

Television/Radio Age

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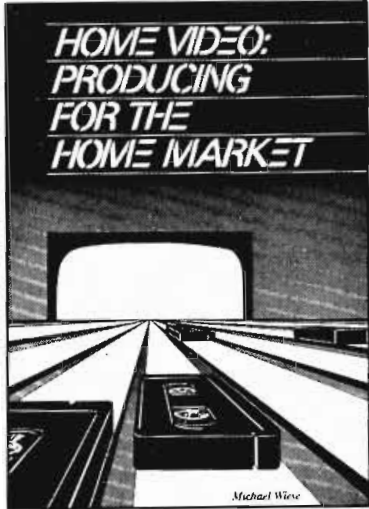
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Television/Radio Age

May 1, 1989

Volume XXXVI, No. 20

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Penny Daniels, host of Inside Report.



MIAMI 7:00 PM M-F APRIL 1989



*Airs as Inside Story on WSVN.

Source: NSI, HH Ratings, 4/3 through 4/14 1989.

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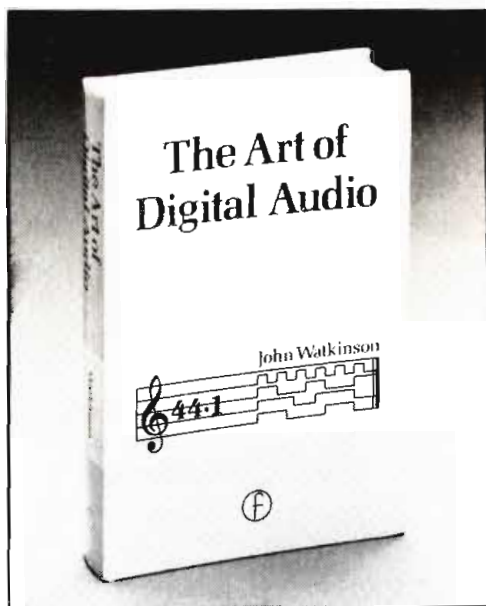
Once upon a time in Chicago, a local Oprah beat a national Donahue, and a bit of syndication history was made.

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REPORT

formerly Inside Story

The latest April ratings show Inside Report with a 67% advantage over its local news lead-in, a 59% advantage over A Current Affair, and 328% over This Evening.

And its demos are even more dramatic—tying and, in some cases, beating Wheel of Fortune in women and men 18-49 and 25-54.

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Climate for station acquisitions considered cloudy but not stormy

There is a pronounced shift in broadcast investment in the past 18 months, according to some of the leading industry brokers.

For example, at Broadcast Investment Analysts, which recently acquired the appraisal and consulting firm of Frazier, Gross & Kadlec, BIA president Thomas J. Buono points out that the perceived risks of AM radio and independent TV stations have dramatically reduced their value. But he adds, in his company's *1988 Broadcast Financial & Legal Services Guide*, that AM stations, firstly, can be profitable for certain types of programming—and that the AM spectrum has inherent value for nonconventional broadcast purposes.

In FM, Buono says, the most significant threat to existing FM stations is additional FM competition, considering the FCC allocations for 700 new stations: "An increase of just one station in some markets represents a 15% increase in competition."


According to *Insight*, the newsletter of Communications Equity Associates, radio station values today vary from about 7.5 to 10 times cash flow. It adds, "Recent multiples have been around 10, thanks to a low prime rate. The exception is AM radio, where values continue to sink as eight out of 10 listeners leave AM to tune into FM stations."

TV stations. While the highly publicized failure of some independent TV operations has led to a drying up of sources of investment dollars available for independents, according to Buono, there is a "window of opportunity" for investing in independent TV: "The venture must be properly capitalized, and investors must be capable of surviving the next few years of excessive program liabilities. Improved profitability for most independents is approaching, and this industry segment will be more attractive within the next couple of years."

CEA's experts say independent stations are currently selling at cash flow multiples of eight to 10. It notes that values of both affiliates and independents have softened during the past 16 to 18 months, with affiliates, which had earlier sold at 12 to 15 times cash flow, now selling at multiples of 10 to 12.

In Buono's view, "The perceived value of network-affiliate television stations has risen in the recent past. However, we view the high prices being paid for affiliates more as a response to the caution surrounding the acquisition of independent stations, rather than as an improved outlook for this segment of broadcasting. Supply remained essentially the same, but demand shifted."





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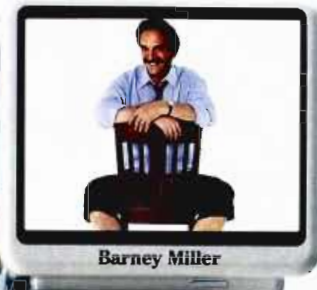
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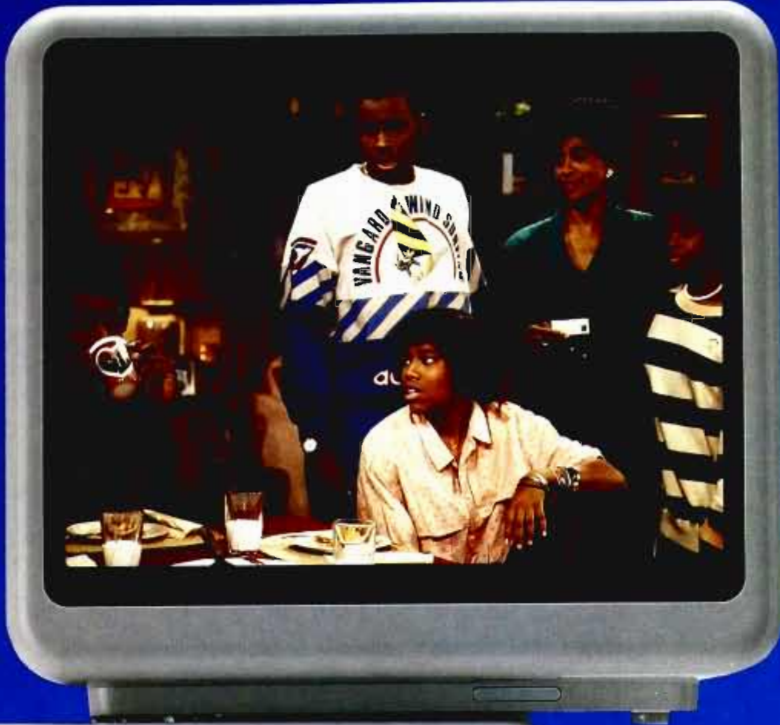


Independent Appeal



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**THE ELEMENTS
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Sellers' roles spelled out in Group W \$350 million station purchase

Group W describes its \$350 million proposal to acquire the radio stations owned by Metropolitan Broadcasting Corp. and Legacy Broadcasting as an acquisition. But Robert F. X. Sillerman co-chairman with Carl Hirsch of Metropolitan and Legacy, sees the move somewhat differently.

Says Sillerman: "This is anything but a sale. I'm taking no cash off the table. And it's not an acquisition by Westinghouse. It's a merger."

The way Sillerman describes it, "Westinghouse will contribute its 14 radio stations, worth approximately \$300 million, and Metropolitan and Legacy will contribute their 10 stations, worth approximately \$400 million, to a new company with an approximate value of \$700 million. I will hold a substantial equity in the resulting much larger radio company. That makes our merger with the Westinghouse radio group a contamination of our companies' expansion in the radio broadcasting business."

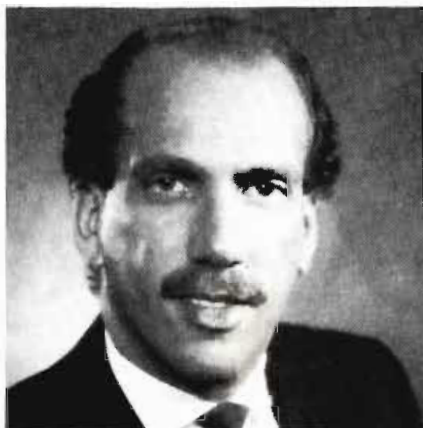
More equity. Sillerman concedes, "It is true that the equity held by Westinghouse will be larger than ours because our \$400 million worth of assets is subject to more obligation. There are unique synergies created by combining Legacy and Metropolitan Broadcasting's strength and expertise in FM stations with Westinghouse's acknowledged leadership in AM radio. This combination would create the financial wherewithal to repurchase the Metropolitan debt, which has been the subject of recent speculation and concern."

Repayment of substantially all the public and private debt of Legacy and Metropolitan, including successful repurchase by Metropolitan of its outstanding publicly traded senior and junior subordinated debentures at a price not to exceed \$135 million (if 100% of the debt is repurchased) is among the conditions to which the transaction's closing is subject.

Meanwhile, Group W says that "according to industry estimates,"

the combination of these stations would create "the nation's largest non-network owned radio station group. The newly configured Group W Radio would be second only to the ABC Radio Station Group in annual sales, according to industry estimates. Mr. Sillerman and other Legacy shareholders would retain a minority interest in Group W Radio and it is anticipated that Mr. Sillerman would become a board member of Group W Radio."

Sillerman says his function as board member "will not be day-to-



Robert F. X. Sillerman

day hands-on management. It will continue to be the same as it has been as a member of the management of Legacy and Metropolitan: My active and ongoing participation in conceptual planning and in planning the merged company's long-range strategy."

Sillerman adds that all of Legacy's and Metropolitan's stations are operating profitably: "All are doing well, though of course, some do better than others. Some operate ahead of projection; others aren't doing quite so well as expected. But all operate in the black."

Larger strategy. Group W describes the proposed transaction as part of a larger growth strategy for Westinghouse Broadcasting "through value-enhancing acquisitions and internal new business development within each of Group W's segments: Group W Television, Group W Productions, and

Group W Satellite Communications, as well as Radio."

Group W spokesmen note that adding the Washington, D.C. and Detroit markets to Group W Radio would give the company stations in nine of the top 10 U.S. markets, excluding only San Francisco, and that Group W radio coverage of the U.S. would rise from 29% to approximately 35%.

Further, says Group W, the combination of Group W Radio and the Metropolitan and Legacy radio stations "would bring Group W Radio to a size and diversity that would make entry into the radio network and program syndication businesses economically feasible."

The transaction would also, continues Group W, create combination AM-FM selling opportunities in New York, Los Angeles and Philadelphia—"which has become an attractive buying option with advertisers."

Adding some Diversity. The move would also add format and geographic diversity to Group W Radio by adding youth-oriented AOR stations and the "new age" music format to the successful all-news, full-service and music formats currently programmed by Group W Radio.

Group W also says that under the terms of the agreement, "The financial structure of the acquisition makes the cost of acquisition favorable to Westinghouse and of full value to Metropolitan/Legacy investors."

Under terms of the agreement, Group W would acquire WNEW-FM New York, KTWV(FM) Los Angeles, WMMR(FM) Philadelphia, WCPT/WCXR(FM) Washington, WLIZ(FM) Detroit, KILT AM-FM Houston and KDWB AM-FM Minneapolis-St. Paul.

Group W Radio would be required to divest one of two Houston FM stations to satisfy FCC ownership rules. The company intends to petition the FCC for a waiver to operate WMMR(FM) Philadelphia, where Group W currently owns an AM radio station and a television station.

(Final Edition continued on page 24)

Two-way transmission of digital HDTV between U.S., Japan mulled

A two-way transmission of digital high-definition TV signals between the U.S. and Japan is being considered in the wake of a successful transmission test from the U.S. to Japan. The new experiment, tentatively scheduled for this summer, would involve simultaneous transmissions and might take the form of a conversational video-conference.

The initial 1,125-line transmissions, which represented the world's first international broadcast of a digital HDTV signal, took place over a two-week period between April 3 and 17 and involved both live and taped material. It was a joint demonstration by Comsat, AT&T, Intelsat and KDD, Japan's counterpart to Comsat. The signal was uplinked from AT&T's Triunfo Pass, Calif., earth station, via an Intelsat satellite over the Pacific, to two small KDD antennas in Tokyo, one measuring 2.6 meters (about 8.5 feet) and mounted on a van.

The demonstration. Voice contact during the demonstration indicated that the Japanese were pleased with the reception, according to a Comsat spokeswoman. Program material, sent out the nights of April 12 and 13, included welcome messages from U.S. executives, an excerpt from the CBS TV movie, *The Littlest Victims*, and an HBO comedy special, both shot in high-definition; and live performance by an Elvis impersonator, dancers and actors. The U.S. executives were Dean Burch, Intelsat director general; Bruce Crockett, president of Comsat's World Systems Division, and Rod Sturm, AT&T director of international marketing.

A key link in the transmissions were state-of-the-art, high-speed, digital modems designed and developed by Comsat. Betty Alewine, vice president and general manager of Comsat's Intelsat Satellite Services (ISS) unit, says the modems were designed specifically to handle such broadband applications as HDTV.

The modems transmit signals at a data rate of 140 million bits (megabits) per second, the equivalent of sending the entire contents of 10 500-page novels in one second. They allowed the HDTV demonstration to be carried on a single 72 MHz transponder.

Live action, including scenes at Malibu was picked up by an Ikegami camera, which spewed out 600 megabits per second. This was compressed by a KDD DITS (digital transmission standard) codec to 140 megabits.

Time tops list of cable spenders

Time Inc., which ranked fourth in spending by cable network clients last year, was first during the opening month of this year. Broadcast Advertisers Reports estimates for January also showed that Procter & Gamble, which was No. 1 last year, came in second.

The top 10 cable network spenders in '88 were, in order, along with the BAR estimates: P&G, \$30.2 million; Philip Morris, \$23.1; Anheuser-Busch, \$21.4; Time, \$21.2; General Mills, \$20.1; Kohlberg, Kravis, Roberts, \$17.3; Eastman Kodak, \$11.0; Clorox, \$10.2; Mars, \$10.0; Chrysler, \$9.5.

Top 10 cable web clients—January

Parent company	January expenditures
Time Inc.	\$2,896,980
Procter & Gamble	2,661,954
General Mills	1,862,613
Philip Morris Cos.	1,436,287
Kohlberg, Kravis Roberts	1,338,361
Anheuser-Busch Cos.	1,217,299
Mars	1,079,975
General Motors	970,469
Johnson & Johnson	903,406
Heinz	796,883

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Top advertisers on network TV show big increases

Most of the top 10 network TV advertisers in January showed sizeable increases over the year-before month, Broadcast Advertisers Reports figures show.

The biggest percentage rise was

Top 10 network TV clients—January

Parent company	January expenditures
Procter & Gamble	\$38,730,700
General motors	36,883,800
Philip Morris Cos.	27,727,000
Kellogg	21,272,800
Anheuser-Busch Cos.	21,249,200
Unilever	19,553,600
Ford	19,390,200
McDonalds	18,318,500
Coca Cola	18,264,400
Kohlberg, Kravis, Roberts	18,225,100

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racked up by Kohlberg, Kravis, Roberts, which was up 409.3%, primarily due to its acquisition of RJR Nabisco. Another big increase was scored by Coca Cola, which rose 168.1%.

Two of the top 10 were down—Kellogg by 1.8% and Anheuser-Busch by 7.4%. Both were up by modest amounts during 1988.

Procter & Gamble buoyed. Procter & Gamble, which was off slightly during last year, was up by 9.8% in January, making it the No. 1 network TV client for the month. General Motors, which boosted its network billings from \$272 in million in 1987 to \$443 million last year, continued to climb with an increase of 17.9%.

The other four top 10 were Philip Morris, up 40.4%; Unilever, up 1.6% (but down in '88); Ford, up 53.9%, and McDonalds, up 33.9%.

(Final Edition continued on page 20)

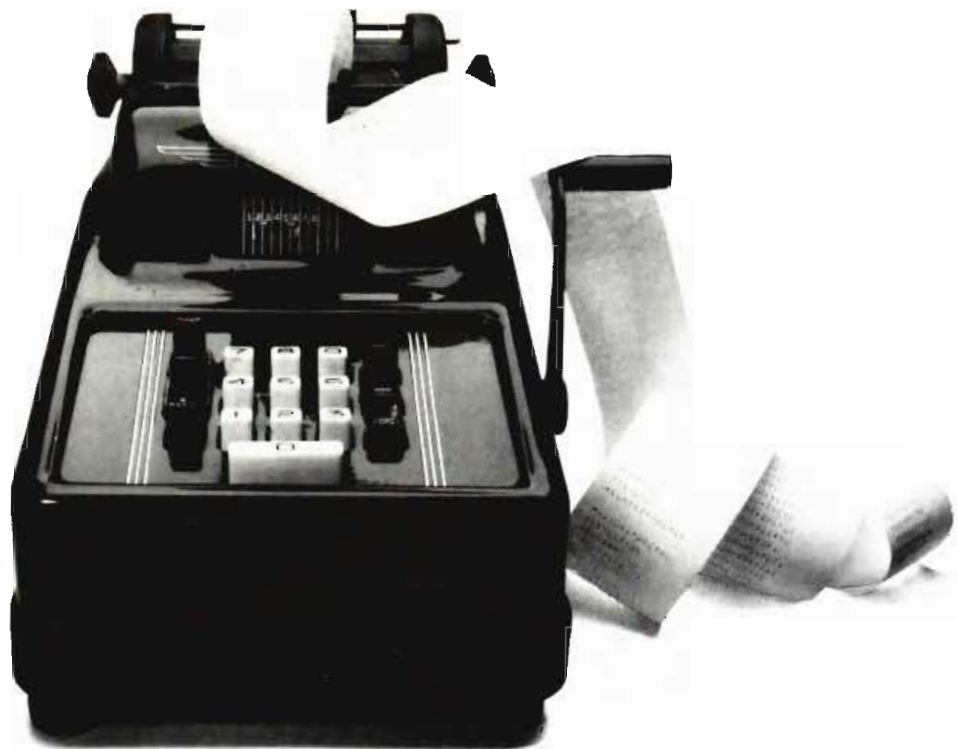
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Rosenfield says HDTV, DBS to become factors in 1990s

High-definition TV and direct broadcast satellites will not seriously affect the conventional broadcast and cable industries before 1995, but during the second half of the decade they will both begin "to broaden the television landscape."

These predictions were delivered yesterday (April 30) by James Rosenfield, chairman/CEO of John Blair Communications, who moderated a panel on the future of TV at the 67th annual convention of the NAB in Las Vegas. Rosenfield's



James Rosenfield

predictions were based on an updated study of TV's future by Wilkofsky Gruen Associates, whose original study, commissioned by Blair, was published last November in association with Smith Barney (see TV/RADIO AGE, Nov. 14, 1988).

