each on Wednesday, Thursday and Friday before an audience of 110, Ziskin spends upward of seven hours a day with the program and then spends an additional six more at his second job as president of Four Point Entertainment, 4-1/2 year-old pro-

duction company whose new syndicated show via Orbis Communications is the weekly one-hour *Public People/Private Lives* with host Sarah Purcell. Since both programs feature celebrities, Ziskin plans to work out a cooperative effort in which the same crew will be used for both shows.

Doesn't compete. *Public People* airs in early fringe on weekends on 156 stations, so it doesn't compete against *Hour Magazine*. Ziskin is also executive producer of *Public People*. Is it a conflict to be exec producer of two shows for two different companies? Ziskin says no, pointing to Dick Clark, who wears that title on a host of shows.

Ziskin was executive producer for two pilots from Four Point for new season airing: *Thanks a Million*, money giveaway half-hour daytime strip through Orbis, and *American Gladiators*, an offbeat sports competition through Samuel Goldwyn.

Ziskin says he was offered the *Hour Magazine* position while talking with Group W president Derk Zimmerman and Meryl Marshall, vice president of program affairs, about some other show ideas.

R&D Network to test initial first-run strip

The King World R&D Network, an alliance formed between King World and six station groups, has developed its initial show. Called Offshore TV, the half-hour strip is designed for late-night viewing and will be given a test run on the R&D Network prior to it going into national syndication if successful. The test will be held sometime in January.

Offshore TV will be produced by Saban Productions and will appear to originate from an off-shore facility hosted by a TV pirate, played by Mark Hudson. Hudson will show rare materials from his video library which purportedly will be "transmitted" by satellite to viewers, preempting regularly scheduled programming.

The show will feature cameo appearances from celebrities, fast-



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paced comedy vignettes that parody TV shows, music, film and public figures. Among the celebrities due to make cameos are Cher, John Candy, Joan Rivers, George Hamilton, Tom Poston and Bob Eubanks. Musical talent will include Joe Walsh, Billy Vera and the Beaters, Steve Wariner and TSOL.

King World is managing partner of the R&D Network and serves as syndicator for shows that do well in their test runs. The six station groups in the Network are Gillett, Group W, King Broadcasting, Midwest Communications, Post-Newsweek and Scripps Howard.

TV, film production company is formed

An independent television and production company has been formed on the west coast by Frank von Zerneck and Robert M. Sertner. The new company, von Zerneck Sertner Films, is a member of the Movie Alliance, which distributes some of the Zerneck/Sertner product.

Initially, the company will concentrate on three areas: made-for-TV movies, miniseries and series; theatrical productions; and coventures with other domestic and international production groups on a nonexclusive basis.

The first production has already been wrapped up by von Zerneck/Sertner: *Streetwise*, two-hour made-for-TV movie starring Jennifer O'Neill, Vanessa Williams and Lisa Hartman. The movie will air on NBC in February.

Also, the company has signed a three-film deal with Turner Network Television. Projects are a film on the life of Billy the Kid, written by Gore Vidal; a film based on the life of Donald Trump; and a third project that will be announced at a later date. In development are series pilots for CBS and ABC plus several miniseries and TV films.

Syndication shorts

Qintex Entertainment's *Roller Games* has been sold to the Tribune stations and is a go for next fall. The series premieres as a two-hour live special in primetime in September. *Roller Games* is being produced by Sams/Miller Produc-

tions in association with Motown Productions.



"Roller Games," from Qintex Entertainment

Orbis Color Classics, package of 12 classic titles colorized by American Film Technologies, has been cleared in 132 markets, representing 85% of the U.S. Twenty-nine of the top 30 markets are included in the lineup.

Drew Levin, who headed The Entertainment Network which wound up in bankruptcy, has formed a joint venture, **DSL Entertainment**. The new firm has struck deals on a new series, *Smash Hits*, popular European music magazine, and with Virgin's Music Box in London to provide live music performances from around the world for a new series.

King World has sold *Inside Edition* to five more stations reaching 5.8% of the U.S., bringing the total coverage to date to about 36% of the country. The five new stations are KRON-TV San Francisco; WDTN-TV Dayton and KMBC-TV Kansas City, two Hearst stations; WCCO-TV Minneapolis and KWTV(TV) Oklahoma City, A Merv Griffin owned station.

ProServ Television has cleared more than 80% of the U.S. TV households for its lone hour show, *The Year in Sports*. First airdate is in late December. Recently cleared stations include WNBC-TV New York, KCBS-TV Los Angeles, KRON-TV San Francisco, WBZ-TV Boston, WRC-TV Washington and KXAS-TV Dallas-Ft. Worth. Barter split is 6½ minutes for local

and 5 for national. Window for airing is between Dec. 23 and Jan. 29.

GGP Sports brings world cup skiing to the airwaves for the sixth consecutive year via an eight-event, 11-hour package which begins airing in December. The package, which includes the *World Cup Freestyle Special* and President Ford's *Ford Celebrity Cup*, has cleared 118 stations, representing 73% of the country. These include WABC-TV New York, KABC-TV Los Angeles, WBBM-TV Chicago and WXYZ-TV Detroit.

Production has been completed on the pilot of *Crime Diaries*, half-hour reality-based strip to be sold by **Qintex Entertainment** for next fall airing. *Diaries* features a team of seven detectives who solve a different crime each day.

Viacom Enterprises will introduce a courtroom series, *Trial By Jury*, to be hosted by Raymond Burr. The cash-plus-barter, half-hour strip will be available beginning next fall. MTV Networks will



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handle the one-minute barter sales available in each episode. MTV has been doing the barter end for *Superboy* and *Finders Keepers* as well. Dick Clark will be executive producer, and producer/director Al Schwartz will produce *Trial by Jury*.

Claster Television's *The Glo Friends Save Christmas* has been cleared on 100 stations, reaching more than 85% of the Country. The half-hour special stars Carroll O'Connor and Sally Struthers in voiceovers as Santa Claus and Blanche respectively. Top 10 stations cleared include WWOR-TV New York, KCOP-TV Los Angeles, WFLD-TV Chicago, WTXF-TV Philadelphia, KBHK-TV San Francisco and WSBK-TV Boston.

World Television will syndicate *New Zoo Revue* worldwide and plans to produce the series next summer for first-run syndication in the fourth quarter, 1989. Also, **Barbara Atlas**, who distributed the show, has been named vice president, west coast operations, **World Television**, where she will continue to oversee the syndication of *Zoo* and **World's** other future programs.

Viacom Enterprises has switched plans on *The Super Mario Brothers Super Hour*. Originally conceived as an hour project, it is being introduced now as a half-hour strip, for fall 1989. Word is that the cut was made to accommodate the Fox Television stations, which wanted only a half-hour version.

All American Television will distribute a half-hour weekly series, *Crime Stoppers*, for next fall. It's offered via a barter split of 3½ minutes for local, and 3 for national sale. A one-hour special is set.

Zooming in on people

King World Productions has made two appointments, and **Camelot Entertainment Sales**, its barter division, has made one. At KW, **Paul G. Power** has been named director of research, and **Betsy Green** has been appointed account executive.