Rosenfield estimated the price of an HDTV home receiver in the early 1990s to be between \$2,000 and \$4,000, but said "more affordable" sets will be on the U.S. market after 1995.

"I personally believe," he stated, "that DBS will come sooner than we think and that by 1995 its impact on both broadcasting and cable will begin to be felt in important ways."

Rosenfield said that pay-per-view TV, pay digital radio and other electronic distribution, such as downloading software, will in-

crease the viability of the core DBS package. Break-even could come with as few as two million homes, he maintained.

The Blair chief declared that 12 channels of sufficient power to be received on small dishes in half the U.S. makes the economics more viable than ever. Only two birds would be required to cover the U.S. and "only" about 150 watts of power per tube, he said.

Record-breaking auto \$\$ on TV may be topped in '89

The record-breaking expenditures for automotive advertising in TV last year may well be topped this year, particularly in spot. Television Bureau of Advertising reported last week that for the first time in TV history, auto makers and their dealer associations spent more than \$1 billion in both spot and network advertising.

Now Blair Television reports an upturn in spot TV spending by domestic auto manufacturers after a "reasonable start at the beginning of the year." In the rep's quarterly newsletter, *Blair Outlook*, Bill Breda, senior vice president/general sales manager, notes that with '89 auto sales below those of '88, "the Big Three domestic manufacturers are boosting spending in the second quarter in order to move an oversupply of cars. In addition, foreign auto manufacturers' spending will be particularly robust, led by Nissan, which is shifting \$35 million into spot TV from print."

Network milestone. TvB/BAR figures show that auto advertising in spot last year was \$1,227.3 million, while network expenditures were \$1,207.4 million. Last year was the second in which spot attracted over a billion dollars in auto spending, but the first for network TV. In addition, local auto dealers in 75 top markets spent \$379.8 million.

TvB said that over the past five years auto advertising in spot has

risen 237%, while network spending has gone up 93%. Last year auto network billings were up 29.5%, spot was up 11.3% and local was up 2.2%.

ITEL, Target work out film distribution deal

In what the distributors have described as an unusual arrangement, London-based ITEL and Target International Pictures will be working closely together on distribution of the movie, *Conspiracy*. The film will be released this summer.

"Target had all media worldwide rights to *Conspiracy*," explains ITEL head of sales, Peter Rogers, "but recognized the value of working with a company which is more familiar with television distribution." As a result of extensive discussions, ITEL has obtained international TV rights to the film, except in those territories where Target is forced to make an all-media deal.

ASAP, ASTA to work together

The newly formed Europe-oriented Advertising Supported Allied Programming barter consortium is joining forces with the hitherto U.S.-oriented Advertiser Syndicated Television Assn. in hope of educating Europeans on the merits of barter.

George Back, president-elect of ASTA and also president of All American Television, New York, said at his MIP-TV stand in Cannes, France, last week that he met with members of the six-company consortium, consisting of three U.S. and three British distributors. Still other discussions are planned in the near future, in New York and England, he added.

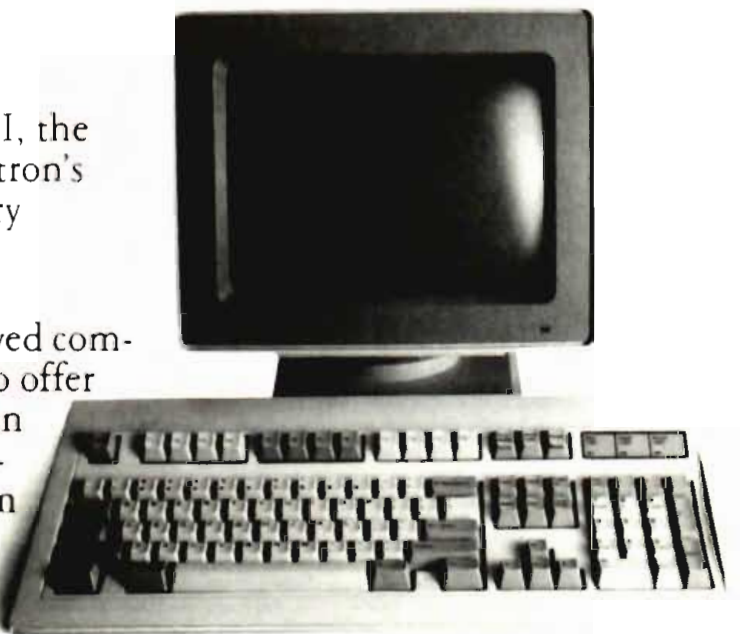
Back agreed with the ASAP partners that increased barter distribution in Europe is "inevitable—it's just a matter of when it'll happen." That growth should begin in two years or so, he felt.

ASTA's role will primarily be in the form of seminars and presentations, Back said.

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Boston's 3 network affils ran own race for marathon news, ads

In one of the more unusual live sports coverage arrangements, the three Boston network TV affiliates cover the annual Boston Marathon in tandem, but each races to sell its own commercial time.

Each presumably makes a profit, since the trio shares the production costs.

The Boston Marathon—or the John Hancock Boston Marathon, as it's been known since the insurer recently became the event sponsor—has been covered by all three network affiliates in Boston for the past “five or six years,” according to one Boston TV exec. All three outlets pool the coverage and split the production costs, says Tony Vinciguerra, WBZ-TV's general sales manager.

Each of the three stations—WBZ-TV, the NBC affiliate; WCVB-TV, the ABC affiliate; and WNEV-TV, the CBS affiliate—sells its own roster of sponsors in the live coverage and peripheral programming. Besides John Hancock, the major sponsor on all three stations' coverage, WBZ's Vinciguerra listed Toyota, Dodge dealers, DHL Worldwide Courier Express, Miller Brewing Co. and Midas-International Corp. among his station's six coverage sponsors on April 17. In addition, those same marketers bought time on WBZ's pre- and post-race specials, he noted.

Six-digit revenues. The marathon generates “in the mid- to high six figures,” the WBZ-TV sales exec discloses, and is profitable for the station.

At WNEV-TV, Haig Sarian, local sales manager, said local accounts in the 93-year-old event were Hancock—“the big baby of the market” as the event sponsor—plus Pizza Hut and Cadillac. Mike Wach, national sales manager, says the national clients included Hyundai, Adolph Coors Co. and Tropicana Products. Those advertisers also were in this station's pre-

and post-race specials, the execs added.

WCVB-TV's Deborah Sinay, vice president and general sales manager, was unavailable for comment.

WBZ-TV's pre-marathon special, anchored like the live telecast itself by sports director Bob Lobel, aired on April 15 at 8 p.m. (ET), preempting NBC's 227. The race on April 17 ran approximately from noon to 3 p.m., during which time the men's and women's winners emerged from the pack of 6,200 runners. WBZ went on the air at

During the marathon, WBZ-TV used more than 60 on-course spotters to offer mile-by-mile updates along the 26-mile course.

11:30 a.m. with a look at the leading contenders and a segment on a wheelchair race.

During the marathon, WBZ used more than 60 on-course spotters to offer mile-by-mile updates along the 26-mile course. This so-called “WBZ-TV Spotters Network” proved “highly effective” last year in supplying information on the leaders and on race developments occurring outside camera range, says Stan Hopkins, the station's news director. WBZ also used expert commentators Grete Waitz, Katherine Switzer and Frank Shorter. In addition to its cameras along the race route, WBZ used two helicopters and several mobile units that tracked the leading male and female racers. Ethiopia's

Abebe Mekonnen won, with Norway's Ingrid Kristiansen the top woman to finish.

Nationally, the 93rd Boston Marathon was covered live by cable's SportsChannel America.

In the post-race phase, WBZ-TV covered the awards ceremonies and other festivities on its *Live on 4* newscast at 5:30 p.m., coanchored by David Wittman and Suzanne Bates. On the *Evening Magazine* program, WBZ's Sara Edwards then did a live wrapup of the race from the official marathon party.

Japan's Asahi aids NBC in race

America's Ekiden, billed as the world's longest relay race at just over 26 miles, was covered live from New York by Japan's TV Asahi—which then had to help NBC-TV, covering the same event on a three-hour tape delay for the U.S.

The Japanese network had to supply NBC with footage of the race's start, because NBC had missed that portion when rainy conditions prevented it from using helicopters as planned for aerial coverage of the opening minutes of the Sunday afternoon race.

Ron Tarasoff, vice president of production at Times Square Studios, New York, who was in charge of the technical aspects of the coverage for both broadcasters, says that TV Asahi “had a hard line in” and thus had a perfect signal at the start of the second annual event. NBC inserted the Japanese footage into its delayed telecast and, Tarasoff noted, only sharpened viewers might have noticed something odd: Flashing numbers in the upper right hand corner of the TV screen, a tally of the passing seconds that was used only in the TV Asahi telecast.

The race, which drew entrants from all 50 states plus eight other nations, was Times Square Studios' biggest assignment yet, Tarasoff says, involving five helicopters, four mobile units, 26 cameras and a crew of more than 200.

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"Speaking for Everyman: Ian
McKellen Celebrates Shakespeare's
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KMOX Radio, St. Louis, MO for
"Hate Crimes: America's
Cancer."

National Public Radio,
Washington, D.C. for "Cowboys
on Everest."

BBC World Service for Africa,
London for "Nothing
Political/Mandela at 70."

KTAR Radio, Phoenix, AZ for
"The Impeachment of Evan
Mecham."

WPLG-TV, Miami, FL for
"Caution: Precious Cargo."

MacNeil/Lehrer Productions,
New York, for "The
MacNeil/Lehrer NewsHour:
Election '88 Coverage."

Frontline, Boston, MA for
"FRONTLINE: The Choice."

CBS News, New York for
"Abortion Battle" and "On
Runaway Street," as seen on
"48 Hours."

KCBS-TV News, Los Angeles, CA
for "MCA and the Mob."

**CBS Entertainment and Telecom
Entertainment** in association
with Yorkshire Television for
"The Attic: The Hiding of
Anne Frank."

BBC, London and **WNET/Thirteen**,
New York for "The Singing
Detective."

NBC-TV, New York for "The
Murder of Mary Phagan."

ABC Television, New York, and
The Bedford Falls Company
in association with MGM/UA
Television, for "thirtysomething."

Children's Television Workshop,
New York for "3-2-1 CONTACT
Extra: I Have AIDS, A
Teenager's Story."

South Carolina ETV Network,
Columbia, SC and **The Mosaic
Group, Inc.**, for "Children's
Express NEWSMAGAZINE:
Campaign '88."

**Christian Science Monitor
Reports**, Boston for "Islam in
Turmoil."

WTTW, Chicago in association
with Chloe Productions, Inc. for
"...And The Pursuit of
Happiness."

HBO, New York in association
with Pro Image Productions,
Australia, for "Suzi's
Story."

HBO, New York for "Dear America:
Letters Home From Vietnam."

WBRZ-TV, Baton Rouge, LA for
"The Best Insurance Commissioner
Money Can Buy."

Turner Network Television,
Atlanta, GA for "The Making of
a Legend: Gone With The Wind."

CBS News, New York for "Mr.
Snow Goes to Washington"
as seen on "60 Minutes."

WJLA-TV, Washington DC for
"The Radon Watch Campaign."

Public Affairs Television,
New York, for "Bill Moyers'
World of Ideas."

Jim McKay, ABC-TV Sports
Commentator, a personal award,
for his pioneering efforts and
career accomplishments in the
world of televised sports.

Don Hewitt, CBS News, a
personal award, for exceptional
contributions to television news
over an important period of
American history spanning forty
years.

Ambassador Walter Annenberg,
a personal award, for his
philanthropic role in support
of the educational uses of radio
and television as evidenced by the
"University of the Air" and the
CPB/Annenberg project.

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No one has dared to discover the real truth behind these terrifying and inexplicable events — until now. **SECRETS & MYSTERIES** uncovers the chilling truth behind these and other mysterious events by going beyond the known and examining the unknown.

EDWARD MULHARE HOSTS EACH TERRIFYING TALE



Edward Mulhare, well-known to millions for his long and distinguished acting career, hosts each episode of **SECRETS & MYSTERIES**. After all, who better than the man who played a ghost on the long-running series "The Ghost and Mrs. Muir" to host this series about the supernatural?

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Frightening Stories of Encounters with UFO's

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SECRETS & MYSTERIES' PERFORMANCE ON KABC-TV PROVES IT WILL BE A WINNER

Sparks really flew when **SECRETS & MYSTERIES** delivered a phenomenal 10.9 rating/19 share, beating "Jeopardy," "Throb," "Star Search" and KTLA'S movie!

(Source: NSI, October 24, 1987)

MODERN DAY NINJAS DISCOVERED!

Is Japan's secret society of assassins operating in America? **SECRETS & MYSTERIES** examines the truth behind the tales of stealth, invisibility, mystical power, diabolical weaponry and acts of violence, subterfuge and cleverness attributed to these warriors. The legends are staggering, but the truth is fascinating, including a rare look at modern day Ninjas, training in the U. S.

SECRETS & MYSTERIES

VOL. 1 NO.1
MAY 1989

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THE SUPERNATURAL AND UNKNOWN**

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**YOUR STATION
CAN MAKE
LOTS OF \$\$\$\$**

**ENGLISH GHOSTS ARE
SIGHTED IN AMERICA—
HAUNTINGS REACH
HOLLYWOOD!**

**PSYCHIC DETECTIVES
SOLVE
UNBELIEVABLE CRIME!**



**JOHN WAYNE WATCHES OVER HIS YACHT —
FROM BEYOND THE GRAVE**



MYSTERY IS HOT AND ITC'S GOT IT
See Inside For the Chilling Story

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THE REAL PROOF: KABC-TV WAS THE FIRST STATION TO SIGN UP FOR 52 WEEKS OF SECRETS & MYSTERIES — AND 62 OTHER STATIONS HAVE SIGNED UP AS WELL.

26 HALF-HOURS AVAILABLE ON A BARTER BASIS FROM ITC

YOUNG MEN AND WOMEN LOVE IT!

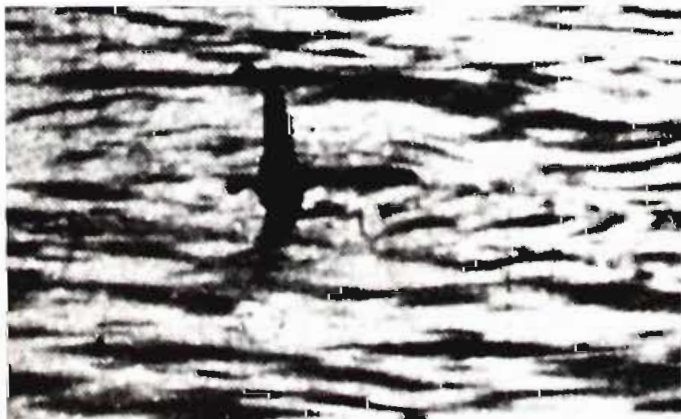
The occult and the supernatural are favorites among younger viewers. SECRETS & MYSTERIES joins a list of successes like "Unsolved Mysteries" and "Tales From the Darkside" in attracting young adults.

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For more details call (818) 760-2110 for your programming cure.

SCOTSMAN DISCOVERS FAMOUS LOCH NESS MONSTER (And This Time It's For Real!)



"Secrets & Mysteries" presents startling new evidence about the existence of one of the world's most elusive creatures Scotland's famous Loch Ness Monster. An eyewitness describes this encounter exclusively on "Secrets & Mysteries."

CALIFORNIA MAN PREVENTS THEFT AFTER RETURN FROM DEAD!

While his soul hovered over his dead body, a California man saw a derelict steal a woman's purse. After paramedics restored his life and he regained consciousness, he told the woman about the theft he "saw" while dead — and sure enough, the thief still had her purse.



Domestic Television

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ON KABC-TV SECRETS & MYSTERIES ATTRACTED MEN AND BEAT "WHEEL" (Even on a Saturday Night!)

TIME	STATION	PROGRAM	M 18 + RATING	M 18 - 49 RATING
7:00 PM	KABC	SECRETS & MYSTERIES	4	3
	KCBS	STAR SEARCH	2	2
	KCOP	WHEEL OF FORTUNE	3	3
	KHJ	FALL GUY	2	2
	KNBC	IT'S A LIVING	3	3
	KTLA	MOVIE	3	3
	KTTV	BIG SPIN	5	4

SOURCE: NSI, OCTOBER 1987, SATURDAY

POLTERGEISTS SPOTTED ON TV SHOW

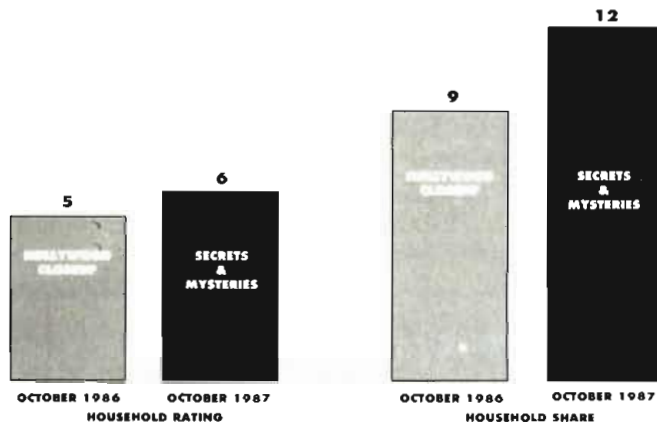
For centuries Poltergeists have been misunderstood by a terrified public. SECRETS & MYSTERIES examines this phenomena and goes on a Poltergeist hunt with psychics armed with the latest in detection equipment.

WAS THE OCCULT RESPONSIBLE FOR HITLER'S DEMONIC ACTIONS?



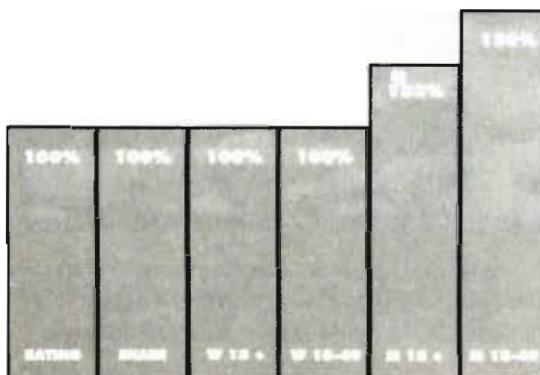
SECRETS & MYSTERIES uncovers Hitler's deadly preoccupation with the occult and its deadly consequences for the world. What horrible prophecies foretold the atrocities of Hitler's dread SS? What "voice" drove Hitler to power and even saved his life?