At Camelot, **Patty Cohen** has joined the company as an account executive. Power joins KW from Blair Entertainment where he was senior research analyst. Green has been account executive at Samuel Goldwyn Co. in New York. Cohen sold syndicated properties at Network Media Syndicast.

Dick Wollen, vice president, marketing at the **MTM Television Distribution Group**, will retire on Dec. 31. His career in the entertainment business stretches over 47 years. This includes a seven-year stint as staff writer/director at ABC; 11 years as vice president and program director at KTTV(TV); and vice president, programming at Metromedia (now Fox) stations. In 1981, Wollen joined Columbia Pictures Television Distribution as vice president, marketing, moving to MTM in 1986.

Jill Smith has been named manager, advertising and promotion, syndication, **Columbia Pictures**



Jill Smith

Television. Smith most recently was an account executive at Italia and Associates, ad agency.

Susan Thyren has been appointed manager of television at **Lee Rich Productions**. Most recently, Thyren was the liaison between development and current programs at Orion Television, working on all network and first-run product.

Jennifer Casolaro has been named sales service director at **International Advertiser Sales**. She began as an intern at Orbis Communications, and has been with IAS since its start.

Stephen Barbour has been named vice president, southeast-

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ern television sales at **Samuel Goldwyn Television**. He has been director of the area since two years ago. Previous to joining Goldwyn, Barbour was eastern U.S. production manager and director of syndication at Cascom, in Nashville.

Michael Levine has been appointed senior vice president, creative affairs at **New World Television**. Most recently, he was vice president, dramatic development. Before joining New World, Levine was director of creative affairs, current drama at NBC.

Allan Grafman has been promoted to the new position of vice president and project director at Tribune Entertainment. For the past five years, Grafman was director of business affairs. Before joining Tribune, he was vice president and general manager at Omnicom Cablevision of Illinois, a subsidiary of Capital Cities Communications.

Alan Winters has been selected as vice president, western region at **LBS Communications**. He joins LBS from Twentieth Century-Fox Film Corp., where he was vice president, strategic planning and administration, television syndication.

Lynden Parry has been chosen vice president of international television sales, a newly created position, at **Samuel Goldwyn Co.** Her background includes production work for TVE in Spain and an eight-year stint as a sales rep for Viacom International there.

Art Frankel has been appointed senior vice president, business and legal affairs at **Aaron Spelling Productions**. Frankel joined Spelling in 1986 as vice president.

He was senior vice president of administration at Lorimar Productions for three years, and vice president, administration at Fox Television for one year prior to joining Spelling.

Patricia Jennings has been selected vice president, basic cable, at **Twentieth Century-Fox** domestic syndication.

She previously was director of pay-TV for Fox, a position she held for the last two years.

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Disney Channel, looking to strengthen family image, eyes outside producers

The Disney Channel is relying increasingly on outside sources for original exclusive productions, building ties with freelance producers as part of a plan to strengthen the company's all-family image.

There was a perception the Channel was primarily for children," explains Stephen Fields, senior vice president for original programming. This year 30% of the channel's programming is original, accounting for 44% of the company's program funding. The company's projection for 1991 is for 40% original programs, costing 55% of the programming budget.



Stephen Fields

"We try to create shows that are not available anywhere else," says Fields. An exclusive Disney channel show can find its way into commercial broadcasting. *Winnie the Pooh* aired first on the Channel and then went to ABC Saturday mornings, for example. Select programs are also offered for international distribution, notably films and kids' shows but not sitcoms.

While Fields would like more shows from the Disney Studios, "they're at their max now."

Fields says a preschool half-hour strip for early mornings is in development for mid-1989 as well as a new *Mickey Mouse Club* for the afternoons, which will be shot in the company's new studios in Orlando, Fla.

The company is funding upward of 10 made-for-TV movies, including a six-hour miniseries, *Great Expectations*, produced by Prime-Time TV and Harlech TV, both

U.K. companies, for 1989.

Fields says one miniseries per season is scheduled. "We will repeat Disney's *Return to Treasure Island*, a 10-hour miniseries which debuted two seasons ago, next January."

Four original shows. There are four exclusive original shows slated for next month: *Good Morning Miss Bliss*, NBC Entertainment's debut project for the Channel starring Hayley Mills in this half-hour comedy series; *Goodbye, Miss Fourth of July*, about a family incurring racial injustice in West Virginia, produced by Finnegan Pinchuck Productions; *The Manhattan Transfer*, *Going Home*, hour concert special produced by Ken Ehrlich Productions; and *The Art of Disney Animation*, hour special produced in-house, which traces the process of film animation.

In public affairs and news, MacNeil/Lehrer Productions is devel-

oping *American Originals*, with the first hour show on Thomas Edison, airing next spring. The show is a prototype for a series the company envisions focusing on "exceptional Americans who led inspirational lives." This month a five-part examination of the legacy of President John F. Kennedy, produced by the Readers Digest Assn., airs on *Sunday Night Showcase* beginning at 9 p.m.

"During the last few years we have focused on dayparts, strengthening primetime and the post-9 o'clock periods," says Fields, who has been with the company three years. Six to 9 a.m. is programmed for preschoolers with animated shows; 9-3 p.m. is a mix of films and series for children and adults at home; 3-6 is for children, 6-12; 6-9 p.m. is for the family and 9 p.m. and thereafter is for adults.

Fields says his budgets are competitive with what's being done by the networks and syndication. *Danger Bay*, a 100-odd episode, half-hour series in its fifth season, is the company's most expensive project to date.—**Eliot Tiegel**

New 'Magoo' looking to syndication

Mr. Magoo is coming back in his fourth cartoon series next season, the syndicated *Young Magoo*, containing new episodes.

Thus UPA Productions of America's character joins the back-in-time trend that already includes *The Muppet Babies* on CBS and ABC's *Flintstone Kids* and *A Pup Named Scooby Doo*.

Young Magoo will be a "barter and cash" project for fall '89, but Hank Saperstein, UPA president, says he still is negotiating with a major syndicator, so he doesn't yet have the national/local commercial time breakouts. There will be 26 half-hour episodes.

"I guess evergreens stay evergreens," Saperstein says, noting the first *Mr. Magoo* series was syndicated for Kellogg Co., the second aired in NBC primetime on Saturday nights and the third ran on CBS' Saturday morning lineup.

These series' combined 65 episodes have been on the shelf for 3½ years, he notes. "Every four or five years I take them off the market for about three years and bring them back for a new audience." The repeat package also will be syndicated next season.

The Magoo character, whose voice is supplied by Jim Backus, is more than 30 years old, but UPA's *Famous Adventure of Mr. Magoo*, featuring the nearsighted character retelling classic stories, is 25 years old. The Yule special, *Mr. Magoo's Christmas Carol*, will mark its 25th anniversary in 1989, Saperstein points out.

There is "a possibility" that promotional and/or licensing link will be made in conjunction with these anniversary projects, he adds. Already he has had tie-in inquiries about *Christmas Carol*.

During its three decades, the durable Mr. Magoo character has been used by Libby Foods, Timex, Procter & Gamble, General Foods, the U.S. Navy and others, supported by about \$50 million in advertising, Saperstein estimates.—**Jim Forkan**

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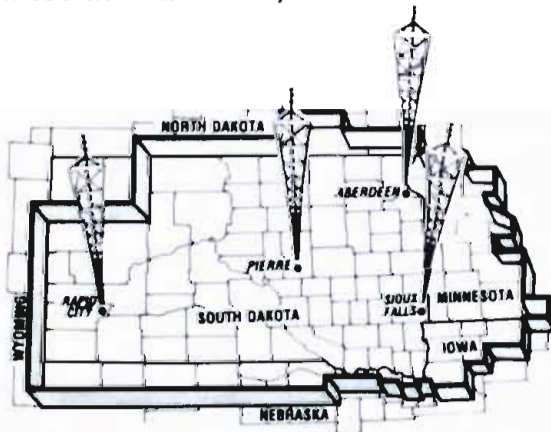
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WBRZ-TV lines up research tools to make it a marketing consultant

Splitting its sales operation into two separate divisions is only the most recent of several moves made by WBRZ-TV Baton Rouge since the local oil-based economy began to sputter three years ago, says Fred Reno, the station's director of market development.

Under the reshuffle, Reno's division focuses on specialized research and projects for clients and prospective clients. The second division, under Jim "Rocky" Daboval, handles national, regional and local sales.



Fred Reno

Reno recalls that when the local economy began to falter, "We started looking around for new ways to maintain, and if possible, add to our station revenue base."

Before that, he explains, "We had been primarily a spot sales force. We'd never gone into a marketing approach. We never had to before. But now we did. Now we wanted to become known as the marketing leader, the station in town that could help clients solve their sales problems. From then on, we've been positioning ourselves as the retail marketing consultant of Baton Rouge."

Arbitron assist. WBRZ's first new marketing tool was Arbitron's *Product Target AID*. With this, says Reno, "We can tap into all the viewing information from the Arbitron diaries. We can rearrange the numbers to come up with audience figures that aren't even in the regular book. And we can customize

those numbers to each client's problem."

After AID, WBRZ added CTA—*County Target AID*. This breaks the data out by individual county and zip code areas. And then just two months ago, the station brought in Marshall Marketing.

Looked for "new ways to build our revenue base."

Marshall's *Target Dollar\$* program works with broadcasters by surveying decision makers at the market's major businesses, then using the information collected to "turn the broadcaster into a marketing expert so he can act as a consultant and problem solver for his prospective advertisers. Marshall finds out what, when and why people shop in the broadcaster's market so the broadcaster can tell his retail prospects. "And Marshall also finds out what those shoppers watch on television, listen to on radio and read in the papers."



Jim Daboval

Reno says that outside of research, starting in January, WBRZ's *For Kids' Sake* program will be expanded to include participation and services for the entire family, including senior citizens, through Group W's *Time to Care* program. Reno says this will "offer us the opportunity to broaden our special events so more categories of advertisers can tie into them. Working for seniors as well as children, for instance, means we can organize a health fair and invite health services, pharmacies, insurance companies, and so on to come in as participating sponsors with us."

'The things we do for our viewers!'



Ready—heave! Tower crew sets new traveling wave antenna for its inch-by-inch hoist to top of tower at WHIO-TV Dayton, Ohio. Engineers say the new antenna will transmit a more uniform signal within WHIO's 30-40 mile viewing area.

KMIR-TV's cable agreement protects growth market from Los Angeles TV

When KMIR-TV Palm Springs, Calif. celebrated its 20th birthday, it was its advertisers who got the presents. President, general manager John Conte dropped charges for all spots scheduled to air on the station's anniversary date, Oct. 26.

That's what KMIR has done for its advertisers lately. But the real story is how it has all those advertisers to give a free ride for a day. It's a story of an affluent growth market and a unique arrangement that makes possible peaceful coexistence with cable in a market with high cable penetration and surrounding high terrain.

Explains Conte: "We're the NBC affiliate here. We and KESQ-TV, the ABC station, have nonduplication protection agreements with the local cable systems not to bring NBC and ABC in from Los Angeles. The only Los Angeles signals on

our cable here are CBS and LA's independents."

He adds that cable's the only way Los Angeles signals can get into Palm Springs, 120 miles distant, over the mountains: "We have two high ranges, 10- to 12,000 feet straight up, too steep to ski—the San Gorgonio peaks to the north and the San Jacinto range to the south. What we give the cable systems in return for our exclusivity is three free spots a day they can use to promote themselves any way they wish."

Conte says retail activity accounts for some 55% of KMIR's business and that national and regional spot through Seltel makes up the other 45%. "And carrying NBC, the dominant network these days, doesn't hurt."

He describes his local advertisers as "the same categories stations in

most growth markets carry: auto dealers, banks, supermarkets, doctors and personal-injury attorneys. And because Palm Springs is going through such a growth period, our advertiser base keeps getting bigger."

Conte says the market's No. 2 industry is agriculture: "I think we're the only place in the United States where dates are grown. Our Coachella Valley is a big grapefruit area, and we're the leader in seedless table grapes in terms of getting the earliest batch ripe and off to market ahead of any other grape region. All this is because of our great climate and rich soil. And we're a prime row crop source: tomatoes, peppers, carrots, and onions, among other vegetables."

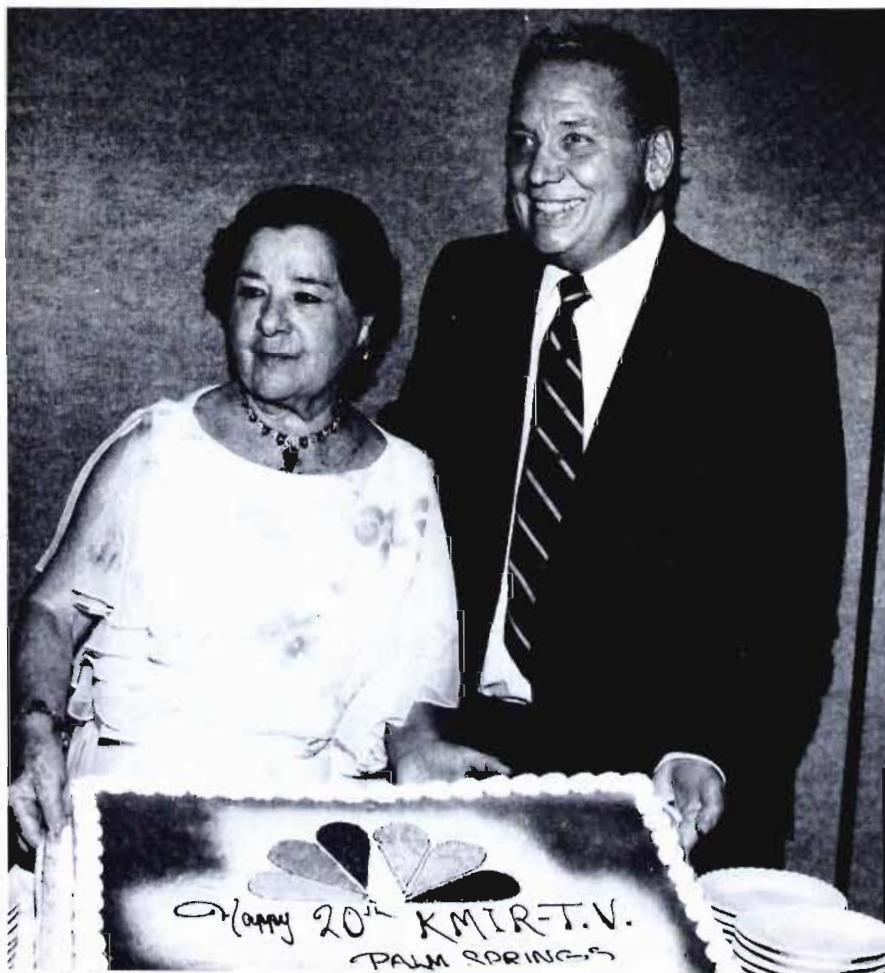
Resorts first. But the No. 1 industry is resorts. Conte reports hotel building booming and says Palm Springs "is on its way to becoming the next big new convention and exhibition center. There are now two big Marriott hotels here, Stouffer built another and Grand Champion is where they hold major tennis tournaments with world-class talent.