ON KABC-TV SECRETS & MYSTERIES IMPROVED THE PREVIOUS YEAR'S PROGRAMMING AMONG HOUSEHOLDS



SOURCE: NSI, OCTOBER 1986-87, SATURDAY

SECRETS & MYSTERIES DEMONSTRATED EXCELLENT LEAD-IN RETENTION AND IMPROVED KEY DEMOS!



SOURCE: NSI, OCTOBER 1987, SATURDAY

World War II anniversary seen opening TV, home video doors

With the 50th anniversary of the start of World War II looming for Sept. 1, veteran producer Anthony Potter is betting that it will set off a wave of interest for an old series of his as well as some new productions. A former executive producer of NBC News' *White Paper* series and winner of numerous awards for documentaries produced under his Anthony Potter Productions, he's gone sour on the opportunities for documentaries on networks and is now concentrating on reality-based TV movies for the web and documentaries for other channels of distribution.

Already rolling out again is Potter's *Between the Wars* series, first run in 1978 as a syndicated Mobl Showcase presentation with a 98% U.S. penetration 7:30-8 p.m. While it's currently reappearing on public broadcast stations, Potter is working through Quartet International, Pearl River, N.Y., for distribution to foreign TV and domestic and foreign home video.

Harvey Chertok, president of Quartet, explains that three home video routes are being taken in the U.S.: American Express Card Video Service has just begun marketing it through its new catalog, going so far to selected cardholders, as an eight cassette set, with two half-hours on each cassette, for \$219.95; PBS Video is marketing it to schools and libraries; and S-I Video of Los Angeles is taking it into the video stores, aiming primarily for set sales but also exploring sale on an individual-cassette basis.

Overseas, Potter and Chertok report home video deals with England and Italy and expected to soon close deals in Spain, West Germany, France, Australia and New Zealand.

Planned projects. Potter reports that other World War II-related documentaries that he has in development are two six-hour series, a four-hour series and two two-hour specials—the latter primarily for broadcast, "but if we can't get on a

network, we may go directly to home video.

He's tight-lipped on the miniseries except to divulge that one involves women at war.

Confident that series on this subject—done with a non-nationalistic

point of view—will have both worldwide appeal and long afterlife in home video, Potter expects to do most of his production with international partners and possibly launch in the U.S. on basic cable networks such as Arts & Entertainment and The Discovery Channel. "If you go to PBS, it takes two to four years to get funding for it, and they're very willy-nilly about how they develop programs." He notes first-run syndication is also a possibility.

Promoting minority careers



Minorities seeking careers in TV and radio were given the ins, the outs and some opportunities recently in events sponsored by two industry organizations—the International Radio and Television Society and New York Market Radio (NYMRAD). At the IRTS Minority Career Workshop, top photo, Carol Martin, r., WCBS-TV co-anchor, discusses career strategies with college students. A comprehensive overview of the industry was followed by interviews with recruiters from major communications companies. At a NYMRAD reception, above, Michael Kakoyannis, second from r., exec. l. p., Westwood One Radio Group and a.m., WNEW-AM New York, gets enthusiastic response from students. This was the third consecutive year NYMRAD tied in with the IRTS workshop, which has now run for six years.

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1989

- May 6-13 Golden Rose of Montreux Festival, Palais des Congres,
Montreux
- May 21-23 NBC Affiliates Meeting, San Francisco
- May 21-24 National Cable Association, Dallas Convention Center
May 15 Issue
- June 3-6 CBS Affiliates Meeting, Los Angeles
- June 4-10 Banff Television Festival, Banff, Alberta, Canada
- June 17-23 International Television Symposium, Montreux
- June 21-25 BPME BDA Associations, Cobo Center, Detroit
June 12 Issue
- September 13-16 Radio-Television News Directors Association Convention,
Kansas City Convention Center
- September 13-16 NAB Radio '89 Convention, New Orleans
September 4 Issue
- October 12-16 MIPCOM International Market, Cannes
October International Issue
- November 5-8 Community Broadcasters Association Convention,
Riviera Hotel, Las Vegas
- November 13-15 Television Bureau of Advertising Annual Meeting, Century Plaza,
Los Angeles
November 13, Issue

1990

- January 3-6, 1990 Association of Independent Television Stations, Century Plaza,
Los Angeles
January 1 Issue
- January 16-19 NATPE International, New Orleans Convention Center
January 15 Issue

TV Business Barometer

Local up 5.5% during February

While spot business has been essentially flat during the first two months of this year, local is performing perkily. February local time sales were not as lively as in January, but they were still up and the two months together almost combine for a double-digit percentage increase.

February returns from the *TV Business Barometer* sample of stations show a 5.5% increase in local billings. That compares with a 13.3% increase in January.

Spot's performance during '89's first two months was as follows: January time sales were up 1.8% while February was down 1.2%. Both Standard Broadcast Months (SBMs) were the same in '88 as in '89, with January being five weeks and February, four, so there was approximate comparability (most stations reporting on a calendar

month basis).

Local billings in February came to \$366.6 million, compared with \$347.5 million in February of '88. Local billings in January were \$409.9 million. The local total for the two months amounts to \$776.5 million, as against \$709.3 million last year, which represents an increase of 9.5%.

The local total is still a little behind that of spot for the two months, with spot time sales adding up to \$789.7 million, 0.4% ahead of '88. However, local billings passed those of spot last year and the same can be expected this year. In fact, the overtaking probably occurred in March. Last year local's March billings were more than \$50 million bigger than spot's.

Oddly enough, network compensation in February showed its highest monthly percentage increase since August of 1985. The rise came to 9.7%, in contrast to an increase of 0.8% in January and a drop of 0.8% for the full year of '88.

Actual network comp in February was \$41.0 million, compared with \$37.4 million during the previous February. January network comp was \$34.3 million. For the two months, estimated network payments to stations totaled \$75.3 million, up from \$71.4 million last year.

Meanwhile, what about the outlook for spot? In the April issue of *Blair Outlook*, the rep is "calling the [second] quarter at 3%, but it could be stronger." A positive sign, says the newsletter, in a forecast written by Bill Breda, senior vice president/general sales manager, is an upturn in auto spending.

First quarter spot

Breda said that national spot was up about 1% in the first quarter. He compares this with an estimated increase of about 9.5% in the first quarter of '88, "which benefitted from strong political/Olympic dollars." The increase estimated by *TV Business Barometer* for the first quarter of last year for national spot was 10.0%

February

Local business **+5.5%**

(millions)

1988: \$347.5 **1989: \$366.6**

Changes by annual station revenue

Under \$7 million	+9.1%
\$7-15 million	+7.6%
\$15 million up	+4.4%

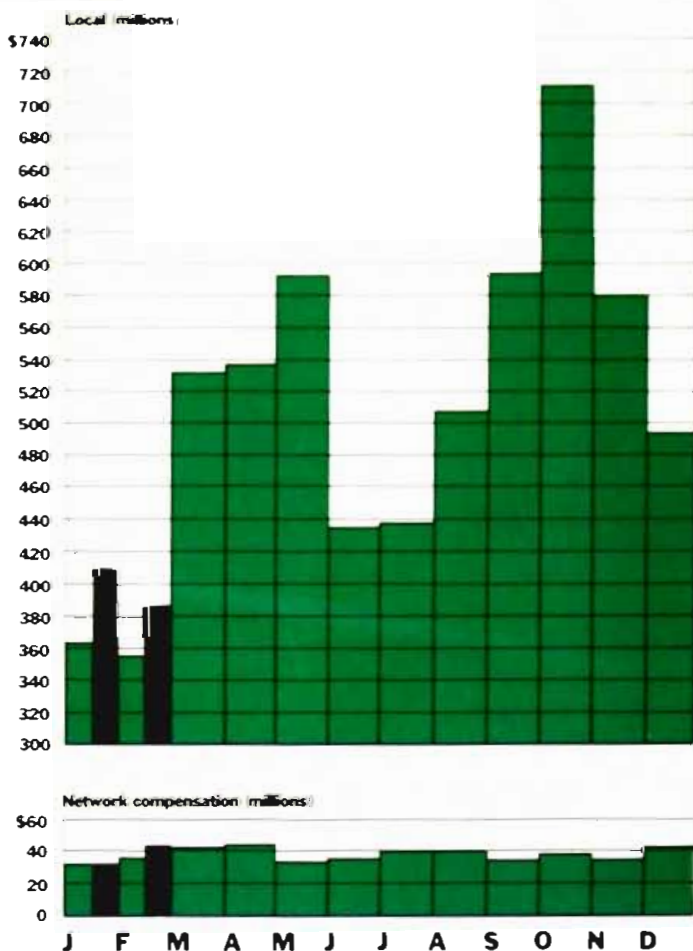
Network compensation **+9.7%**

(millions)

1988: \$37.4 **1989: \$41.0**

Changes by annual station revenue

Under \$7 million	+8.7%
\$7-15 million	+14.3%
\$15 million up	+8.4%



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FOR FALL OF

1990

LOS ANGELES
KTLA 7:00 AM

+14% RATING
+133% SHARE

NEW YORK
WPIX 3:30 PM

+81% RATING
+50% SHARE

CHICAGO
WGN 3:30 PM

+19% RATING
43% SHARE

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✓ There Has Never Been a Show Created That Has Generated So Much Kids' Enthusiasm!

✓ Make Vektor Your Friend ... Not Your Foe!

Source:
A.C. Nielsen, Metered Markets
Overnight Reports vs. January 1988
*Tribune Stations 5-Market Average

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Roger Rabbit spurs TV animation, but buyers hold out small carrot

"We are living in the post Roger Rabbit world," proclaims Robb Hart, head of presentation for the London based pan European broadcaster, The Children's Channel. "Because of Roger Rabbit," he says, "a lot of people have now gotten going who had talent but no work."

Whether the Roger Rabbit phenomenon, as Hart describes it, actually is responsible for generating additional interest in animation, or as Cell Animation production manager Marco Giusti, explains, "just a reflection of the natural progression of interest in animation," is debatable. Nonetheless, it is clear, in the U.K. at least, that the television animation business, from commercials to titles and shorts, is thriving. Whatever the reason, however, animators are not looking down their nose at the gift rabbit, so to speak, even if the animation involved isn't exactly revolutionary. "It's a triumph of 1920 technique over technology," laughs Computer FX managing director Craig Zerouni.

Not just cartoons. "Roger Rabbit has made people more aware that animation can be combined with live action combined with computers," points out Rubicon Studios managing director and animator, Ann Bubis, adding, "They are aware animation is not just cartoon characters."

While Felix Films producer Trevor Murphy, says Roger Rabbit essentially represents a regurgitation of the '30s, he notes that no other animated feature has used camera movement, tracking and panning as extensively. Murphy also attests to the interest in animation which Roger Rabbit has spurred. In fact, he says, the company has received a number of prospective scripts along similar lines, "one an outright ripoff of Roger Rabbit."

The Children's Channel's Hart is more than delighted by all the post-Roger Rabbit discussion and emergence of new talent. Not un-

like many of those involved in satellite television, he doesn't have a great deal of money to spend. "We can't afford to do something which does not have a shelf life," he comments. "We don't frequently change our on-the-air look."

The Children's Channel is five years old. It recently began broadcasting part of its schedule on ASTRA, the direct broadcast satellite, while continuing to transmit its normal 10 hours a day on the low-powered Intelsat V satellite. According to Hart, the channel has lost far less money than any of the other European satellite broadcasters.

In spite of a shortage of money, Hart is not alone in wanting high quality product. It is a problem he shares with a number of other new media executives throughout Europe, although some seem to be able to go further down the road toward solving it than others.

Getting it cheap. In Hart's case, in a time honored fashion, he tries to entice animators to produce channel idents for well below their normal rates. He appeals to many by offering them an opportunity to create anything they want so long as it conforms to his brief.

He is putting a large proportion of his annual budget into the project and credits MTV Europe head of on-the-air presentation John Klein, with whom he worked, for inspiring his approach. He does not pretend that animators who agree will either make a fortune or even be assured of future work. He does, however, believe that he can help less well-known animators get started. "It's important," he states, "that we also place offers of commissions with the colleges and with art students. "My brief is simple," he says, "I tell animators, 'Come up with a series of idents which says this is The Children's Channel,' pointing out, 'The apostrophe is the most important part of the name. It shows that the channel belongs to the children.'"

Most of those he contacts are willing to listen to his proposition, although, as might be expected, some are more enthusiastic than others.

Peter Maddocks, managing director of Maddocks Cartoons, has worked for Hart before at below his normal rates. He produced material for *Huva*, an animated series designed to appeal to the Dutch. "It was tight," he acknowledges. Although he says he would be willing to discuss future projects with Hart, he points out that The Children's Channel is a commercial concern.

"It's a bit unfair for people to come along and ask us to work for less than our normal rate, except in a special case," he comments. "The BBC and ITV pay us our going prices." He accepts the artistic value of being able to do "his own thing," but says, "It's not attractive to be underpaid."

An opportunity. Although Maddocks might be reluctant to continue to work for less than he normally does, partly because he believes it is unfair to his other clients, Bubis expresses an opposite viewpoint. She cites the fact that she receives a proper fee from the BBC and Channel 4 as helping provide the opportunity to work for The Children's Channel.

"Every now and then it's nice to have total freedom and not be restricted to a whole commercial concept," she offers, adding however, "As long as I don't have to put my own money into the production." Bubis, though, doesn't believe there's much of a chance of that. She says her experience has taught her how to save money without jeopardizing the quality of the product.

Buying some freedom. Murphy, too, is an enthusiastic supporter of Hart's proposition. "It's amazing what you can do for \$10,000," he says. "When there is a lot of money involved," he explains, such as when making commercials for major agencies, "the restrictions are much greater. More money means more people are involved; it's hard to please all of them. Money gets eaten up when you don't have freedom."

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Radio Report

Arbitron bows to sample size test but has reservations

Sample size is emerging as a major issue in radio audience measurement. Arbitron has agreed to do some additional research "to determine the amount of sample increase necessary to significantly improve analyses of individual sex/age cell estimates."

The Arbitron research, a response to a resolution passed by the Arbitron Radio Advisory Council at a meeting in San Antonio in March, is being undertaken with some reservations. To make a difference in reliability, additional sample would have to be substantial, says Rhody Bosley, vice president of Arbitron Radio station sales and marketing, and the cost would have to be borne by subscribers. "It is not clear that a small increase in sample will make this investment worthwhile," Bosley argued.

Nevertheless, Arbitron has agreed to undertake three market studies, as urged by the Council, which recommended that markets which have been reasonably stable over the past four surveys be chosen. The Council also urged Arbitron to choose a condensed report market and one with a high ethnic population—black or Hispanic.

The Council resolution "strongly urges Arbitron Ratings to increase sample sizes in all measured markets to result in the more stable small age/sex cells in survey reports being demanded by subscribers." The Council asked that the studies be done before its next meeting in August.

Does new Arbitron diary help AOR? Yes and no

Does the new "soft-daypart" Arbitron diary, introduced last fall, help AOR stations? An Arbitron pre-test two years ago indicated that it does. But a recent analysis of the fall data by Republic Radio, a unit of the Katz Radio Group, raises some questions.

Republic decided on the analysis after noting conflicting reports about AOR stations in the fall Arbitrons. The rep examined how individual AOR stations in the top 25 markets (42 stations) did compared to the year-before period. It was decided to limit the study to males since the Katz Radio Group National Format Average shows the audience composition to AOR outlets to be 68.1% male.

As a guideline to the study, it was also decided to pinpoint those stations which had an increase or decrease of 10% or more in the male audience. The pre-test had shown an increase of 19.8% in average quarter hour, 12-plus audiences among AOR stations with the new diary compared to the existing diary.

The Republic analysis found a significant impact of the new diary only among one key demographic—men 35-44. "Our conclusions show that the new diary had neither a positive nor negative effect on men 18-

24 and men 25-34," the rep reported. "The number of stations that increase more than 10% in AQH over one year ago was canceled out by the number of stations that decreased at least 10%." As for time-spent-listening data, there was a slightly greater number of stations that showed decreases rather than increases in these two age cells.

Men 35-44. But a different story emerged among men, 35-44. About 70% of the stations showed a higher AQH rating in this demo. Since the demo accounts for only 9.2% of all male listening, the overall effect is not that noticeable, Republic pointed out.

Comments Stacy Bergmann, associate director of research for Republic: "Although the AOR format has been progressively aging for a number of years, the increase in the number of stations that showed a change in men 35-44 must be attributed to the change in the diary format. Not only are more men 35-44 tuning in to AOR, but in many cases these new listeners are tuning in for longer periods of time."

The new "soft-daypart" diary eliminated the hold lines dividing the dayparts on each page. Other changes included revised instructions written for a minimum sixth grade reading level, the addition of an "at-work" column in the listening location section of the diary, a more contemporary look and improved paper stock.

Format changes shown by RIC on-line data base

The golden oldies format, no stranger to radio, has surged in popularity among broadcasters during the past year and a half. This is one of the trends shown by a comparison of stations using the various formats in June 1987 and February 1989, as tabulated for TV/RADIO AGE by the Radio Information Center.

The data are contained in RIC's data base, "Radio/Base," which is now available on the center's "Radio/Link." The latter, an on-line system for personal computers, is described as the first computer network to make available to subscribers information "on every operating commercial and non-commercial U.S. radio station." RIC now has format as well as other information on 8,758 stations.

The center's data base reveals that there are now 569 stations programming golden oldies, compared with 239 back in mid-'87. Another advance was scored by religious stations, which climbed from 535 to 652. Variety formats, which had only 15 adherents in '87, now have 95, while news/talk stations jumped from 196 to 269 and urban contemporary outlets rose from 127 to 184.

But it's a two-way affair. There are 288 fewer radio stations programming country music, though that format still leads the pack with 2,126 outlets. The nostalgia is down 170 stations to 549, though it should be noted that the format designation has been changed from "nostalgia/MOR" to "nostalgia/big band." Also down is the second-ranked adult contemporary format, with 122 fewer adherents but 2,035 still programming that type of music.

Anglo-American barter consortium can't expect instant results in Europe

Several distributors familiar with attempts to barter in Europe were reasonably nonplussed by the latest entry into the field. An Anglo-American consortium, Advertiser Supported Alliance for Programming (ASAP), spearheaded by D. L. Taffner Company Ltd. and comprising prominent distributors on both sides of the Atlantic, is trying to expand barter activity in Europe.

So far, of course, not many programs are placed on a barter basis and the small amount of bartering that does exist does not really mirror the U.S. experience. While executives of the six ASAP members, who in addition to Taffner, include MGM/UA, ABC and British companies, Central Television Enterprises, Thames Television International and Yorkshire Television International, are aware that their action may be rather premature, there is little risk involved in what they are doing.

Ground floor. Says Taffner, in acknowledging that barter is not yet around the corner: "Barter appears to be a business capable of exploding in Europe. It is only a question of when. Let's be the first group into the venture, and we may be able to capture this marketplace."

Almost everyone who has dabbled in European "barter" agrees that eventually a workable system will evolve, but it would be difficult to find anyone earning a living on what's available today. "If anyone can show me \$2 million profit in European barter in the next 18 months, I will be amazed," declares Henson International CEO, Peter Orton.

Henson made the first major barter deal in Europe, placing *The Muppets* on Super Channel. "We did a good deal on *The Muppets*," he explains, "but after the Super Channel ratings came out, advertisers were reluctant to buy into barter for a second year."

Orton says that Henson was given 13½ minutes of airtime in exchange for the show. "In the U.S. you would only get 2½ minutes," he notes.

For practical purposes, Henson is now temporarily out of the barter

business. Orton says he doesn't want to invest in a business which is unlikely to produce cash for the next two years. He predicts a significant barter business is still two to three years away. "Those with deep enough pockets," he says, referring to ASAP members, "can take a chance on getting involved, but we will make the investment when the business is there."

The future. Peter Hall-Jones, joint managing director of The Sales Department, was involved in selling advertising in the *Muppets* barter deal. He too believes barter will become a real factor when there is greater satellite and cable penetration.

He foresees the time when the proliferation of stations will mean that some channels will not generate enough advertising revenue to purchase quality programs. Under those circumstances, he believes, barter could flourish.

Although in a vacuum, the combined catalogs of the ASAP members could easily program virtually all existing European television stations, the members have made it clear that for the time being they will only barter programs when they can't sell them in any other way. For now, though, the members may be more concerned about finding someone to run ASAP than worrying about which programs they have available for prospective barter customers.

'Cities at War' adds fourth stanza

Granada Television and Espaces Audiovisuel, in association with their American partner, Arts & Entertainment, plan to coproduce a fourth program in their series, *Cities at War*.

The new hour-long program under the working title, *Paris*, along with the original three, will be televised on Channel 4 (U.K.) and Antenne 2 (France) this fall to coincide with the 50th anniversary of the start of World War II. It is being produced in both English and French versions.

The series examines how the population of particular cities survived the war. So far Leningrad, Berlin and London have been covered. The coproducers hope to find national partners elsewhere so that the series can be expanded to include other cities, such as Rome, Warsaw and Moscow.

Consolidated, RAI coproduction deals

Consolidated (U.K.) and RAI (Italy) have entered into two coproduction deals valued at \$22 million. One, the eight-hour miniseries currently in production, *The Nightmare Years*, was initiated by Consolidated. Production on the other project, a four-hour miniseries, *Michelangelo: A Season of Giants*, will begin later this spring. Turner Network Television will air both series.



"The Nightmare Years"

Consolidated also has been actively discussing *Caroline?* (titled, *Sweet Caroline*, outside the U.S.) with international buyers at MIP-TV. The British company recently acquired worldwide distribution rights from Barry & Enright for the two-hour film, which is scheduled for a CBS airing.

MCA sale to Sky

MCA has concluded a deal with Sky Television (U.K. satellite) for more than 130 hours of its 1970/early '80s best seller series. Included in the package are *Rich Man Poor Man* (34 hours), *Wheels* (10 hours), *Masada* (eight hours), *Seventh Avenue* (six hours) and *The Rhinemann Exchange* (five hours).

Radio Business Barometer

Spot billings rose 5.9% in March

Spot radio showed a modest lift in ad billings during March and, with the help of the big increase in spot during January, ended the quarter with a respectable rise. Data from Radio Expenditure Reports, which collates and analyzes rep-supplied ad information, also showed that the four market groups broken down by RER performed at approximately the same pace.

March spot radio billings rose 5.9%, compared with 3.7% in February and 15.6% in January. Ad sales were up seasonably to \$75,439,300 for the month, compared to \$62.4 million for January (a Standard Broadcast Month (SBM) of five weeks) and \$63.4 million in February (a four-week SBM). March was a four-week SBM. The '88 SBMs were the same.

The top 10 markets edged the other groups a little with an increase of 7.0% to \$28,786,100. Smallest rise was generated by the 11th-to-25th market group, which

tilted up 3.5% to \$15,963,900. The 26th-to-50th markets increased 5.5% to \$11,844,000, while the 51-plus markets rose 6.5% to \$18,845,300.

As for the first quarter, spot radio billings were up 8.0% to \$201,329,700. First quarter figures for the market groups were as follows: top 10, up 6.8% to \$75,734,400; 11th-to-25th, up 8.4% to \$43,614,600; 26th-to-50th, up 7.3% to \$31,874,300, and 51-plus, up 10.0% to \$50,015,900.

A recent analysis of RER data by the Radio Advertising Bureau revealed that a dozen key business categories posted increases of 20% or more last year in spot radio. The dozen were, in order of percentage increase, games and toys; government (political); pet products; sports and equipment; optical and photo; records, tapes, audio and TV; education; automotive; home furnishings and appliances; retail stores (national); soft drinks and water, and gasoline and oil.

The biggest category of the 12, according to Kenneth Costa, vice president for marketing information at RAB, was automotive, in-

cluding vehicles and aftermarket products. This category was up 25.7% to \$196.5 million.

Biggest percentage jump was in games and toys, up 79.6% to \$6.3 million. Political advertising, up because of the 1988 elections, of course, rose 74.2% to \$49.0 million.

A major category, national retail stores, was up 22.8% to \$92.5 million. Another major category, the biggest of all, but not among the group with a 20% or more increase, was food products, whose spot radio expenditures rose 18.6% to \$308.7 million.

Other increases

Big in relative increase but small in dollars was pet products, where billings were up 73.9% to \$1.6 million. Other big increases were racked up by sports equipment, up 49.9% to \$9.0 million; optical and photo, up 37.5% to \$17.3 million, and records, tapes, audio and TV, up 36.9% to \$11.7 million.

The other categories were education, up 32.1% to \$4.5 million; home furnishings and appliances, up 24.4% to \$21.5 million; soft drinks and water, up 22.6% to \$48.1 million, and gasoline and oil, up 20.7% to \$54.1 million.

March

National spot +5.9%

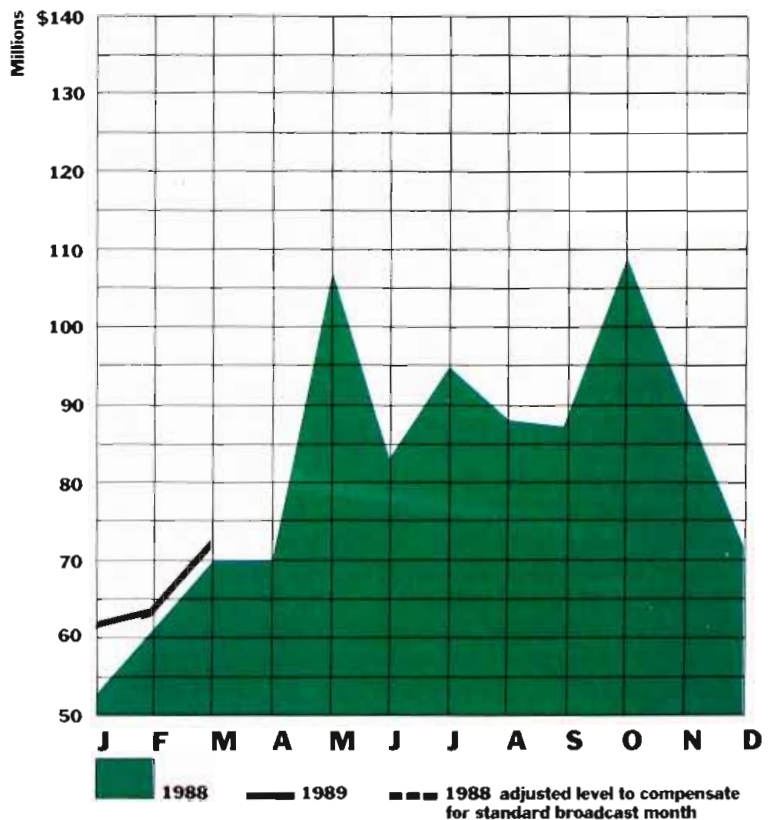
(millions) **1988: \$71.3** **1989: \$75.4**

1988 adjusted: \$71.3

Changes by market group

Market group	Billings (mils.)	% chg. 89-88
1-10	\$28.8	+7.0%
11-25	16.0	+3.5
26-50	11.8	+5.5
51+	18.8	+6.5

Source: Radio Expenditure Reports



Networks up 20% in March; first quarter rise is 12%

Network's radio's comeback this year is getting better each month. The first quarter ended with a 19.6% increase in revenues during March. Billings were \$32.6 million. This followed a 10.7% increase in February and a 7.1% rise in January. Total revenues for the quarter came to \$90.6 million, up 12.4% for the three months.

All four sales territories showed double-digit increases during March, including New York, which had been down 11.1% through the first two months of the year following a 22.3% decline in January. But New York was still down 2.4% for the quarter with billings of \$48.7 million. March revenues were \$18.3 million, up 16.7%.

Chicago was up 27.7% in March to \$10.1 million and up 29.2% for the quarter to \$28.2 million. Detroit rose by "only" 10.3% to \$2.2 million in March, but this followed a 195.7% hike in January and a 68.5% jump in February. For the quarter, Detroit was up 72.1% to \$7.7 million. As for Los Angeles, the March rise was 19.6% to \$2.0 million, with the three-month total being \$6.1 million, up 36.4%.

Sportscasts truckin' on down to unrecorded listening

When an advertiser targets the out-of-home listener, it's got to be an act of faith. And that's just what WhiteGMC Trucks is demonstrating in sponsorship a tie-in with CBS Radio Sports' baseball *Game of the Week* that is directed toward cross-country truckers, whose listening will won't likely be recorded by Arbitron.

To keep these kings of the road tuned in as signals fade in an out during their journeys, the truck manufacturer and network have created a special cross-country truckers' guide offering *Game of the Week* and All-Star broadcast schedules plus a coast-to-coast listing of CBS Radio affiliates. The guide is being distributed to some 200 truckstops nationwide through June.

Interactive's multiple uses for programmers, marketers

When ABC Radio's *American Top 40* "Hitline" on April 15 made ABC the first radio network to use interactive phone technology, it may have been only the start of a lot of things in broadcasting and marketing that will grow a lot bigger.

This first move enables listeners from all 50 states to call a 900 number and hear more music celebrity reports like those features by *American Top 40*. Using the Hitline number, listeners can call program host Shadoe Stevens to hear previously untold stories about their favorite stars. Charge is \$1.50 for the first minute and 75 cents for each additional minute, and

Stevens keeps each story under a minute. ABC's 900 lines is run by FDR Interactive Technologies, using AT&T and its 100% coverage of the U.S.

But with its computers' capacity to "comfortably handle" up to 1.8 million calls an hour, FDR can do a lot more for ABC and other clients than serve up celeb gossip. Both ABC Radio and ABC Television are likely to develop the system's potential to a much fuller extent as time marches on.

Capabilities. As Phil Boyer, senior vice president, program development, Capital Cities/ABC Video Enterprises, told the New York Chapter of the Academy of Television Arts & Sciences recently, interactive broadcast telephone and computer lashups "give us the ability to advertise a telephone number and then have the resulting thousands of calls answered simultaneously by a computer. Our news department can poll the public on any issue. Our research people can survey viewer opinion of pilot TV programs, among a 'focus group' numbering in the hundreds.

Sears Roebuck starts year off with a bang

Sears Roebuck, the leading network radio advertiser by far last year, started off 1989 also with a big lead, although the giant retailer ranked fourth in January 1988. Sears' web investment in January was 150.9% bigger than the year before, according to BAR estimates. Procter & Gamble, another bellwether marketer, which ranked first in January 1988, was third last January, but with an increase of 13.3% over the year before.

The biggest percentage increase was that of Chrysler, ranking 10th in January, with expenditures of \$1,257,700, up from only \$12,000 in January '88, when the parent company accounted for only half a dozen 30s. Motel 6, which ranked fifth this past January, had no expenditures during the corresponding '88 month. Another big jump was recorded by Nestle, which climbed from \$480,600 in '88 to \$1,837,050 in '89.

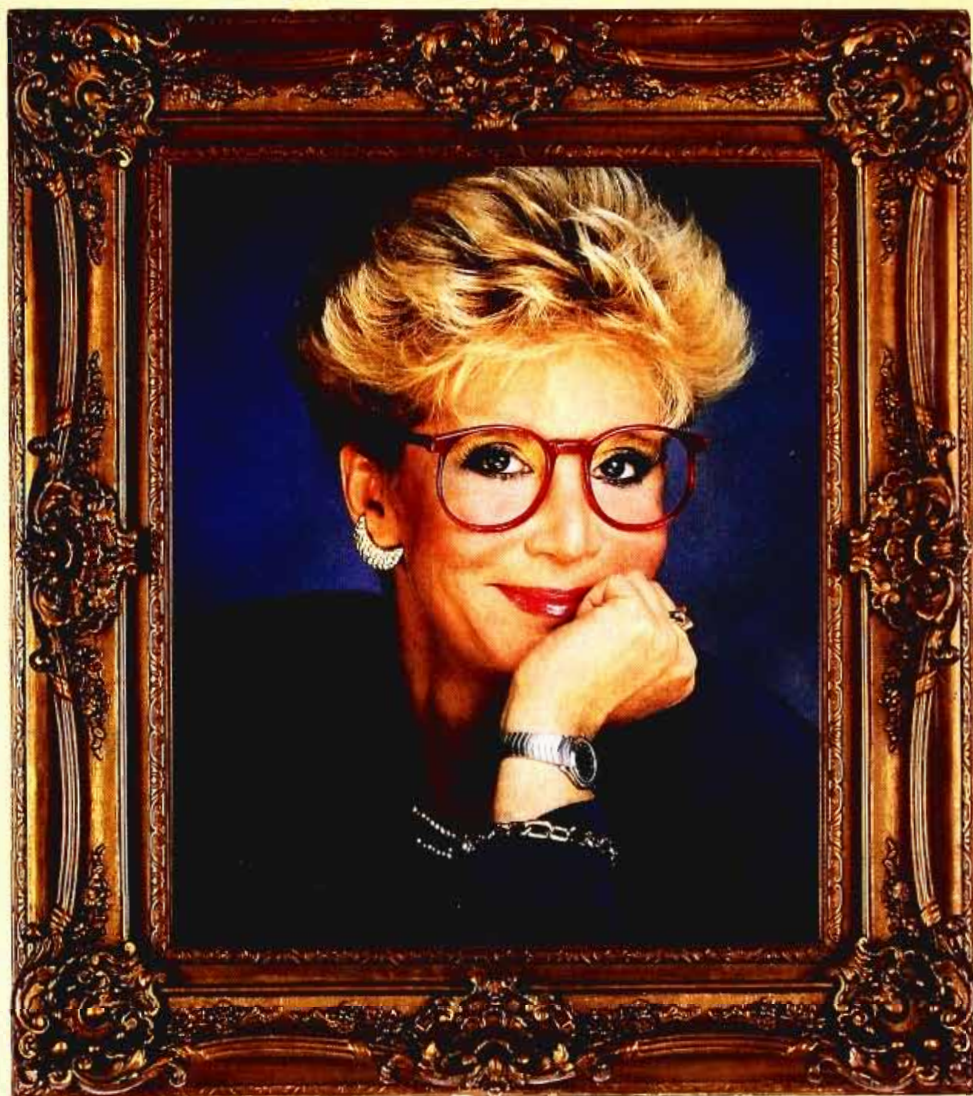
Three clients in the top 10 were down in January from the previous year. Tandy was down 1.1%, Campbell was off 25.7% and Warner-Lambert declined 38.0%

Top 10 web radio clients—January

Parent company	January expenditures	% change over '88
Sears Roebuck	\$6,094,680	+150.9%
General Motors	4,054,660	+32.5
Procter & Gamble	3,637,720	+13.3
U.S.-Armed Forces	2,242,050	+40.0
Motel 6	2,048,730	Inf.
Tandy Corp.	2,008,800	-1.1
Campbell Soup	2,003,720	-25.7
Nestle	1,837,050	+282.2
Warner-Lambert	1,282,550	-38.0
Chrysler	1,257,700	+10,380.8

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"Sale of the Century"

programs for the U.S. and European market.

- MAC III Productions' (U.S. arm of Scottish Television) production of shows in association with a number of American syndicators such as King World, MGM/UA Communications and Buena Vista Television.

- Consolidated Entertainment's restructuring, along with expanded financing capacity and major coproduction deals with RAI I, Italy, and Turner Network Television for broadcasts in the U.S. and Italy.

- Central Independent Television's coventure agreement with a U.S. production entity for programs for U.S. and overseas marketplaces.

- Beta's (Germany-based Hirsh Group), and Tribune Entertainment's coproduction deal for miniseries and made-for-TV movies for both the U.S. syndication and overseas marketplace.

- Northern Star Holdings' and Westfield Capital Corp.'s, via Monile Corp., Australian joint venture, acquisition of a 24.4% stake costing \$34.5 million, in Barris Industries.

- Grundy Organization's, via Grundy Productions, plan to expand its U.S. activity with soap operas and syndication of NBC series and British imports.

One pending buyout, by Pathe Entertainment (owned by Italian financier Giancarlo Parnetti) of New World Entertainment, fell through, with Andrews Group, holding company that controls Revlon, becoming new owner of NWE. Parnetti also lost out in bidding on MGM/UA. But this is a buyer who will not give up, it's speculated.