"PGA West is here: five magnificent golf courses laid out by the game's stars like Arnold Palmer and Jack Nicklaus. This is where they play the Bob Hope Classic every January. And now another big new development is under construction: the \$1.4 billion, 640-acre Sunterra. It's going to have 80 acres of lakes, and this is where our new convention center is going up."

As for Conte himself, he got into station management not through advertising sales but by being in front of the camera, and before television in front of a microphone on radio.

His voice was first widely heard on such top-rated network radio shows as *George Burns and Gracie Allen*, *Silver Theater*, *Screen Guild Players* and as the singing emcee on *The Maxwell House Show* with Fanny Brice, Frank Morgan and Meredith Wilson.

Conte also appeared on Broadway and bowed on television with his own NBC show for Stokeley-Van Camp. He later made numerous appearances in Max Liebman's NBC color spectaculars like *Con-*



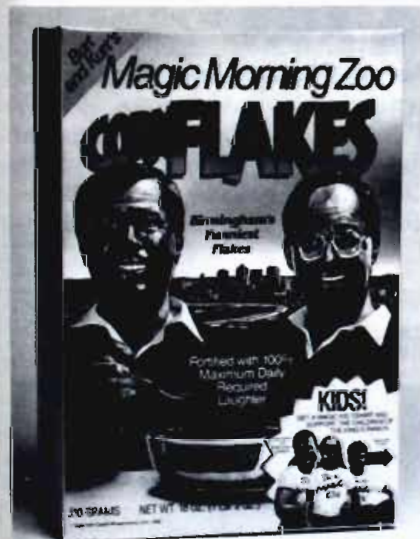
KMIR-TV owners Sirpuhe and John Conte celebrate station's 20th anniversary in affluent and growing Palm Springs.

necticut Yankee, *The Desert Song* and *The Merry Widow*.

He was later signed by Otto Pre-minger for a lead role in *Man With the Golden Arm*, which earned him a nomination by the Motion Picture Exhibitors Laurel Awards for best performance by an actor in a supporting role. Then NBC invited him to host and star in its then-new color series, *Matinee Theater*, another big award winner.

DJs' 'new product' helps WMJJ, chain help kids' shelter

Prime food store shelf space for a new product is as tough to come by in Birmingham, Ala. as anywhere else, but October was kickoff month for a new product on the shelves of 17 Food World Stores there.



WMJJ morning men become cereal men to help kids in Birmingham.

The product is a new brand of corn flakes. But instead of Olympic Gold Medal winners, the box is adorned on one side by Burt and Kurt, the two morning "flakes" at WMJJ-FM (Magic 96 FM). The other side sports an "I'm a Magic Kid" T shirt offer. For a \$5 tax-deductible donation, kids can own their own "limited edition T shirt" to show their support for The King's Ranch.

WMJJ local sales manager Dave Swiger describes the ranch as a group of homes and farms that provide "Christian neighborhoods" for

One Buyer's Opinion



Keeping delivery close to prebuy estimates

Jones

I found your article in this space, *Post-analysis: What's good for the client is good for the station*, in the Oct. 3rd issue of TV/RADIO AGE, to be exceptionally derogatory to the professional buying community.

Frank Palumbo of WSPA-TV Spartanburg, S.C., suggested that when a post-buy analysis shows an advertiser's schedule delivered more than the station promised, "Sellers should consider invoicing buyers additional dollars" on spots that overachieve the buyer's rating point goals. Then he proceeded to suggest a number of questionable statistical techniques that he implied buyers use to produce post-buy reports rigged to make rating point delivery appear lower than it actually is. In just one of several examples, Mr. Palumbo asked: "Are they assigning numbers off a share x HUT projection of two rating books? Are actual in-book deliveries used? Are they estimating delivery based on national NTI numbers?" Then he stated, "Ascertainment of [the buyers'] methodology is critical."

In another he asked, "Are they posting off of daily or weekly numbers? If they use a daily delivery in one daypart, and a five-day average in another (to skew the numbers in the agency's favor), the salesperson needs to recognize this."

It is understandable that because of his position at WSPA-TV this piece would reflect the station's point of view. But I believe the buyer's perspective also deserves a fair hearing.

The relationship between the station or the national rep firm salesperson and the buyer should be one of mutual respect. It is the buyer's *as well as* the salesperson's job to determine during the give-and-take of negotiation the total cost of a station's package and the number of GRPs it can be expected to deliver. Post analysis is the method by which both parties determine the bottom line of the previously placed and mutually agreed upon schedule.

Upon receipt of the applicable ratings diskette, our computer posts the entire market according to the spot's exact time and day to the tenth of a point. If the station underdelivers, the buyer posts each spot by hand with extra attention paid to pure program averages, break averages, daily delivery and other possible reasons for the underdelivery. A market seldom progresses through these phases without a bottom line market post in the 90-110 acceptable range.

Uncontrollable daypart HUT or PUT fluctuations from one year to the next and untimely notification of missed spots account for most underposts. Our outstanding posts, consistently between 95 and 105, make discussions of bonus weight unnecessary except in rare instances where there are appropriate reasons to do so. Because of the extensive pre-buy effort by *both* the salesperson and the buyer, such exceptional posts are the rule.

When all parties involved take the necessary time to work on their professional relationship, everybody benefits. We are in this business to sell client product and it defeats that purpose to underpost. Attention to detail and a strong bond of mutual respect between buyer and salesperson will guarantee that "*Post-analysis: What's good for the client is good for the station.*"—**Nancy J. Jones**, senior broadcast buyer, Noble & Associates, Springfield, Mo.

battered and abused children in healthy farm settings at several locations around Alabama.

Building awareness. To build public awareness of the ranch, of Food World Stores and of WMJJ, air personalities Burt and Kurt hosted in-person autograph parties throughout October at various Food World locations where live remote broadcasts were scheduled. Also on hand at the Food World locations was The King's Ranch founder, Tom Owen, who's also a weightlifting champion, to coach such "Olympic" events as corn flake arm wrestling contests, corn flake shot put contests and a flake eating marathon.

Swiger reports that today, the ranch, started in 1976, shelters some 200 children a year, with everyone pitching in and the bigger kids helping take care of the smaller ones and teaching them how to grow their own vegetables, fish and take care of the livestock. He says a dozen ranch alumni, "most who would never have had a chance to finish high school," are in college today.

Buying patterns to be spelled out in Fresno study

KSEE-TV Fresno, Calif., hopes to have research results in the spring that will allow advertisers to learn more about consumer buying preferences in the Fresno-Visalia market.

The station will explore consumers' buying patterns and the reasons behind their decisions in the study labeled Fresno Area Consumer Targeting Service (FACTS for short). It also will type the market by VALS categories. VALS is the values, attitudes and lifestyles system developed by the Stanford Research Institute. VALS data are used by national advertisers to better target their products and ad campaigns to specific groups of consumers.

Marshall Marketing & Communications, Pittsburgh, will conduct the study this winter for the NBC affiliate. KSEE says this is the first VALS research done in the Fresno-Visalia area.

Appointments

Stations



E. J. "Jay" Williams, Jr. has been elected president of the Sheridan Broadcasting Network. Williams joined Sheridan in 1986 as director of sales and marketing, and before that had been sales manager of Group W's WINS New York. Sheridan chairman **Ron Davenport** had previously held the titles of both chairman and president.

Jack Lyons has joined WIVB-TV Buffalo as director of sales. He moves in from Sarasota, Fla. where he had been vice president, sales, and before that he was sales manager at WXFL-TV Tampa-St. Petersburg.



Duane G. Kell has been named to succeed **George H. Williams** as vice president-general manager of Cox-owned WKBD-TV Detroit, when Williams retires in February. Kell joined the station three years ago as station manager.



Aaron Olander has been named general sales manager of WVIT-TV Hartford, Conn. He comes to the Viacom NBC affiliate from Cleveland where he had been national sales manager of WUAB-TV.

Country concert benefits Viet vets



From l. to r., WYNY(FM)'s Dan Daniel, Madeleine Boyer and Scott Carpenter help country star Charlie Daniels present \$24,000 check to MTV's Doug Greenlaw, chairman of the New York Vietnam Veterans Leadership Program, and NYVVLP president Gene Gitelson. Money was raised by Charlie Daniels Band concert presented by WYNY at Westbury, Long Island Music Fair.

Spotlight On...

Catherine Farrell



*President
Farrell Media Inc.
New York*

Catherine Farrell, whose firm handled campaign buying for the victorious Bush-Quayle ticket, plus the campaigns of six candidates for the U.S. Senate, six more for the House of Representatives and a referendum campaign in California, reports that for the most part, "Buying went smoothly for the 1988 political campaigns we bought for. All the reps were terrific and the great majority of stations were very cooperative. Some went out of their way for us. But a few rotten apples are threatening to spoil things for everyone."

Farrell says she doesn't want to see a return to stricter broadcast regulation and doubts many other

people do either. But she says, "When a few stations start fooling around with the campaigns of United States senators running for reelection in these stations' own states, you can bet the affected senators aren't likely to sit idly by and not take action to fix what is definitely broken."

As an example of one of the worst-case scenarios she ran up against, Farrell recalls, "We thought we had completed our buy for one senator on a particular network affiliate in one of the top 20 markets. If they were going to pre-empt us they had five to six weeks to notify us, but that never happened."

"What did happen was that we were notified by the client's campaign office that one station had cancelled most of our spots for Nov. 7, the day before election day. One was a spot in the late news that we'd agreed to pay \$9,000 for. Suddenly they said the price had jumped to \$1,900. We screamed and got them to reinstate some, but not all of the cancelled spots—not the ones they'd already sold to someone else without warning us and giving us first refusal on the new, suddenly much higher price. Another spot we'd bought for \$800 was suddenly \$2,500. There oughta be a law!"

In fact there is. But Farrell says that while the great majority of stations abide by this law, a few evade it. They can do this, she explains, "because the current law specifies political advertisers should pay the lowest preemptible rate. The evaders simply declare they're sold out. Therefore no preemptible time is available, therefore the existing law is unenforceable if a station really wants to get around it."



John Leifheit has joined KTTC-TV Rochester, Minn. as vice president/general manager. He moves in from Des Moines, Iowa where he had been station manager of WHO-TV.

John Chichester is now Detroit sales manager for the CBS Radio Networks. He had been Detroit sales manager for John Blair Co. before joining CBS as an account executive in 1986.

Jack Randall has transferred to Los Angeles as West Coast sales manager for United Stations Radio Networks. He had been an account executive with the New York sales office.



Aleta Dwyer Carpenter has been elevated to vice president, general manager of KDIA Oakland-San Francisco. She joined the station in 1981 and has been its director of news and public affairs and its station manager. KDIA is owned by **Ragan Henry** of MediaComm, Inc.

Tucker Flood has been named national sales manager at WEBE(FM) Westport, Conn. He was formerly manager of the Houston sales office of Christal Radio.

James Barker has been appointed national sales manager of WFMT(FM) Chicago. He was co-owner and operator of KKAL/KZOZ(FM) San Luis Obispo, Calif.



Gail Durham has been appointed general sales manager of KIWW(FM), Spanish language radio station in McAllen-Harlingen-Brownsville, Texas, recently acquired by Tichenor Spanish Radio. She reports to general manager **Manuel A. Escalante G.**, formerly marketing director for the Tichenor stations.

Bette MacKinnon has joined Capital Cities/ABC's WRQX(FM) Washington, D.C. as general sales manager. She moves in from the sales staff of KABC Los Angeles and before that she had been general sales manager for KDIG/KBON(FM) San Bernardino, Calif.



Reckerd



Pittman

Jerry Reckerd has been promoted to general manager of Jefferson-Pilot Retail Services. He moves up from general sales and operations manager of the group to succeed **Charlie Pittman**, now vice president, director of marketing for Jefferson-Pilot Teleproductions.

Steve Daniloff has been promoted to national sales manager at Malrite's WOIO(TV) Cleveland. He joined the station at its inception and now steps up from local account executive.

Greg Zeiger has been named general sales manager of KDNL-TV Saint Louis. He joined the station in 1985 as an account executive and now steps up from local sales manager.

Heberto Gutierrez has been promoted to general manager of Univision Holding's KWEX-TV San Antonio. He joined the Spanish language station last year as general sales manager, moving in from the Coca-Cola Fountain Division in San Antonio where he had been vice president and division manager.

Gary R. Bolton has been named vice president, general manager of WTOV-TV Steubenville-Wheeling. He had been president and general manager of WOTV(TV) Grand Rapids, Mich., and before that had been vice president, television operations for Park Communications.

Richard Ziltz has been named vice president/director of sales, Midwest Region for Westwood One Inc. As such he reports to **Greg Batusic**, executive vice president/director of sales, and will be responsible for midwestern sales of the Westwood One Radio Networks, the Mutual Broadcasting System and the NBC Radio Networks.

No quitter he



It's obviously not retirement time for Wallace J. Jorgenson. The National Association of Broadcasters joint board chairman did retire as president of Jefferson-Pilot Communications Co. upon reaching his 65th birthday on Nov. 1. But then he turned around and joined Hubbard Broadcasting as executive vice president. As such, his responsibilities include government and industry relations and strategic planning. Meanwhile, Ward Quaal will continue to represent Hubbard in Washington on regulatory matters.

Sheridan signs Chicago's WGCI AM-FM



Newest major Sheridan Broadcasting Network affiliate comes on board as Marv Dyson, seated, president and general manager of top urban contemporary combo WGCI AM-FM Chicago, signs agreement with SBN. Watching for Sheridan are, l., Thad Hill and, at r., SBN chairman Ronald R. Davenport.