Why all the flurry of activity in production partnerships, mergers and buyouts in the U.S. coming from foreign shores? According to most of the foreign players talked to the answer basically is econom-

ics: The U.S. is where the big bucks are. Also, that nobody does it better than Hollywood.

Don Taffner, president of D. L. Taffner/Ltd., says there is a sharp step-up in coproduction and coventure activity between U.S. and foreign companies basically because of economics, which is making television a competitive industry worldwide. "Along with that, overseas people have gotten the experience to become as creative as those people in Hollywood." Thus, he continues, more people are becoming capable of doing the right things, "if you want to call American success the right thing."

Taffner itself has increased its activity level internationally. It has upgraded its international personnel; has formed a production venture with the Ramsey Group, which is based in Australia, called Taffner/Ramsey; set up a production association with the Paris-based C&D Group, a production entity of Radio Luxembourg, for the U.S. and the European marketplace; and established a production relationship with Pat Ferns (Comedia) in Canada for game shows.

But Jeremy Fox, president of MAC III, the U.S. arm of Scottish Television, says that the spurt in coproductions has little to do with creative reasons, as indicated by Taffner. "Putting on my cynical hat, I think it's purely financial, and my theory is that there is no such thing as coproduction—there's only cofinancing. Look at what is happening at the networks today. The deficit financing is getting so large and out of hand that they have to do something about it.

"One thing they looked at was reality programming, but this year, everything is mostly a comedy or a drama in the pilot stage. And the U.S. production companies are saying they have to fund the projects somewhere, with the obvious an-

swer being internationally." Consequently, he feels, U.S. companies are looking more to overseas partners than ever, and he predicts that "this is probably the year of coproduction for American companies."

Also spurring activity, points out Fox, is that the U.K. will be extremely receptive to coventures in the U.K. not only because it's an English-language country but because franchises held by British ITV companies will end in a few years. "They need to know they will exist," notes Fox. "Can they exist without a franchise? No. But maybe they can coexist with an American company. So the motivation is all financial."

Michael Deeley, chairman and CEO of Consolidated Entertainment, also believes that the potential franchise peril is driving British-based companies toward U.S. shores. "A number of these companies see their franchises disappearing within two-and-a-half years and are looking to diversify their bets. There is no production of any consequence in Britain. These companies are uncomfortable about Europe, so they look to America, where they speak the same language. America remains the market."

Lots of partners

Consolidated Entertainment, a division of Britain-based Consolidated Group, entered the U.S. for economic reasons some time back and became an "American" via its first miniseries for NBC, *Deceptions*, points out Michael Deeley, chairman and CEO of Consolidated Entertainment. Every show done since that time has been a coproduction, he says, with a "foreign" entity involved. At this point, CE has 62 hours in preproduction or development, all with its five primary partners: the three television networks, Home Box Office and Turner Broadcast Systems.

Dedley notes that setting up a U.S. operation has enabled Consolidated to do such "American" shows as *A Gathering of Old Men* for CBS, which was done in partnership with the Germans. At this juncture, CE is shooting an eight-hour miniseries, *The Nightmare Years*, for Turner. "But it's also an

Why all the foreign interest in coproduction, mergers and buyouts? The U.S. is where the big bucks are, and many still believe no one does it better than Hollywood.

English-speaking countries dominate, but Japanese seen waiting in wings

Foreign presence in U.S. production takes many shapes

By ROBERT SOBEL

Coproduction ventures between U.S. and foreign entities are climbing, and expansion by U.S. subsidiaries and buyouts by foreign broadcasters are becoming commonplace.

While these fast-moving developments may not signal an all-out invasion from overseas, the number of deals made recently in the U.S. are enough to give the industry pause, and cause those within it to wonder where it's all heading. Most likely, according to observers, it will not cause a Hollywood earthquake, but it may shake up a few of the untouchable major studios. And while most of the deals have been made by English-speaking countries, such as Australia and England, one observer is predicting that it's only a matter of time before the Japanese enter the Hollywood production sweepstakes,

most likely via a major studio purchase.

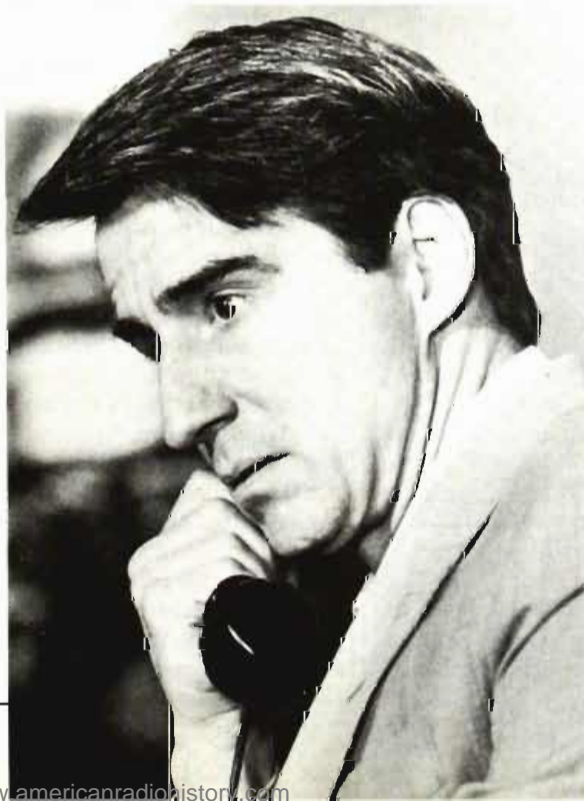
Evidence of the recent partnership, buyout and coproduction flurry are these recent developments:

■ The billion-dollar blockbuster purchase by Quintex Ltd., Australian-based investment firm, of a portion of MGM/UA Communications, which will probably result in a merger of Quintex's U.S. entertainment division and most of MGM/UA.

■ The purchase by TVS Entertainment (Telso) of MTM Productions and its television distribution group.

■ The expansion of Network Ten's U.S. operations with the appointments of top executives. Network Ten is one of Australia's leading TV companies.

■ D. L. Taffner/Ltd.'s formation of a joint venture with the Paris-based C&D Group for producing



"The Nightmare Years"

The first project in the Beta/Tribune arrangement has already been launched, according to Hallig. This is the four-hour miniseries *Achille Lauro*, based on the hijacking of the Italian cruise ship, for first-run syndication. The incident drew international attention, points out Hallig, making it a "true" coproduction, not something that was simply financially-based."

As to additional projects between both parties, "A No. 2 hasn't been picked as yet, but we are always discussing new coproduction possibilities." Two or three more projects may be chosen shortly, he says. "They will either be movies-of-the-week or programs in the four-hour format."

While Beta's and Tribune's philosophy in coproductions is to get "global" interest, MAC III's position is to make programs for the U.S. primarily. Fox says, "We don't believe that what we make for America necessarily will work for the U.K. It's a very much a stand-alone and an investment."

Fox conjectures that the same reasoning applies when it comes to the acquisition of MTM by TVS.

At MTM, Tim Buxton, new executive vice president, agrees that the U.S. market's attractiveness lured TVS to buy MTM. The two elements involved in the move were the coproduction aspects and the increasing interest by international companies in investing in Hollywood.

He continues that production style and the talent coming from Hollywood "seem to be able to pro-

duce programming that works better internationally than from anywhere else. Whereas, what is made in Europe, may not be very acceptable here."

Buxton, who is new on the MTM job, says he has a lot to learn about the MTM setup and expects to move with "some caution" in the way of coproductions. "But our agenda will be to move into a major international relationship. At this point, it's much too early to talk about specific projects. But we will do whatever makes sense. We don't have a specific mandate. That's too dangerous.

"I can say, however, that MTM has a reputation for quality and we will try to maintain that, especially in dramas and comedies. There will be no change in that regard."

Competitive demand

Just where all the action is heading is highly important to Taffner as a company. The president says that coproductions and coventures are the "avenues of my existence. I'm fighting the majors, who are getting bigger and bigger, either by mergers or buyouts. If I'm going to stay independent and be an organization of my own, I have to do these things to compete with companies including the Lorimar/Warner Bros./Time combo and GE taking over NBC.

It's Taffner's view, regarding networks, that coventures with foreign entities will counteract networks' creative control over what goes on the air. "Economics and looking to profits on a worldwide basis will bust that situation down." Also, he adds, helping the coproduction cause is that network control has brought a lot of failures, so perhaps they will open their minds to outside or/and coproduction ventures.

Consolidated's Deeley says that Parnetti's goals aside, which are hard to assess, the activity from the foreign side has not been all that strong, and the players are few. "There's Rupert Murdoch, whose activities are primarily American, TVS, and one or two more. But I don't see the foreigners dominating us."

When it comes to future buyouts or mergers of U.S. producers with

foreign companies, Hallig at ITTC sees the Japanese as entering the ring. "I believe that the Japanese will try to get into the buying area because that's one area where they can't duplicate that Hollywood is doing. No matter how good they are in making cars and computers, the human element is another. Hollywood has proven they have their hands on the pulse, and all the others [studios] are a distant second."

One rumor that keeps surfacing is that the Sony Corp. is looking to acquire MCA TV. Sony, in fact, was understood to have been one of the leading suitors for MGM/UA but wasn't willing to meet the purchase price. Other Japanese companies reportedly were interested in owning MGM/UA.

Overall, projects Hallig, there will be only a few major studios. "It will be like the 1920's and '30s in the auto industry. Of the two dozen manufacturers, three are left, and there will be maybe three major studios, with maybe one owned by a foreign entity."

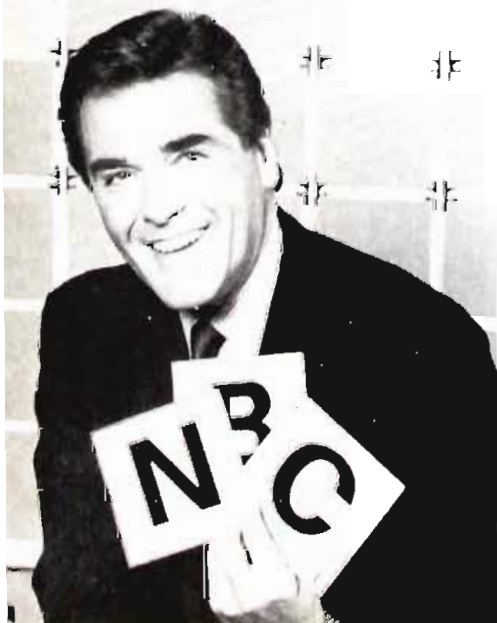
Not really a boom

CIT's Harrison sees the current coproduction movement as "a sign of the times" rather than a boom. "I don't think we are on the edge of some kind of explosion. What's going on is great and will continue in the future, but I don't believe that coventures will increase by tenfold over the next one or two years. The market can't sustain it, nor do the economics stand up.

"Some of the NATPE and INTV sessions regarding international remind me of born-again meetings. But I don't think it's quite like that."

Deeley of Consolidated sees little evidence of "anything like an invasion. We're in both England and the U.S., so we are not invading. Our company is American here, an English company is in England, and our shareholders are about equally balanced. As long as you have Warner Bros., Paramount, Twentieth Century Fox, Columbia and Disney, that's where the strength in productions lie. Also, you have the three networks, which have declined in production perhaps, but you have Home Box Office, which has not declined." □

"Scrabble"



Italian coproduction" and has Australian and French partners.

Deeley points to keeping down the costs of such a production as making the miniseries possible. "Turner is paying for half the production of *Years*, getting a \$9 million production because of the foreign input." In the case of *Michelangelo: A Season of Giants*, a four-hour miniseries which begins shooting in late spring, the same arrangement with Turner applies. But other Europeans are expected to cofinance the production as well, before shooting actually begins. RAI I will show both miniseries.

CE expanded its financing capacity last year, which provided it with \$35 million to invest in production, and it acquired Rafshoon Communications, Washington-based production company.

Keeping costs in line

Today, "anything helps," notes Klaus Hallig, president of International Television Trading Corp., U.S. rep for the Kirsh Group, which includes the Beta production unit, referring to why Beta and Tribune entered recently into a coproduction arrangement. "We are all facing runaway production expenditures, not just Hollywood," says Hallig. "That goes from the cost of stars to the lights."

Kevin Morrison, president of Central Independent Television in the U.S., says one of the major reasons behind the broadening of coproduction ventures is "a certain amount of envy and admiration of the U.S. market on the part of outside media, in that it represents the largest and best market in the world," despite the fact that Hollywood today is not the same as it was in its glorious years. "So purely for commercial reasons, the ambition to be part of it has always been there," says Morrison, "as have the emotional reasons."

Too, Wall Street has not been enamored with Hollywood lately, with few nonentertainment American investors willing to get into the studio sweepstakes, points out Morrison. This, subsequently, "has made it easier for the foreigners to make investments," and perhaps has led to buyouts or coproduction ventures. CIT itself, points out

Harrison, is in the market for the purchase of a large-scale production entity. "What would be gained is that we would be operating a business in the sector we understand and in the largest market in the world. By not being present in the U.S. we are missing a big piece of the jigsaw puzzle."

More coproductions

But while CIT is hunting for a large presence in the U.S., it is already involved in a coventure arrangement with World International Network and has recently entered into a coventure arrangement with Lacey-Keefe Entertainment, via a newly formed company, Zodiak Inc. The new entity will be funded by CIT and is designed to create, develop and market product for cable, syndication and, down-the-line, for networks (TV/RADIO AGE, April 17).

ITTC's Hallig says that he sees a "lot more coproduction ventures" surfacing between Americans and foreign entities, depending on what combinations will be able to turn out a product that is interesting for the various markets. "We have no illusions, however, how difficult that is. Some people have tried with respectable success." Also, continues Hallig, "an increase in coproductions will depend on "how many people match the product" in the final analysis.

At MAC III, Fox says that all that's necessary for coproduction ventures to mushroom is "acceptability. All we need is one hit TV series that is not made by the traditional American company under the American studio system, for an American network. That's all that's needed for a miniexplosion to happen. Taffner, which brought in British comedies and, before that, Norman Lear, are companies that had hits in the U.S. from overseas shows.

"No one knew they were British comedies being reformatted. While that was reformatting, coproductions can also become hits, and their people will say, 'Let's do more.'"

Several examples of MAC III's financial ties with American companies and its wearing of an American hat include its production of

From the Heart, in association with King World, strip to be tested next month; *Celebrity Secrets*, for the fall, produced by MAC III, Bud Granoff Productions and Casablanca IV; *House Party* with Buena Vista; and *The People's Exchange*, with MGM/UA Communications. In addition, MAC III and Granada Television are producing *The Krypton Factor* for the U.S. market, marking the first time that two British companies have worked together "to do something in the U.S.," believes Fox.

The Grundy Organization through Grundy Productions, U.S. production branch of the Australian-based company, has been active in the U.S. since it entered the U.S. syndication market with *Prisoner in Cell Block H* some years ago. Two of its other U.S.-produced shows, *Sale of the Century*, which was syndicated by Genesis Entertainment, and *Scrabble* were acquired by NBC. *Century* has recently been removed by NBC.

And, according to Tom McManus, producer's representative for Grundy International, the U.S. division is looking to launch the game show into syndication. Also, for the U.S. market, Grundy is talking to syndicators to distribute *Neighbors*, British comedy that is doing very well on the BBC in Britain. In addition, according to McManus, Grundy has serial formats in development as possible candidates for syndication or for networks.

"From the Heart"



some products, it will be worth more to clients who market those products.

"For instance, we assume there's this unmeasured viewing to early morning television by business travelers in hotels and motels. If we can find out the true size of this audience, we'll then be able to assign a value to it. There's no reason to be afraid to negotiate for 'more,' just so long as we know exactly how much of that 'more' we're actually getting. I hope we find out, and the sooner the better."

So this is why

Lou Schultz, executive vice president, director of media services, Lintas: USA observes, "Any additional information we can get is potentially valuable to our clients. If there's a way to get it, we should do what it takes to go after it. The closer we can get to 'truth,' the better. This is why single-source data that can more directly relate viewing to product purchase is useful. This is why we'd like to see actual viewing data for individual commercials if we can get it. And this is why we'd also like to see actual measurement of out-of-home and group quarters viewing."

At BBDO New York, Stuart Gray, vice president, director, media research services, agrees, "There's no question that there are a good many programs that generate out-of-home viewing that is valuable to advertisers. But how do we measure just how large and how valuable that additional audience might be?"

Gray suggests, "The ideal would be for Nielsen to somehow find a way to follow members of each metered household wherever they go to record any viewing they do outside the home. Anything less than that seems to come with built-in problems."

Says Gray: "It seems not entirely unreasonable to devise a methodology relying on metered household members to recall viewing they do that day outside the home, then record it when they return home. But then the problem is, can buyers already convinced that pushing buttons on people meters while viewing at home is the most accurate methodology invented to date be expected to settle for anything

less? If it's perceived as some separate result whose generation is not up to expected standards, there will always be people who won't accept it. And if it's not going to be accepted by the vast majority of buyers, the media who pay the bills for whatever measurement system the industry uses aren't going to fund what for them is going to be a pretty expensive proposition."

JWT's Marans comments: "In principle I think most agency people would agree that if your household is in Nielsen's people meter sample, all viewing by every member of your household should, indeed, be monitored, wherever that viewing occurs. But if your son joins the Army or your daughter goes away to school, certain impracticalities rear their heads."

"First, will the university or military authorities permit it? Arbitron tried several years ago to get on military bases and was stopped cold. Maybe someone perceived a threat to national security."

Next, adds Marans, "Are problems of confidentiality, who controls the dial and/or chooses the channel muddying the sample? If you live in a metered household and you're watching TV in a bar or your daughter is in a dorm with six or eight other people helping her watch TV, only you and your daughter are part of the sample. Chances are that none of the other people in these two crowds are.



Richard Montesano of Capital Cities/ABC points to a study of viewing in the workplace showing nearly three million working women watching daytime serials at work.

Chances are also good that you and your daughter may be pressured into watching what other members of these crowds want to see—not necessarily what you or your daughter would choose to watch if either of you were entirely alone with your sets. The same applies to military and naval barracks, hospital viewing, a group of country club members watching the same set, or members of the office staff watching on their lunch break. And of course there can be no confidentiality in any group viewing activity."