Buyer's Checklist

Transactions

Anchor Media of St. Petersburg has agreed to acquire KOVR-TV Sacramento-Stockton from **Narragansett Capital, Inc.** of Providence, R.I. for approximately \$162 million, plus adjustment for working capital. Alan Henry is president of Anchor and Gregory P. Barber and Jonathan M. Nelson are managing directors of Narragansett.

Telemundo Group has agreed to sell WKAQ-TV San Juan, Puerto Rico and its related production facility to Los Angeles-based **Cohen Cassara & Co.** for \$160 million subject to FCC approval. Henry R. Silverman is president & CEO of Telemundo and Cohen Cassara is headed by Anthony B. Cassara, formerly president-broadcast group of Wometco Broadcasting Co.

Wall Street Report

Desire to acquire fuels investor interest in TV, entertainment stocks

Because so many media and entertainment companies seem to be harboring a zeal to deal, Wall Street analysts are keeping a sharp eye on stocks in that category.

Warner Communications, already a major force in filmed entertainment, music and cable, will now expand its already strong base of TV program production through the merger with Lorimar-Telepictures, likely to close by early January.

"We regard Warner stock as attractive even without Lorimar," said Oppenheimer & Co.'s Dennis McAlpine, "and view Lorimar as the icing on the cake."

Of particular importance, according to McAlpine, will be the off-network syndication sale of such rerun series as *ALF*, *Perfect Strangers* and *The Hogan Family* in 1990 and beyond.

The Lorimar deal will also "transform Warner into a major factor in the lucrative first-run syndication market, an area in which it has not been active before," the analyst observed. Such programs presently include *The People's Court*, *The Love Connection* and *Freddy's Nightmare*.

Oppenheimer projects continued growth in Warner's three main categories, "paced by the recorded music area." Without including Lorimar-Telepictures, it estimated Warner's total revenues should jump from \$3.4 billion in 1987 to nearly \$4.2 billion this year and almost \$4.8 billion next year. Net income should grow from 1987's \$328 million to \$428 million in 1988 and \$482 million in '89.

Shearson perspective

Although the Warner movie division's disappointing summer box office generated a \$20 million loss, Shearson Lehman Hutton said that was offset by an estimated \$30 million in profits from *Night Court's* syndication.

All told, eight Warner and Lorimar-Telepictures network series should go into syndication in fall '90 (*Head of the Class* and *ALF*) and beyond (probably including *Perfect Strangers*, *Hogan Family* and *Spenser: For Hire*). "Since a syndicated series can generate over \$100 million in revenues and up to \$50 million in operating income," McAlpine said, "this area can be an important source of earnings."

Lorimar also has sold two midseason replacement series—*Studio 5B* to ABC and *Adam Kane* to CBS—bringing to 14 the number of series it will supply the Big 3 networks and cable in 1988–89.

Due to a stock swap with Chris-Craft Industries, Warner also has an interest in seven TV stations: five indies and two network affiliates. Since Chris-Craft contended earlier this fall that Warner could not acquire Lorimar's five TV outlets without violating their

previous agreement, the Lorimar outlets are being sold off.

Although there will be a "dilutive effect" on Warner initially, Oppenheimer foresaw that "Warner's profits should be substantially enhanced by the merger in subsequent years . . . One should forget 1988 results and look to the future."

Citing this Warner transaction, Shearson Lehman Hutton's leisure time/media analyst Alan Kassin predicted that the entertainment and media industries are "on the verge of a new consolidation wave" similar to what the TV networks went through a few years ago. "The best way for investors to participate in this potential consolidation is by buying a package of filmed entertainment companies," such as Warner, MCA Inc. and Columbia Pictures Industries, "based on their attractive asset bases and takeover potential," as well as Walt Disney Co. and Time Inc.

"Our best guess is that after the next consolidation wave is over, five to 10 major media/entertainment companies will remain," said Kassin. Among acquisition targets speculated upon by this analyst were: Tele-Communications Inc. possibly buying MCA or Columbia; General Electric targeting Time Inc. or MCA; CBS eyeing Gulf + Western (or vice versa) or MCA; and Capital Cities/ABC mulling Orion Pictures or Viacom.

As for other speculation that Warner could enter into a full-fledged merger with Time Inc., Oppenheimer called that "remote" and said a more likely scenario would be Warner acting as a "white knight" to ward off another's hostile bid for Time.

Time performance

Looking at Time Inc., Merrill Lynch described it as "the best performing stock in the publishing group over the past year."

Time Inc.'s overall revenues should grow by 5.6% to \$4.4 billion in 1988 and 6.8% to \$4.7 billion next year, Merrill Lynch estimated, while net income rebounds by 24.4% to \$311 million in '88, after a 33.5% drop to \$250 million in 1987, and then continue climbing by 15% to \$358 million in '89. Magazine publishing alone should account for \$1.7 billion in '88 revenues and \$1.8 billion in '89, Merrill Lynch forecast, while American Television & Communications, in which Time holds an 80% stake, should swell to \$810 million this year and \$890 million next.

Were ATC, the No. 2 cable MSO, to be separated from Time Inc., "shareholders in our view could possibly realize about 75% to 80% of our valuation estimate, or \$37 to \$42 per share," the analyst observed.

Meanwhile, Tribune Co., another potential takeover target, "has done an outstanding job of managing their newspaper and broadcast operations in an adverse operating environment," said Merrill Lynch. Tribune's broadcast operating income, which rose 15% in the third quarter, with most of the gain due to the syndicated *Geraldo*, should jump 20% to \$75,500,000 for 1988. TV station profits grew slightly with only WGN TV [Chicago] posting a quarterly gain. TV stations generally "finished the third quarter on a weak note and that weakness has persisted" into the fourth quarter, the analyst pointed out.

FEEDBACK

How do you feel networks and stations should be expected to handle political advertising that they believe to be false or misleading? Do you see any measures that were called for in the last election?



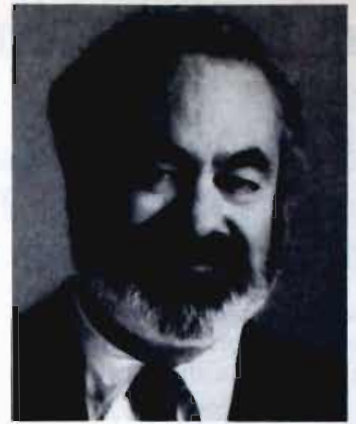
"It would be better for the electorate if political advertising would now come under the same laws that are required of commercial advertisers. Initially, Congress felt that the free unfettered flow of ideas would be in the public interest. Today, with the growing importance of television in influencing the political process, this past election has seen an excessive amount of false and misleading advertising at the national and local level. It's got to be cleaned up."

*Geoffrey Pearce
Vice president/general manager
WYTV(TV) Youngstown*



"It's not our decision to say a statement in a political ad is true or false. By FCC regulations we are not permitted to censor paid political ads unless they are in violation of FCC regulations. There is now a potential suit in Pennsylvania where the unseated auditor general is suing the winner, claiming he was defamed. The case, if it gets to court, could result in a landmark decision which could change FCC policy. But nothing now can be done by radio or TV to change FCC doctrine."

*Clarence Paoella
General manager/general sales
manager
WICU-TV Erie*



"Political claims are much tougher to police than product claims. If a company says it's invented a cure for cancer, we have a third party, the FDA, that will tell us if the claim stands up. We can also request the company to furnish substantiation, and they provide the proof. But with political claims, current law says that if the candidate appears in the ad, broadcasters can't touch it. Legally, if he does not appear, we can. But we can't force the candidate to supply proof of what he says. And there's no FDA watchdog in politics. No station has the resources to spend days researching political claims and going back over every candidate's past voting record. The only way I see to handle the problem effectively would be to set up either an FDA-like division, perhaps as part of the FCC, or set up state bodies with research staffs to whom all candidates would be required to submit their commercials."

*Bob Morse
Vice president/general manager
WMAQ-TV Chicago*



"If you're a candidate, you have a lot of risk in putting out an ad that would expose you as a bad person. In the last election, we were inundated with long legal diatribes on both sides of all subjects. I don't want to be a referee. It would be a fulltime job handling all the propositions alone."

*Phillip J. Keller
Vice president/general manager
KXTV(TV) Sacramento-
Stockton*



"Political advertising by legally qualified candidates is protected by the 'no censorship' provision of Section 315 of the Communications Act. NBC has long supported repeal of Section 315. Only Congress, not the broadcast industry, can address the issues raised by the content of candidate advertising."

*Alan Gerson
Vice president of program
marketing administration
NBC
New York*



"The networks should avoid trespassing on political candidacy advertising. Political ads are an important opportunity for candidates to communicate directly with the American people, free of third-party editing or constraints. False claims will invariably be flushed out by opponents and by the close scrutiny inherent in a political campaign. Attempts by a candidate to deceive or failure by an opponent to set the record straight may reflect a crucial character flaw. The result of network censorship could therefore be a less informed public. The complexity of political issues also militates against network censorship. Because few of these issues are clearcut, attempts at censorship will lead to inevitable cries of network partisanship. In short, the public, the political process, the First Amendment and the networks are best served by current law, which generally prohibits broadcaster censorship of materials submitted by any candidate on a program or announcement."

*Matthew Margo
Vice president of program
practices
CBS Broadcast Group
New York*



"Speaking for myself, not for the station, it's not the responsibility of the station to edit copy. However, I feel the law should be reevaluated as a safeguard against what may be considered to be false political advertising."

*Michael Dorsey
Vice president, marketing/sales
WPLG-TV Miami*



"In the case of ballot issues, it is our practice to judge each prospective commercial on an individual basis. When necessary, we request additional information to verify the commercial's claim."

*Ron Townsend
President and general manager
WUSA-TV Washington, D.C.*

Public Affairs Directors: You Can Help End World Hunger In 30 Seconds Flat.

About 26,000 small children die every day because they don't have enough to eat. This senseless tragedy in America and around the world could end if only we could bring about the public will to do so.

You can help create this public commitment.

That's what the Campaign To End Hunger is all about. Our 30 second spots focus on the facts of world hunger. They explain how hunger is related to the well-being of all of us and that the problem can be solved if people make this issue a top priority.

In 30 seconds you can make available to your viewers our Guide To Action. Sent free of charge, this 30 page guide urges support for the many fine organizations working to end hunger around the world. A special section on hunger in America will let your listeners or viewers know how to help the hungry here at home.

Every 30 seconds, 9 to 10 children die of hunger. You can put those seconds to work. For copies of our latest spots, please write or call:

campaign to
end  hunger

2701 First Avenue • Suite 400 • Seattle, WA 98121
Telephone: 206/448-2445 or call toll free: 1-800-888-8750

In the Picture

Catherine Brower-Frangos



New media director for CPM Inc. points to the importance to buyers "of knowing all the marketing factors involved" and talks about syndication, cable and "promotion that multiplies the impact of the radio advertising."

Media service executive has worked for agencies, clients and run her own show

Catherine Brower-Frangos, new media director for CPM, Inc., Chicago, brings a broad overview of the business to the media service, developed through experience "in small agencies, large agencies, as ad director on the client side [Hasbro] and as my own boss in my own businesses."

This, she says, has added up to give her a better understanding of client needs: "Management at a lot of agencies doesn't always go out of its way to explain everything to their buyers and relate what they're doing to all the effects their broadcast schedules and the timing of them can have on what's happening at various points along the client's distribution chain."

One result, she says, is that "Sometimes you'll hear buyers telling each other how 'unreasonable' their clients are. They don't realize that some of their clients' requests that may seem unreasonable can really make good sense, even if they make sense only to people who know all the marketing factors involved."

Frangos notes, for instance, that CPM buys a good deal of spot radio for some clients but adds, "We don't stop there. We get involved with a lot of on-air promotion to multiply the impact of the straight advertising." And she points out that the radio reps' unwired networks can save buyers a lot of time and can be very effective, "so long as you maintain good internal controls."

Asked about syndication, she calls it "a fast-growing part of television, now that there are so many more independent stations that need all the good product they can get. I expect that some of our accounts will be using more syndication. Now that I'm here, I'm going to be looking over each of our accounts, see what they're doing now and try to figure out where they can do it better. Syndication gives us one more option."

Brower-Frangos adds, "The same goes for cable. We already do quite a bit of local cable placement for some of our accounts. There are options on the cable networks we'll be analyzing, and when it's right for a particular client, we'll go with it."

She feels that in light of recent industry develop-

ments, "A good media service is the right place to be—to be here for clients, especially now that some of the bigger agencies are talking about merged media operations—which they like to call "consolidated buying." When clients hear that, some of them start having second thoughts. They wonder about Agency A, say, who's had great relations with certain station groups for years, and some groups have been working with them to give them very favorable rates in some day-parts or for certain types of programming. But then when A merges its media operation with that of Agency B, is that group going to extend this same 'most favored nation' treatment to all of Agency B's clients, too? Or are they going to turn around and tell Agency A the whole deal is off for both agencies' clients?"

She adds that clients also start thinking about "all those last-minute opportunities they might miss with merged buying. What if you're a sports car or a beer at Agency A, and B also has a sports car or a beer. And the network calls at the last minute to say they just had a 30-second cancellation in the Super Bowl. Whose client gets it? There's so much potential for conflict it's scary when you really stop and think about it."

Did they give away the store?

Brower-Frangos recalls that at first she was surprised at how well the networks seemed to be doing in the upfront negotiations, "considering that they took place at a time when nobody knew when the writers strike would end and how long the new season with first-run material was going to be delayed."

"But then I started talking to some of my friends on the buyers' side of the table. Not one said they didn't get a good deal for their clients on the upfront. Now I'm still wondering how much of the store the networks had to give away and what kind of promises they had to make to come out of it looking as good as they did on the surface."

She says that, though she doesn't like to see AGB go, "Even if it can't stay, AGB didn't fight in vain. I give them a lot of credit for getting Nielsen off dead center and forcing it to make faster progress with its own people meter system."