Batteries not included

Skipping to the issue of battery-operated sets, Marans agrees that measurement of out-of-home viewing by members of metered household samples is desirable—"if someone can come up with the technology to do it. But has anyone yet advanced technically beyond a diary with special spaces designated for recording out of home viewing?"

Chiat/Day's Nichols points out, "TV is the only broadcast medium whose audience isn't counted wherever it goes. On general principles, if there's a way to do it, we should try to measure viewing wherever it takes place. From the broadcasters' point of view, they feel they're being short changed by this measurement gap."

But Nichols adds, "This gap has various segments. Some of these segments are easier to measure than others. The easiest appears to be installment of meters in second, or vacation homes, owned by families already in the people meter sample. All we'd have to do is screen out rentals and visiting relatives.

"Other segments, like people watching portable battery sets, are pretty much immune to measurement with existing technology, although the future could bring us technical breakthroughs that could get us there."

For hotels and college dorms, continues Nichols, and military barracks, hospitals and rest homes, the ARF committee is working with the NAB's COLTAM (Committee on Local Television Audience Measurement) to develop an enhanced diary with designated spaces for

The unseen, unpaid audience

And Arbitron's alleged threat to national security

By GEORGE SWISSELM

Most parties agree there are a lot of missing persons out there in television land, beyond the boundaries of meter land, who remain uncounted, even though they're watching too.

They include business travelers in hotels and motels, people watching at work, students on college campuses, military personnel in barracks, and such other group quarters dwellers as hospital patients, rest home residents and people watching TV in bars, restaurants and country clubs.

Dave Marans, vice president, media research and resources at J. Walter Thompson observes, "Clearly the networks feel it's in their best interests to include every possible out-of-home viewer they can find in their total audiences. It could conceivably help shore up their sagging viewing levels. But there are a couple of sides to it. Not every agency necessarily concurs totally with the networks' position, though some of what they say has merit."

Advising Nielsen, Arbitron

Marans is a member of the Advertising Research Foundation's Out-of-Home Viewing Committee, one of whose goals, explains Nick Schiavone, vice president, network marketing and sales research at the NBC Television Network, is to "help Nielsen and Arbitron understand the full dimensions of their task."

The committee's chairman is Richard Montesano, vice president, market research at Capital Cities/ABC. He points to another goal: "Making out of home viewing part of every program's rating."

Montesano notes, "The industry has always known there's this big, unmeasured out-of-home audience out there. J. Walter Thompson, ABC, NBC, CBS, R.H. Bruskin, Nielsen and Arbitron all have done studies documenting it. MRI and Simmons are expanding their ser-

vices to include more out-of-home network viewing measurements.

"But most studies to date have been one-shots, albeit a long and pretty impressive list of one-shots that have all confirmed impressive numbers of additional viewers. But the industry's goal is to measure out-of-home viewing continuously and over time so we can track how much it's grown in recent years. This is a period during which more people have become more mobile, more women hold jobs outside the home at places where sets are available to them, more and more kids go away to college and more people have bought battery-operated portable TV sets. CONTAM (Committee on National TV Audience Measurement) estimates there are currently 10 million portable sets in the U.S. and growing."

At Chiat/Day/Mojo Tim Nichols, vice president, media research director and also a committee member, says, "We have industry polarization on out-of-home, with researchers caught in the middle. You can't blame the networks and stations for wanting full credit for their full audiences so they can get paid for it. But if and when we ever



Nick Schiavone, NBC Television Network, says a study on Super Bowl viewing showed 25% of it was outside of viewers' own homes.

do come up with an acceptable way to count these now unmeasured audience segments, you can't blame clients for feeling 'If we've been getting these segments as a bonus from the day TV began, why should we suddenly start paying now?' And researchers just want the full count because it will make us smarter."

Meanwhile, media chiefs at major agencies say they want the information if they can get it.

Marcella Rosen, senior vice president, managing director, media services at N W Ayer says, "We certainly prefer to deal with facts rather than speculation. We'd like to find out everything we can about television's out-of-home audience, just as we want to find out everything we can about magazine out-of-home reading in doctors' and dentists' offices, barber shops, on airplanes, pass-along reading and so on.

Logical assumptions

Rosen says, "We assume this audience is there, just as we assume David Letterman has an audience on college campuses and that *Monday Night Football* has an unmeasured audience in hotel rooms and taverns.

"But if buyers are not to discount this additional audience, just as we discount print's out-of-home audience because we cannot yet put calipers on it, we believe the burden of proof rests with those who sell television. It's up to them to come up with a better tool to show us the full dimensions of what they have to offer."

Page Thompson, executive vice president, media director at DDB/Needham New York declares, "Anytime we can get our hands on more information that can enable us to target our clients' customers more precisely, I want it."

Thompson adds, "Whether we can get it or not, it's the marketplace that's going to drive pricing. If we can measure additional viewing, and that viewing has value for

Nielsen because these viewers watched out-of-home. He says the findings project to an additional audience of 2.8 million adults per average minute, and a cumulative total of about 5 million more viewers during the entire game.

This Bruskin survey also found that among hotel guests interviewed, half watched a network TV show in the morning. Montesano estimates this viewing comes to an additional 7% for such morning network shows as *Good Morning America*, *Today* and *CBS This Morning*. And on the college campuses Bruskin found almost as many students watching daytime soap operas in unmeasured locations as in metered locations.

ABC's study of viewing in the workplace found nearly three million working women watching daytime serials at work. Says Montesano: "We're continuing to back up our claim that significant out-of-home audiences are unmeasured by our current national rating methodology."

So this is a working woman?

Thus, two surveys commissioned by ABC Research found between 2.5 and 2.8 million working women watch at least one soap opera over the course of a week at work. One of the surveys, conducted by Marketing Evaluations during December 1988, used a national mail panel of 1,000 daytime serial viewers. The more recent study, by Bruskin, interviewed nearly 600 working women on two January weekends concerning their viewing at work during the week leading up to the weekend they were interviewed. Results indicated 24%, or almost one in every four working women have a TV set available for them to watch at work, and that one in every five of those with sets on premises watched at least one daytime serial every work day. Montesano adds, "This viewing was by no means limited to lunch hour breaks. We'll be digging into the explanations for this in our upcoming studies."

In any event, he says, this viewing projects to an audience of 2.5 million working women who watch soap operas at work, and that doesn't count working women on

odd shifts who watch at home during the day. This is still unknown.

At Nielsen, John Dimling, executive vice president, group director, marketing, reports his company "was looking at" placing meters in second or vacation homes owned by families living in its metered sample households. When it sent a proposal suggesting this to the ARF committee, the committee returned the proposal, suggesting that Nielsen should indeed meter second homes, and also meter those separate buildings, such as unattached garages, on the property of some sample households. Now Nielsen is looking at both and has sent the committee cost estimates for doing both.

Group quarters

Dimling adds that Nielsen is also considering possible ways to measure group quarters viewing by student members of its meter sample households, but notes, "This will probably require some experimentation to get us around a whole range of problems we don't run into doing something already technically feasible, like placing additional meters in second homes and in unattached buildings."

At Arbitron, Jim Peacock, director of research, says he's been investigating a portable, battery-operated key pad device "which has the potential of going one or both of two ways."

One is as a possible replacement for written diaries. The other is as a potential supplement to the household meter with a data download capability. In the latter case, he explains, it would plug into a jack in the household meter when the household member who had been watching TV outside the home came home, so the device could download the data on his or her out-of-home viewing and combine it in with the data on that household member's normal viewing in the home.

Peacock says Arbitron has designed and successfully field-tested prototype devices with this capability, but adds, "Its actual use with our regular sample households is quite a way down the road."

Peacock also expresses "concern that some of the parties to these discussions are not distinguishing



Lou Schultz, Lintas: USA

between some of the various elements involved in group viewing. "For instance, we have not yet devised a way to satisfactorily estimate viewing in sports bars or country clubs. But we can and do estimate viewing on campuses and on military bases. We can do this by weighting up our 18-24 sample to account for the additional numbers of students and military people, most of who fall into the 18-24 bracket."

Peacock also reports having taken some actual measurements on a few campuses and found "somewhat lower viewing levels among students than among the general 18-24 population. The net effect is that including students in our overall 18-24 estimates overstates student viewing by 1 to 5%."

Chiat Day's Nichols concludes, "The status now appears to be that some segments of the out-of-home audience may not be measurable for a long time if ever. Others, like second homes and unattached buildings can be measured with little trouble."

"For still other segments, technical breakthroughs are needed, and changes in the way the ratings services operate. Some of those changes are going to require reduction of the data users, because the data are going to look different. Not all of the new numbers are going to fit into the neat cubby holes everyone is accustomed to today. The problem is, until the new results, however generated, are incorporated into the standard rating books and on the standard tapes that everyone uses, buyers are going to ignore these results instead of using them." □



Page Thompson, DDB/Needham

entering out-of-home viewing: "We're experimenting with various diary designs to determine what level of detail can be captured practically by improved diary design."

He adds that a personal diary is being tested, rather than a revised version of the current household diary, "which has its problems, even with viewing in the home. One household member is designated to record the viewing of all household members. It takes no great imagination to picture the potential for mistakes by that one designated diary keeper stuck with that job in a multiset household."

Nichols also says, "Personally, I wouldn't shed a tear if we forgot about household viewing altogether and converted totally to personal diaries. No one buys households. Everyone buys specific demos. However, household numbers are the basis of all kinds of standard industry calculations and statistics. Getting some people to change years of ingrained use of all the familiar household-based numbers is likely to create chaos, real or imagined, in some quarters—enough to insure that the resulting howls of pain would be heart-rending."

Ayer's Rosen says that if a tool can be invented to measure out of home viewing accurately, "I don't expect to see a 10 to 20% bump in, say, David Letterman's audience. But it would be useful to find out just how large or not so large the bump may really turn out to be."

Rosen adds, "I can't prove this, but my guess is if the right kind of check were made among business travelers, we'd find they watch

more television at night on the road than when they're home and involved or distracted by what other family members are doing or talking about."

At NBC, Schiavone points out, "There's more to television's unmeasured audience than viewers unmeasured because they aren't home. Our Super Bowl study confirmed significant unmeasured viewing by people, even watching in households in Nielsen's meter sample."

Your set's too small!

Schiavone explains that Nielsen does not measure viewing to a set whose screen is five inches or smaller, does not measure viewing in detached buildings, say an unattached garage adjacent to a metered home, and does not measure viewing by visitors watching TV in a metered home—"all those people who didn't watch the game in their own homes because they congregated in groups at Super Bowl parties at a friend's house and watched the game there."

"All these people were not out-of-town in a hotel or away at school or in the Air Force or in a hospital or bar or country club. They just watched the Super Bowl in some one else's house instead of their own. Even people living in nonteleviewing households can be part of such groups. Measuring visitors' viewing is limited because a people meter can't accommodate any group much larger than an average family."

"So here's this other issue of all this viewing even in metered homes that never gets measured, on top of the out-of-home viewing problem our ARF committee is addressing. And unlike much out-of-home viewing, much of this unmeasured in-home viewing could be picked up with current technology."

What NBC's Super Bowl study in January found was that approximately three-quarters of those who watched the game did so in their own homes. That leaves one-quarter who watched someplace outside their own homes. And among this quarter of the audience who watched elsewhere, 80% watched in someone else's home. Only 20% watched in some non-residential location, ranging from bars to hos-

pitals to weekend work locations.

Schiavone, based on results of NBC's Super Bowl study, estimates, "If we had a methodology that could pick up all the out-of-home viewing to January's Super Bowl, we would have added approximately 7%, or 5½ million more viewers, to the 78.2 million Super Bowl viewers Nielsen did count. That would boost that 78.2 million 18-64 Super Bowl viewers to a total of 83.7 million."

A second NBC study on college campuses, conducted between Feb. 14 and Feb. 25 this year, indicates that although 40% of college students live in nonresidential settings—group quarters like dorms, fraternities and sororities (the other 60% live in apartments or commute from their parents' homes), much of the 60% spend so much time on or around campus that not 40%, but as much as 75% of college students watch television in unmeasured locations such as student union buildings, friends' dormitories, etc.

Schiavone explains that the actual percentage between the 40% and the 75% varies by daypart, by type of program, and by individual program.

Meanwhile, the latest two Bruskin studies commissioned by Capital Cities/ABC cover viewing by women at work and out-of-home viewing to *Monday Night Football*. The latter involved three separate national surveys: one in bars, one in hotels and one on college campuses. Montesano reports findings indicate that 10% more adults watched the 49ers-Bears game last Oct. 24 than were measured by

Marcella Rosen, N W Ayer



gives agencies more time and flexibility and "makes impossible deadlines possible," the company says. Satelliting enables delivery of spots to stations within 24 hours of the conclusion of post-production, the company notes.

■ **Quality:** The service offers "the same quality and clarity as network programs," the booklet points out. NBC-TV uses the same satellite as Cycle-Sat—General Electric's Satcom K-2, nearly 23,000 miles in space, notes Leet. Even after storage in its Iowa master tape library, digitally transmitted spots suffer "no generation loss," the company maintains.

As Richard D. Conner, Cycle-Sat president-CEO, summarizes in a letter sent to agency prospects, "The Cycle-Sat Network now makes it possible for you to transmit your spot TV commercials to stations faster and more economically than ever before. Our satellite technology delivers your spots with broadcast quality while eliminating the hassle and expense of making and delivering hundreds of dubs. And satellite transmission is fast. Just get your spot to the Cycle-Sat uplink station in your city today, and we'll have it in the stations you scheduled by dawn the next morning."

As an added inducement, the company is offering a gift to agencies that become first-time users of the service by June 30: a Seiko Touch Sensor desk clock that can show the time, day and date of scores of cities in 27 different time zones worldwide.

Cycle-Sat execs only discuss their hefty outlays in broad strokes. Leet says that the Cycle-

cypher equipment given to hundreds of stations represents "a significant capital investment," as does the cost of the transponder time. Given such multimillion-dollar costs, Leet projects that Cycle-Sat will probably not be profitable until "early fiscal '90."

Expansion plans

The company already is eyeing some future expansion areas. Citing the idea of a "video fax," Leet says movie studios have used Cycle-Sat to revise their commercials to include Oscar nominations and winners, for example. In addition, Leet adds enthusiastically, the company hopes to expand this video fax concept to allow agencies and clients in different cities to transmit rough cuts of future commercial campaigns back and forth for revisions and ultimate approval. "As a matter of fact," Leet discloses, "we're already doing that for two advertiser clients," whom he declines to identify. "It's very economical," he notes, when one considers the elimination of overnight mailings and even airline trips to and from the clients.

Not everyone is excited about the possibilities of satellite distribution, however. Although Foote, Cone & Belding's Los Angeles office has used Cycle-Sat for all its accounts, starting with Carnation Co. (no longer a client) and including Mattel and Orion Pictures, Ostrow in New York maintains that for the most part, "I'm a little strained" to find a strong reason for using it more extensively. "A crisis situation" would be one such reason, he notes. "How often do you have something that requires that fast a transmission?" Ostrow asks. In general, "normal channels have been sufficient," such as overnight express mail.

Most agency users of Cycle-Sat, however, praise the service. At J. Walter Thompson USA, Detroit, Sharon Cooksey, broadcast traffic coordinator on the Ford dealer account, says she has been using Cycle-Sat since early February for all its dealership commercials. "It's really been great with crash programs," she says. "It's been very helpful, the people very accommodating." Those stations that have

the Cyclecypher "have the commercials first thing in the morning," she says, while those without that equipment are sent the dub by Cycle-Sat in overnight mail.

The only disadvantage she could think of is missing the satellite transmission deadline, circa 7:30 p.m., due to late night editing by the agency team. But that does not happen often, Cooksey adds.

At Grey Entertainment & Media, New York, Frank Pellegrino in the traffic department says Cycle-Sat's service on the Warner Bros. account has been "great. In essence, it cuts a day out of the process." That is important for timely movie spots, such as those keyed to Academy Award wins or fresh movie reviews, he adds. "Time is definitely the big factor," he notes.

Minor problems

There have been some minor problems, he continues. A few years ago, Grey tested Blairsat but found that "the quality just wasn't there yet. We've done spot checks on Cycle-Sat and there were no [satellite signal] breakups. There were some color difficulties, but negligible. We're not selling lipsticks or eye shadow" so exact color is not that crucial. Another periodic problem is that some stations say they did not receive a TV spot, just as some used to say they didn't get the overnight mail delivery on time, he says.

Jordan, Case, McGrath, Case & Taylor, New York, is testing Cycle-Sat for several months for Fayva Shoe Stores, division of Morse Shoe Inc. "We use it for everything," not just sale spots, says Laura Corddry, traffic staffer at the agency. The service is saving money, as the agency is paying a test rate, she notes. So far, the agency has no complaints, she continues. Cycle-Sat is satelliting "about 30%" of Fayva's spots, with the rest shipped via overnight mail to stations not yet fully linked up to the system, she adds.

Another agency executive who prefers anonymity says he has been using the satellite service for 10 months, for an oil company client. "I think it's great," he observes. "It saves time and money—that's the bottom line." □

Richard H. Leet



Many agencies on Cycle-Sat's beam for select clients, despite Blairsat flop

Satelliting TV spots lauded for saving time, money

By JAMES P. FORKAN

There's yet another new TV network out there—this one involved in transmitting commercials via satellite from agencies to TV stations across the U.S.

In Cycle-Sat Inc.'s case, despite the use of *Star Trek's* Scotty in its promotional materials, the company is boldly going where others have gone before.

If the company were seeking a theme song, it might consider the 1960s dance hit lyric, "The bird is the word." The distribution of commercials via satellite by Cycle-Sat, variously described as "a communications network" and "a satellite courier business," saves its clientele both time and money, its execs and customers agree. Still, not everyone would swoon to such a theme song.

Others who dared

Cycle-Sat, based in Forest City, Iowa, must contend with two obstacles—the failures of John Blair & Co.'s Blairsat and Group W Satellite Communications in their previous attempts at similar services. The newest entry, according to its national director of marketing Richard Leet, is not hampered by the problems that beset Blairsat. That venture operated from 1979 into the early 1980s, at a time when few TV stations had satellite capability, Leet points out. "Now, 99% of stations have satellite-receive capability." Moreover, Blairsat transmitted its spots to one station per market, which then made the necessary dubs and "bicycled" them to the other stations in that market, he says. Today, Cycle-Sat's modern technology has elimi-

nated those extra steps. In addition, in duplicating the original spot, the tape quality of the dubs distributed by Blairsat suffered deterioration, other industry sources recall.