She says that internally CPM is in the process of upgrading its computer system to meet the growing needs of its clients: "The one we're replacing was customized for this company originally, and this new one will be too. Today we're doing more network television buying than we were when the old system was designed. We're also buying more radio and more print. Our new system will have programs to handle all of them along with our billing and paying operation. And we're getting a lot of help. We have Arthur Anderson and two software suppliers as consultants on the new system."

Turning to ethnic marketing, she notes that the Hispanic population particularly "is becoming an increasingly important factor in more markets, including right here in Chicago. Some advertisers have started to address this opportunity in a common-sense way, but others still hesitate to get involved with special ethnic marketing efforts, either to the Hispanic or to the black consumer market."

Heritage Foundation's blueprint: Will Bush listen as Reagan did?

It may not have the same effect as it did on the Reagan administration, but the Heritage Foundation has drawn up plans for the communications policy it would like President-elect George Bush to follow.

Bill Russell, former FCC chairman Mark Fowler's press chief and for a while head of his congressional liaison office, has written the

FCC section of "Mandate for Leadership III," which the conservative foundation hopes Bush will use as a blueprint for his administration. The foundation generally was successful in getting the Reagan administration to adopt its 1980 blueprint.

If adopted, the suggestions would almost certainly renew ten-

sions between the FCC and Congress, only now recovering from the acrimony of the Fowler chairmanship Russell served.

In the suggested "mandate" for Bush, Russell calls for an end to "unnecessary cross-ownership rules," including telephone companies of cable systems and networks from producing TV programs. He also would have the agency remove newspaper-broadcast limits and "reexamine" newspaper-cable ownerships.

Admitting that the issue is politically volatile," Russell also would "eliminate race and gender prefer-

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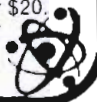
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ences." In fact, he asks the FCC to challenge a congressional mandate on the subject adopted last year. He says the commission "should refuse to apply these gender preferences in license application and renewal cases, stating its belief that they are unconstitutional."

That's just in 1989. Taking a longer look, Russell, a consultant as president of William Russell and Associates, says "the Challenge for the FCC under the next administration must be to expand upon the procompetitive, free-market principles of the Fowler and Patrick years."

He and the Heritage Foundation would deregulate even more, auction radio frequencies and simplify the renewal process.

"Serious consideration should be given to abolishing the FCC as an independent agency and transferring its functions to the Department of Commerce," the report says.

Obscenity now clarified

It is be long after the fact, but an explanation is now available of just what Congress voted on when it

added prohibitions on cable obscenity to an omnibus drug bill in the final hours of the term just-ended.

Rep. Bill Hughes (D-N.J.), chairman of the House Crime subcommittee, has inserted the "legislative history" into a special issue of the Congressional Record brought out to clean up the mess left in the adjournment scramble.

He says, "State regulation of obscene matter distributed by cable or subscription television is not preempted" by the federal law that seeks to treat cable as broadcast television is treated.

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Washington Report

Congress assignments to committees mullied; FCC a low priority

The election is over, but the game of politics never stops in Washington. Now the attention turns to speculation about who will take over what post in Congress and in the new administration being formed.

Almost all of the speculation will be just that, and some of the worst prognostications already are finding their way into media reports.

Few, if any, significant changes are expected to take place on Capitol Hill, but the direction of the FCC under President Bush does hang in the balance. Even there, however, speculation needs perspective.

Let's take Congress first. Increasingly over the past several years, incumbency has come to mean almost certain reelection to Congress. The exceptions generally are those who give up their seats to seek other offices, or who simply give up on Congress and retire.

Nowhere is the picture clearer than on the House Telecommunications subcommittee that is key to broadcasting interests.

Rep. Wayne Dowdy (D-Miss.) gave up his House seat to challenge Rep. Trent Lott (R-Miss.) for the Senate, and lost. Dowdy, a partner in Dowdy Broadcasting, was not generally considered much of a factor on the panel.

Since the Democrats increased their numbers in the House by four, there is a possibility that not only will Dowdy be replaced, but an additional seat will be opened on the parent Energy and Commerce Committee.

Energy and Commerce is a popular assignment as the subjects under its jurisdiction have an impact on just about every congressional district, rural or urban, industrial or financial.

Determining assignments

New committee assignments are determined by the Democratic Steering & Policy Committee, almost solely under the control of the speaker of the House. The committee decides in closed sessions that can get very personal whom they will recommend to the Democratic Caucus, which then will rubber-stamp them, in January.

There may be members who want to give up more senior seats on other committees to take a junior seat on a plum committee such as Energy and Commerce. They will go through the same process, but with preference.

Even before the assignments are made to fill vacancies, there may be jockeying within the committee itself for subcommittee assignments. Committee and subcommittee chairmanships are determined by seniority on the full committee, not the subcommittee. Thus, if Rep. Edward Markey (D-Mass.) were to quit suddenly, in line to replace him would not be Rep. Al Swift (D-Wash.), next in seniority on the subcommit-

tee, but Rep. Doug Walgren (D-Pa.), highest-ranking member of the full committee who does not have a subcommittee chairmanship.

That probably would occur even though Walgren is not on the Telecommunications Subcommittee, assuming he has not incurred the wrath of the full committee chairman, Rep. John Dingell (D-Mich.) in the past. Or the chairman of another subcommittee might want to switch. But Markey is not going anywhere.

Added to the already confusing mix are possible vacancies on other committees. Members serve on two and as many as three different committees, depending on whether they are considered "major" or "non-major." They may be chairman of only one, and generally the chairman of one committee does not serve as subcommittee chairman of another. Also, when making assignments, Steering & Policy attempts a regional balance. Thus, Dowdy's seat may be a "Mississippi" or "Southern" seat.

Except for replacing Dowdy and perhaps adding another Democratic seat, Telecommunications expects no changes. The Republican side would operate in much the same fashion if anyone wanted to shift panels.

Senate shuffle

In the Senate, the retirements of Sens. John Stennis (D-Miss.), William Proxmire (D-Wis.), and Lawton Chiles (D-Fla.) chairmen of Appropriations, Banking, and Budget, respectively, will lead to a shuffle.

With fewer members, a shuffle set in motion by three chairmanship vacancies can create more reverberations than in the House, making speculation almost meaningless until the first ones in line for plum posts declare their intentions. Senate Commerce and its Communications Subcommittee could be affected but probably won't be.

Downtown at the FCC, the picture is different. In the overall scheme of things, the FCC ranks near the bottom of the White House's priority list for job appointments. That is why Bush could wait a long time, even to the point of leaving Patrick where he is for awhile, to appoint a longterm chairman. Even then, the appointee may not be anyone now being mentioned as a possibility or who even has an acquaintance with the subjects the agency deals with.

A look at just the past three FCC commissioners, except for an interim appointment, tells most of the story. The current chairman, Dennis Patrick, had served a while at the National Telecommunications and Information Administration before joining the FCC. But, more importantly, he had been previously in the White House personnel office, which makes appointment decisions on the FCC level.

Fowler was named after serving on the Carter-to-Reagan transition team and had been active in Reagan's election campaign. Charles Ferris was without a job when former Sen. Mike Mansfield (D-Mont.) retired from the Senate as majority leader, where Ferris was right-hand-man. The Democratic leadership in Congress got Ferris an interim job on the staff of then-Speaker Thomas P. O'Neill and then persuaded Carter to name him FCC chairman.—Howard Fields

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