In the opinion of Joseph Ostrow, Foote, Cone & Belding's New York-based executive vice president and corporate media director, Blairsat was done in by two key factors: A lack of agency interest and need, plus high costs.

About five years ago, Group W in Stamford, Conn., had announced that it was entering the commercials-via-satellite field. Following the sale of Satellite News Channel to Ted Turner, the company had the necessary equipment to accomplish that mission, but a spokesman recalls that the service never got off the ground because GWSC execs found little or no interest among ad agencies.

The interest is there now, according to Cycle-Sat's Leet, who says that more than 20 agencies serving at least 50 advertisers presently are using its satellite delivery system on a regular basis. The biggest categories are movie studios and auto makers' dealer operations, he notes. The former includes 20th Century Fox Film Corp., Paramount Pictures, Warner Bros. and Orion Pictures, he says, while the latter includes Lincoln-Mercury (via Young & Rubicam), Chrysler-Plymouth (via Bozell) and Ford (via J. Walter

Thompson USA).

Cycle-Sat delivers their commercials to 391 TV stations, up from 380 in early March, with Leet noting that an additional 80 Cyclecypher units are in various stages of being shipped to still other outlets. Cycle-Sat should be reaching 650 stations "by mid-summer," he calculates. Each broadcaster pays \$1 a year to lease Cycle-Sat's equipment package, which includes a fully automated Cyclecypher (a satellite decoder/receiver that uses both C and Ku band uplinks to the Cycle-Sat control center), a computer printer and VTR interface cables.

"Hundreds of commercials are satellited over a week's span," Leet estimates. Cycle-Sat transmits the TV spots from 3 a.m. to 6 a.m. (ET), seven days a week, beaming its signal from its earth station in Forest City, Iowa, to stations as diverse as WGN-TV Chicago and KDAF-TV Dallas to WDRB-TV Louisville, KTVK Phoenix and KAPP-TV Yakima, Wash. Under the automated system, each outlet automatically receives only those commercials that it will air, along with computer printouts of the appropriate traffic instructions, Leet explains. Although the video transmissions are limited to three hours nightly, the printouts operate 24 hours a day, he adds.

According to Cycle-Sat materials sent to prospective clients, the three main benefits of its services are:

■ **Economy:** "Distribution costs are significantly reduced," says the company's booklet, by eliminating or reducing duplication and overnight shipping costs. Without divulging rate structures, Leet figures, "We save 15% to 35% for clients." One agency executive says Cycle-Sat has enabled it to save \$25,000 a year on overnight mailing costs alone, plus \$40 in duplicating costs per videotape spot.

■ **Time savings:** Satellite delivery





Pete Weynner goes on for Business Radio Network.

*Business Radio Network feeds
29 affiliates 24 hours a day.
Seven of these affils are in
the top 20 markets.*

markets, "Several of which we plan to announce at NAB."

She adds that expansion to Los Angeles, San Francisco and Sacramento extends BRNs predominantly east coast coverage to the west, "boosting our national market coverage to over 30%. And although we concentrate on business and financial news, we also offer two national newscasts, weather, sports, and features covering a variety of issues."

BRN's listener profile is 25-64, and while the network conducts "continuous feedback research," Faulkner says there has not yet been enough of a sample built up for a full profile. But analysis of call-ins, she says, "shows we're heavily male oriented, that our average male listener is 40 and our average female listener is between 50 and 60."

Newest business web to hit the air is Financial Broadcasting Network. President Joe Dorton says FBN bowed in early April on XEGM Tijuana after "two months of 24-hour a day dry runs before I was satisfied we had exactly the right people on the air with the right information delivered in the right way."

During those two months, Dorton says, he had "20 prospective affiliates standing by. I didn't want

them to sign up until they could hear what I wanted them to hear, so they'd know it was right, too." He adds, "Early affiliate reaction to our product, now that we have it right, has been phenomenal. The quality can go head-to-head against the best of CBS or Group W news radio."

Besides affiliates in West Palm Beach, Orlando and Santa Barbara, Dorton says his company is negotiating to buy stations in Denver and San Francisco. He describes his market as "25 to 54, consumer-oriented, upper-middle-class investors who also need information on buying and maintaining a home or condominium, and on whether to buy or lease a car, as well as information on securities, commodities, insurance and how to pay for their kids' college."

"We have an 800 number for call-in to the experts who do our shows, and to the guests of those of our experts who bring in special guests. And we broadcast continuing market updates. All this is what we have from 6 a.m. to 4 p.m. After 4 p.m. and on weekends we interview the big guns like Elliot Janeway and T. Boone Pickens."

Waiting confidently in the wings in Boston for these three to flop is John Knowles, Jr. He insists that despite rumors to the contrary, his

proposed 24-hour-a-day Business News Broadcasting "has not given up the ghost by any stretch of the imagination. What we are doing is laying low, standing aside until all these new guys fall on their faces."

Knowles is sure all three will be forced to drop out "within 18 months at the latest. Then we'll come back in and have the field to ourselves."

Knowles asserts: "This is narrowcasting. Very narrowcasting. That means no station is going to have decent numbers to sell. It has to be a high-quality audience sell, and to get that quality you need high quality programming. The network and its affiliates have to be willing to pay the price of that kind of programming."

Where does Knowles plan to get the financing to pay for programs of such quality he hopes the others can't match? Says Knowles: "Our partners, both our investing partners and our operating partners, who will be leaving known successes to jump into our risky startup, are ready to come with us because they believe in what we're doing. They want to be part of doing it right. But not until after the three or four others now beating up each other for small pieces of what's essentially a very small pie to begin with, have finished beating each other to death."

Operating partners

He says his operating partners include Jim Hood, former director of broadcasting for Associated Press, and Gig Barton, director of affiliate relations who held the same post during the successful launch of *The Wall Street Journal Report*. Also Lew D'orkin, former Page One editor of *The Wall Street Journal*, and Fred Walters who launched Philadelphia's first all-news radio format on KYW and who has also programmed all-news WINS New York.

Also pointing to his high-powered staff is FBN's Dorton. Besides his own track record (head of Gannett Radio from 1980 to 1987 and before that, president of Torbet Radio), he points to Ben Avery, a veteran of both Mutual Broadcasting System and Associated Press, who is general manager of

Money talks on AM radio

Financial networks roll out; shakeout expected

First there was The Wall Street Journal Radio Network, launched in 1980. Since then, news/talk AM radio formats have multiplied and more of them kept adding business news and/or personal financial advice segments. But since Wall Street's notorious Black Monday in October 1987, some half dozen business news radio webs have popped up like Spring tulips.

Everyone of them agrees the market will support one, or at most, possibly two. But every one expresses equal confidence it's the one with the staying power to remain standing as king of the hill after the other four or five lie belly-up at the bottom.

The Wall Street Journal Report, its even briefer sister Dow Jones Report for "music radio" stations, and one-year-old FNN Business Radio, feed affiliates one-to-three minute reports no more than once or twice an hour, usually for incorporation in these stations' regular newscasts, which also include world, national and local news.

Around the clock

But three of the new entries, plus one reportedly waiting for an opening, offer 24-hour-a-day business and economic news, plus personal financial management and investment advice.

All are designed for commercial stations and could be lifesavers for faltering AMs looking to dig out from a low ratings hole. For non-commercial competition, there's public radio's *Marketplace*. Produced by Pacific Public Radio and distributed by American Public Radio, *Marketplace*, launched this January, is heard during morning drive as short business updates and during evening drive as a half-hour business news magazine.

Longest running of the new 24-hour-a-day business news webs is the two-year-old Money Radio Network, born March 3, 1987 at KDB Santa Barbara, Calif. Executive vice president Vera Gold re-

ports MRN now has 15 affiliates reaching parts of 25 markets. Six are in California and Arizona and three are in New Jersey and White Plains, N.Y., most being small stations serving bedroom communities that feed commuters into such major markets as Los Angeles, New York, Philadelphia and San Francisco.

Gold says programming covers "everything people can invest in: coins and stamps, art, antique furniture and weapons and real estate as well as stocks, bonds and commodities. We talk about how to raise money, personal development and motivation, the nuts and bolts of personal investing, IRAs, how to switch funds, how to do your taxes, how to become an entrepreneur, particularly in such potential growth industries as bottled water, fish farming, hydroponic or greenhouse farming, and farming or landscape gardening in arid areas."

Gold recalls that MRN started when "Buzz Schwartz found that his *Investors Club of the Air* on

KDB was filling a need that many listeners wanted. People had a little money to invest and didn't know how, or where to go or who to turn to to find out. Today our guests include economists, brokers and think-tank people. But they talk investment strategies, not individual stocks. And we make sure to include all kinds of caveats. For instance we warn listeners to watch out for 'too good a deal.' If it sounds too good to be true, that's all the more reason to ask a lot of questions before parting with your money. We tell people what questions to ask."

In major markets

At Business Radio Network in Colorado Springs, vice president, marketing Karen J. Faulkner says it now feeds 29 affiliates 24 hours a day, seven days a week. She reports seven are in the top 20 markets: Los Angeles, Chicago, Washington, San Francisco, Houston and Cleveland, and that BRN is negotiating with stations serving six or seven more

Newest business network is 24-hour Financial Broadcasting Network, with owned and affiliated stations.

FBN's Glen Taylor, r., Joe Dorton, l., anchor John Darin





Money Radio exec. v.p. Vera Gold

erations, Business Radio Network's Faulkner says BRN sells four minutes an hour to advertisers and affiliates get 11 minutes an hour for local sale. She says BRN's advertisers include banks, car rental companies, resort hotels, computers and other office equipment like fax and copiers. Target categories include cellular phones, airlines, insurance and top-of-the-line cars.

Faulkner reports good response from BRN's per-inquiry advertising and also good listener response to the web's talk hosts and their guest experts. And she adds that BRN's affiliates have also been able to use their new formats to attract new categories they never had for their previous formats.

Faulkner recalls that early research before BRN hit the air "showed our new format would generate response but that response has turned out to be even faster and more enthusiastic than our initial research indicated. Another surprise is how long our listeners stay tuned. We originally figured BRN would attract listeners in a pattern common to most good news/talk stations: that is, a lot of listeners for short periods of time. But we've found many listeners say we're 'addictive.' They listen in their cars and listen at work—in many cases, all day long.

"This longer duration of listening has led to some subtle changes

MRN advertisers include financial services, business and office equipment, airlines, cellular phone services and top-line cars.

in our presentation. Some features, originally scheduled for 16 plays over two weeks, have now been cut back to nine exposures."

At Money Radio Network, Gold says MRN sells six network spots an hour while affiliates can sell six to nine per hour locally. She adds that "If we get only 1% of the markets we cover, we're reaching 350,000 listeners."

MRN advertisers include financial services, business and office equipment like fax machines and copiers, airlines, cellular phone services and "the best automobiles—BMW, Jaguars, Mercedes."

As for results, Gold reports one commodities broker more than doubled the number of accounts in his management portfolio after just three weeks on MRN. For another advertiser, one affiliate alone pulled 400 responses to one offer. Gold says the 10 to 20 clients who "have been with us for two years, since Day One on the air, stick with us because we produce results. There are other advertisers who come and go. Perhaps the offer wasn't right, or its timing wasn't right."

Gold also reports 10,000 members in MRN's Investors Club of the Air: "That gives us a base for investor feedback. We survey our listeners asking what they want to hear and when they want to hear it, and we've had very positive response to each format change we've

made. Our research tells us we're reaching people who, if we weren't on the air with our financial news and advice, would be listening to tapes or preparing for their next business meeting. Many of them are the kind of people who like to impress the boss with how much they know about business."

MRN stages financial and investment seminars it calls "Investment Fairs" for listeners, and both MRN and Dorton's Financial Broadcasting Network are also into publishing. MRN puts out *Personal Investing* magazine. FBN publishes a newspaper supplement, *Money Week*, in all markets served by affiliates. Half the ad space goes to the Sunday paper carrying it, and FBN sells the other half. FBN also puts out its monthly 24-page *Money Talk*. Twelve are ad pages, with FBN selling six and affiliates selling the other six in conjunction with their local commercials.

Added segments

Meanwhile, there could sooner or later be still more business news segments on Westwood One's NBC Radio Network, Mutual, or both. Ron Nessen, vice president news for Westwood One, points out that while financial reporter John Hartge already airs daily market reports and financial news, "Most radio network people feel there's affiliate and listener demand out there for more frequent and possibly for more detailed financial information. Our sales department also believes there are more prospective advertisers ready to sponsor more financial news if we did more."

The result so far is that Nessen has held talks with "a couple of sources. About eight or nine months ago FNN approached us and we kicked some ideas around, but nothing came of it at the time. Then they apparently had second thoughts and now we're in a second round of talks. We've also been talking to the newspaper, *Investor's Daily*. So far, with both parties, it's been mostly talk, and we're a long way from actually getting more reports from either of these sources on the air. But we're still interested, and it could happen later." □

FBN; and Joe Vincent, a former senior vice president of the Radio Advertising Bureau, who is now FBN's eastern affiliate relations chief.

Robert B. Rush, director of broadcast services for The Wall Street Journal Radio Network and the Dow Jones Report, notes that every one of the new 24-hour business webs is shooting for the same audience his eight-year-old operation already has: the 25-54 upscale listener with discretionary income. The Wall Street Journal Report, which feeds three minutes of breaking economic and financial news every hour from 5:50 a.m. to 9:50 p.m. now has over 100 affiliates.

Until last year, Rush says, the WSJ Report limited itself to the top 50 markets. But then, with the excitement—or fear—generated by Black Monday on the nation's stock and commodity exchanges, the WSJ Report started rolling out into the next 50, "because the stations were calling us."

But Rush adds that he's very careful in selecting new affiliates: "We pick them for the calibre of their audiences. Most are news or news/talk formats, but some are classical music stations."

Upscale listeners

Both MRI—Mediamark Research Inc.—and R.H. Bruskin show the WSJ Report with a high concentration of executive and professional listeners with high incomes. The WSJ Report shoots for the same audience as its sister national newspaper of the same name. When Bruskin interviewed 1,000 *Journal* subscribers in five affiliate markets, the research firm found 54% were top business managers, 79% were college graduates, respondents' average household income was \$94,600, and they were active investors with portfolios that averaged \$116,400.

To test the waters for interest in business news among listeners to music formats, Dow Jones commissioned Statistical Research Inc. (RADAR) to interview over 500 FM listeners, 25 to 54. SRI found two thirds wanted business reports. But they wanted them briefer and more consumer oriented than the



Ian MacLeod broadcasts for Wall Street Journal web.

Wall Street Journal Radio Network claims the newcomers are shooting for the same demo it's had for eight years.

Wall Street Journal Reports.

Thus, the Dow Jones Report consists of one-minute breaking news briefs aired hourly 15 times every business day from 6 a.m. to 8 p.m. And six weekend reports summarize the past week's business news and forecast what may happen in the week ahead.

Coming from cable

FNN Business Radio was launched last October by cable's Financial News Network in partnership with Starstream Communications, which handles affiliate clearances and promotion. Jon Wilkes, director of news and operations, reports 66 affiliates including many news and news-talkers, plus a few classical music stations.

Wilkes describes FNN Business Radio as a financial news service for full service stations that feeds one-minute reports twice each hour from 5:20 a.m. to 9:50 p.m., Monday-Friday, plus 13 weekend reports. He says FNN's news sources are the same as those of cable's FNN, "but we have a separate radio staff that writes our reports for radio delivery, not for TV. And it's delivered by experienced radio anchors."

The network sells eight spots a day and each affiliate has 23 a day

to sell, plus all weekend avails. FNN splits the U.S. into 12 regions and feeds three reports each day of regional business news, geared specifically for each one of its 12 regions.

Similarly, Rush reports that within 60 to 90 days The Wall Street Journal Reports expects to have the bugs worked out of new technology that will enable affiliates to report their own local and regional stories. Rush explains, for instance, that although Orlando is not the headquarters of either Disney or Lockheed, both corporations maintain major installations in Orlando that employ hundreds of people. That makes what happens to either company a major business story for WSJ's Orlando affiliate.

The way Rush describes it, "Each station gives us a list of its own market's Disneys and Lockheeds. Then when we get a story from our *Wall Street Journal* or Dow Jones correspondents covering these companies' headquarters cities, we will be able to feed it, already written for radio voice delivery. Then the local affiliate's own news anchor can read it himself and make his local business editor look like he's on top of everything that goes on at all times."

Back at the around-the-clock op-

Chattanooga: Consumer spending slows 3rd Quarter Growth:

Coincident index	(1.6%)
Non-agricultural employment	2.2%
Retail sales in current dollars	(7.0%)
Utilities usage (industrial production proxy)	(0.6%)

Employment Composition:

Goods producing	29%
Services	53%
Government	18%

Source: First Tennessee's "Trend"

for Knoxville and 1.6% for the Tri-Cities area of Bristol, Kingsport and Johnson City during the same period.

The Jackson region was not tracked in the report, but statistics from Tennessee's Department of Employment Security show unemployment declined in the city last year, from 8.5% of 37,470-person labor force in 1987 to 6% of a 38,760-person labor force. In Nashville, nonagricultural employment fell 2.8%, retail sales dropped 4% and industrial production increased 5.8% from the second to the third quarter last year.

Nashville is the only Tennessee metro area with negative economic growth from the third quarter of 1987 to the third quarter of 1988, the study points out. The index for the region dropped .7% for that 12-month period. Harless says the cooling of Nashville's economy follows five years of record growth for the region.

"While the area economy ap-

pears to be pulling back, the declines in the quarterly coincident index have been small, suggesting growth may soon resume," he adds. In Memphis, economic growth

by the amount of utility usage for the region, increased 2.3% for the same period. Memphis ranked third among national metro areas in the percentage of its job growth last year, and "with the large gains in 1987, modest retrenchment of economic growth in the...area is expected," Harless says.

A strong rebound in industrial production for two consecutive quarters following a 1% drop from the fourth quarter of 1987 to the first quarter of 1988 suggests the city's current economic setback "could be shortlived," he says. Chattanooga's economic growth was the slowest among the state metro areas for last year's third quarter, largely due to a 7% drop in retail sales, he says.

Industrial production fell .6%, but nonagricultural employment

Knoxville: Job growth fuels expansion 3rd Quarter Growth:

Coincident index	1.0%
Non-agricultural employment	2.1%
Retail sales in current dollars	(0.6%)
Utilities usage (industrial production proxy)	2.4%

Employment Composition:

Goods producing	26%
Services	55%
Government	20%

Source: First Tennessee's "Trend"

slowed during the third quarter due to a 2% decline in employment and a 1.2% decline in retail sales from the second to third quarter of 1988, Harless says.

Industrial production, measured

for the area increased 2.2% for the area for the same period.

Chattanooga's employment gain was the second strongest for any of the state metro areas and "suggests the third quarter setback in the... economy may be temporary," Harless says.

Memphis: Economy pulls back 3rd Quarter Growth:

Coincident index	(1.4%)
Non-agricultural employment	(2.0%)
Retail sales in current dollars	(1.2%)
Utilities usage (industrial production proxy)	2.3%

Employment Composition:

Goods producing	17%
Services	66%
Government	17%

Source: First Tennessee's "Trend"

Tri-Cities ahead

Knoxville's 1% economic expansion from the second quarter to the third quarter of 1988 was fueled by a 2.1% rise in nonagricultural employment and a 2.4% increase in industrial production, he says. Retail sales for the area dropped .6% for the same period. Harless says the drop is only the second quarterly decline in retail sales in the past five years for the Knoxville economy. "In spite of this quarter's decline, retail sales in the area remain

Television/Radio Age

THE TENNESSEE MARKET

Economists look at employment, retail sales, industrial production

Tennessee markets get varying results in economic factors

Nashville is the only Tennessee metro area with negative economic growth from the third quarter of 1987 to the third quarter of 1988. The index for the region dropped .7% for that 12-month period.

Nashville, the television production hub of Tennessee, did better than Chattanooga and Memphis but worse than Knoxville and the state's Tri-Cities area in economic growth for the third quarter of 1988, according to a report by First Tennessee National Corp. *Trend*, a quarterly statewide economic report by First Tennessee, said a coincident index of economic growth fell .7% for Nashville from the second to the third quarter of 1988.

The index is based on data measuring employment, retail sales and industrial production for Tennessee and metro areas within it. Paul Harless, an economist for First Tennessee, says that is the available data "that best predicts business cycles" in the state's metro areas.

The coincident index showed a decline of 1.4% for the Memphis economy from last year's second to third quarters and a drop of 1.6% for Chattanooga. The index rose 1%

Tennessee: Slower growth ahead

3rd Quarter Growth:

Coincident index	(1.3%)
Non-agricultural employment	(0.7%)
Retail sales in current dollars	(1.7%)
Utilities usage (industrial production proxy)	1.3%

Employment Composition:

Goods producing	30%
Services	57%
Government	13%

Source: First Tennessee's "Trend"

Nashville: boom with no echo

TV stations in market wonder about national spot

By GREG BAILEY

Way up on a tree-filled, suburban hill in Nashville, overlooking the city's expanding skyline, sit the studios and offices of WSMV-TV. As the city's oldest television station, WSMV's longtime geographic location is appropriate now more than ever. Nashville's NBC affiliate is winning the "King of the Hill" game in local television.

WSMV is the highest-rated, and likely, the most profitable station in the market at the end of the 1980s. In February, the station led the sign-on to sign-off period with a 10 rating/30 share in the Arbitron ratings.

So why is station president and general manager Mike Kettenring not smiling? Business in the market, Kettenring says, is "disappointingly bad."

And there's no reason, he adds, that it should be.

"Who knows why. The region is extremely healthy. It's not the 'oil patch' region. It's a region that has got a great deal going for it," he says. But . . . "On a national level, they're not buying advertising. They're not buying anywhere near what is being bought in other regions. I'd say its 20% below the rest of the nation."

Is Nashville the boom town with a damp fuse? Some two years ago, Nashville was being hailed as "the next Atlanta," the South's next su-

percity, much to the delight of speculators and to the chagrin of the city's Old Guard.

Businesses in and around Nashville prospered as Nissan Motor Manufacturing U.S.A. geared up its plant in nearby Smyrna and American Airlines opened a regional hub with the new Nashville International Airport and General Motors announced the construction of its Saturn plant in Spring Hill outside Nashville. Television waited for the advertising boom. The stations are still waiting.

"It was more of a burp than a boom," Bob Jay, general sales manager at independent station WZTV says. "People's expectations were too big to begin with. But it's still a very positive market. The people in the market have faith."

WKRN(TV) station manager Deborah McDermott says the "big boom" concept isn't accurate: "It's more steady growth. The flavor of the market is strong. There's a good local economy. And I think the [broadcast] industry looks at Nashville as a promising market."

Changing ownership

People outside the nation's 31st largest television market apparently have faith in Nashville as well. In the past year, four of the five commercial stations have been sold—a Music City wheel of fortune. Only H&C Communications' WTVF-TV did not change owners.

"To me, that says the market is one that a lot of companies, following in-depth research, believe in," says WZTV general manager Gary Dreispul. Changes have already occurred at Dreispul's station, as well as at WCAY-TV, the former TVX independent station now owned by MT Communications. The Federal Communications Commission has yet to rule on two of the sales: WSMV from The Gillett Group to Cook Inlet Communications and Whitney Communications, its managing partner; and WKRN from Knight-Ridder Inc., to Young Broadcasting.

The stations aren't sitting and waiting for the national ad dollars to come pouring into the market. In 1988, about \$74 million was spent in television advertising in Nashville, compared to an estimated \$125 million in newspaper ad revenue.

"The business climate in 1988 was more like Jekyll and Hyde—or Heckle and Jeckle. It was comical," Dreispul notes. "The first half of the year, Nashville was up in the 15% range. But we got into the third and fourth quarter; the market got softer."

At WCAY, station management took over three months ago with one goal: increase sales. "Last year, we were up 17% in sales," general sales manager Dale Foshee reports, "but we had so far to grow that that still wasn't adequate. I can't remain in business being flat. We

Nashville's ever-expanding skyline (Photo: Nashville Area Chamber of Commerce)



high, and are up 5.7% over the past year," he adds.

The Tri-Cities area is outperforming every other metro economy in the state because it is more heavily weighted toward manufacturing than the other local economies, Harless says. The area's industrial production jumped 8.3% and its nonagricultural employment rose 3.3% from the second to third quarter of 1988. Its retail sales dropped 4.6%.

Manufacturing comprised 38% of the area's employment, compared to 29% for Chattanooga, 26% for Knoxville, 25% for Nashville, 17% for Memphis and 30% for the

The Tri-Cities area is outperforming every other metro economy in the state because it is the most heavily weighted toward manufacturing, which accounts for 38% of the area's employment.

state, *Trend* reports. A decline in the value of the dollar generally helped U.S. exports last year, and Tri-Cities manufacturers were among those experiencing "a year of increased demand and expansion" due to improved sales in foreign markets, Harless says.

Officials with the Jackson Chamber of Commerce note that unemployment dropped in the city from 8.5% in 1987 to 6% in 1988 and say Jackson's economy is growing. The city's largest employers include a Procter & Gamble food processing plant, a Bruce Hardware hardwood flooring plant, a Porter Cable power tools plant, an American Olean

Nashville: Area remains sluggish

3rd Quarter Growth:

Coincident index	(0.7%)
Non-agricultural employment	(2.8%)
Retail sales in current dollars	(4.0%)
Utilities usage (industrial production proxy)	5.8%

Employment Composition:

Goods producing	25%
Services	60%
Government	15%

Source: First Tennessee's "Trend"

Tile ceramic tile plant and a Quaker Oats food processing plant.

Statistics from the Tennessee Department of Employment Security show Jackson's employment is 25% goods producing, 58% services producing and 17% government employment. *Trend* follows nonagricultural employment composition from quarter to quarter, breaking it down into goods producing (manufacturing), services and government categories. Harless says the five metro areas of Tennessee tend to take turns leading the state in economic performance as they go through business cycles at different paces, based partly on their employment composition, he says. Manufacturing is always one of the lagging economic sectors coming out of a recession "and it picks up steam very late in a business cycle," Harless says.

"The metro areas with heavy manufacturing bases are going to perform very well at the peak of a

business cycle, but as they [economies] move into a slow-growth environment, areas with the largest service sectors are going to perform the best; they'll also perform the best in the early and middle stages of a business expansion."

Trend reports Nashville's service sector comprised 60% of its employment in the third quarter of 1988, compared to 66% for Memphis, 55% for Knoxville, 53% for Chattanooga, 48% for the Tri-Cities area and 57% for the state. Government employment during the same period was highest in Knoxville, providing 20% of its jobs, compared to 18% for Chattanooga, 17% for Memphis, 15% for Nashville, 14% for the Tri-Cities area and 13% for the state.

Tennessee as a whole saw a 1.3% drop in its coincident index for the period, with declines of .7% in non-agricultural employment and 1.7% in retail sales and a gain of 1.3% in industrial production. □

Tri-Cities: Pulls ahead

3rd Quarter Growth:

Coincident index	1.6%
Non-agricultural employment	3.3%
Retail sales in current dollars	(4.6%)
Utilities usage (industrial production proxy)	8.3%

Employment Composition:

Goods producing	38%
Services	48%
Government	14%

Source: First Tennessee's "Trend"



ABC-affiliated WKRN shoots for high community visibility.

were doing a 4 share and doing 4% of the revenue. You can't do that."

General manager Jim Warner revamped the sales department, and the company put its national advertising future in the hands of one man—former Metromedia president Bill Tynan.

Tynan works out of New York, an arrangement that both Warner and Foshee find attractive. "When 55% of national revenue is coming out of New York, it makes sense to have MT Communications national sales there," Foshee said.

Warner says the revamped sales effort is working. The sales staff came within 8% of meeting its goals for February and hoped to hit the station's goal in March, giving WCAY a better first quarter than expected.

Dependent on local

But sales and station managers around town, and their bosses as well, say their financial future rests with local advertisers. "That's the trend," Foshee says. "About 54% of all dollars in the market is local dollars, and you'll see it more in that direction."

WSMV's Kettenring holds the perfect revenue world would be 100% local advertising, while others in the market favor a 65-35 local-national split. "New local advertisers is the future of television advertising," asserts WZTV's Jay. "It's not a matter of going after current TV advertisers; it's going after new advertisers."

While WCAY works its national selling out of New York, other stations continue to rely on rep firms to entice more national business into the market. "But demand

hasn't kept up with supply. For a long time, the leverage was on the side of the stations," Kettenring reports. "Now it's on the side of the buyer. But time will eventually take care of the situation."

In a downhome market with up-town tastes, acquiring viewer loyalty—and maintaining it—is at the heart of each station's marketing and promotional plans. No station has done it more effectively in recent years than WTVF, the CBS affiliate, which projects its "old friends" image as well as an unmatched community service commitment.

The station, which has been on the air for 35 years, promotes its news programming by telling viewers they can get their news on Channel 5 from "friends you can trust," primarily veteran anchorman Chris Clark, the senior anchor in the market, and longtime sports anchor Hope Hines and weathercaster Ron Howes. Although the station has been owned by H&C for the past 14 years, the Hobby family leaves day-to-day operation of the station to Thomas E. Ervin Jr., a Lewisburg, Tenn., native who has spent his entire television career at the station.

In recent years, WTVF has sponsored major efforts to aid the aging, to recognize community leaders through the "Jefferson Award" program, regional health fairs, the Children's Miracle Network Telethon and the local Muscular Dystrophy Telethon events.

Traditionally, ABC-affiliated WKRN has attracted new residents in the market, hoping to capture those viewers before they had a chance to settle on a favorite station. Today, its present market

strategy targets the 25-54 demographic, especially gearing its plan to a lower and/or middle income household.

Also, WKRN's overall plan calls for high visibility in the community. We've gone to Mule Days, we sponsor the city's Christmas parade and the Fourth of July celebration, and we have increased our public service effort, '2 Cares,' " McDermott reports.

WRKN has taken a different approach to community service: "It's a concept instead of loads of PSAs. We'd rather make a difference for someone or an agency cause," she explains. "We select an agency monthly, produce three to four PSAs, do editorials and some news stories."

Selling stability

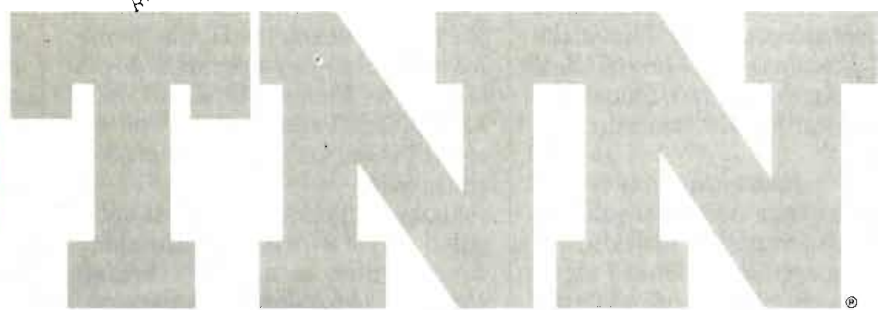
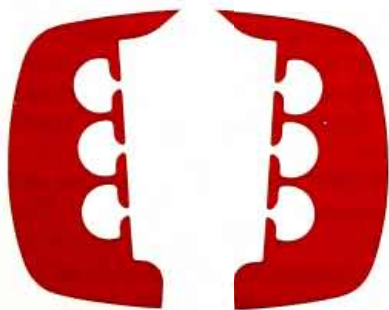
At WSMV, management uses the station's stability as the key to marketing. "Our ratings are like a rope. Look at the '80s. Our ratings are slightly better today than in 1980. We can go to advertisers and make a claim and be able to back it up. They trust us. We promise to deliver, and they won't be surprised," Kettenring asserts. "You combine that with the loyalty factor and quality of the station."

Today, viewer loyalty is a critical part of any station's market plan. Kettenring recognizes that selling a TV station today is like selling soap or breakfast cereal. "The loyalty is extraordinarily important. The television business has forever changed. It's not what it was 10 or five years ago. Viewer decisions are based on programs, not stations, and it is crucial to break through the clutter and build brand loyalty."

WSMV combines promotion and community service into its "4 The Family" campaign, a Peabody Award-winning stationwide effort. "It was philosophically based on the idea of giving something to the community, partially a personal crusade of how to help make things better, to contribute to the community. We saw how beleaguered the family was, and it later became apparent to us there were promotional benefits," Kettenring adds.

Before either Nashville independent could market itself to viewers,

A.
 AEL
 LESS F.
 SEBAST.
 RAY STEVEI
 RAVIS • TANYA
 HE WHITES • KEITI
 AILEY • BELLAMY BR
 ROSANNE CASH • ROY C.
 VIES • MAC DAVIS • STEVE E
 J FRIZZELL • THE GATLIN BR
 BIE GRAY • MARK GRAY • ARLO
 HARRIS • THE OAK RIDGE BOYS • COI
 JOFFERSON • RODNEY CROWELL • BRE...
 ...MANDRELL • IRLENE MANDRELL • KATHY MATTEA • CHARLIE M...
 ...MILSAP • VERN GOSDIN • JOHNNY CASH • CHARLIE DANIELS • RICKY VAN SHELTON • CHARL
 ...ANS • BAILLIE & THE BOYS • FORESTER SISTERS • MICKEY GILLEY • MERLE HAGGARD • RESTLESS HEART • MIC
 ...DY RAVEN • HIGHWAY 101 • GARY MORRIS • NICOLETTE LARSON • LORETTA LYNN • KATHY MATTEA • CARL PERKIN
 ...PAYCHECK • WAYLON JENNINGS • WILLIE NELSON • MICHAEL MARTIN MURPHEY • EDDIE RABBITT • RICK
 ...RD • BUCK OWENS • SWEETHEARTS OF THE RODEO • EARL THOMAS CONLEY • HANK WILLIAMS JR. • L
 ...MYER BROWN • RESTLESS HEART • LEON RUSSELL • KEITH WHITLEY • JOHN SCHNEIDER • DAN SEALS • JEANN
 ...RY • TGRAHAM BROWN • JIMMY BUFFETT • REBA McENTIRE • RONNIE MILSAP • SHA NA NA • C
 ...HART • BARBARA ANDRELL • THE GATLIN BROS • RICKY SKAGGS • RANDY T
 ...LLIS • RANDY TRAVIS • NITTY GRITTY DIRT BAND • EARL THOMAS CONLEY • EXILE • STATLER
 ...R WARNES • TANYA TUCKER • THE JUDDS • WILLIAMS & REE...
 ...H WHITLEY • EMMYLOU HARRIS • SOUTHERN PACIFIC • RAZZY BAILEY
 ...UFFETT • GEORGE STRAIT • LEE GREENWOOD • DAN FOGELBERG • FOREST
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 ...LON JENNINGS • ALABAMA • LORETTA LYNN • REBA McENTIRE • RON
 ...JE • JOHNNY LEE • MICHAEL JOHNSON • GEORGE JONES • BARBARA MAND
 ...IN • MEL McDANIEL • JOHN McEUEEN • GEORGE JONES • BARBARA MAND
 ...PAYCHECK • CARL PERKINS • NITTY GRITTY DIRT BAND • CHARLEY PRIL
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 ...HART • SHA...
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 ...RF... STARS ARE ON TNN.



Gaze at the galaxy's biggest stars on TNN's exclusive music variety shows, live concerts and blockbuster superstar specials. TNN. Where the brightest stars shine.

Lively local time sales, not-so-hot national advertising seems to be pattern

Tennessee markets mirror rest of U.S. re TV biz trends

By ALFRED J. JAFFE

Tennessee is pretty much a mirror of the rest of the country insofar as TV advertising trends go. A review of five of the six TV markets in the state (see separate story on Nashville) shows lively time sales for local business and not-so-lively time sales for national spot. The situation is not exactly monolithic; there are some differences between markets and between stations. But the general pattern seems clear—an echo of faster growth on the local/retail level.

The gamut of markets in the state runs, for the most part, in the middle of the spectrum. Ranking under Nashville, which is the 32nd ADI, are four markets in the top 100: Memphis, the 41st ADI; Knoxville, the 60th; Chattanooga, the 83rd, and Bristol-Kingsport-Johnson City (Tri-Cities), the 87th. Off by itself in rank and wedged between the state's two biggest markets is Jackson, ranked 180th.

Knoxville has been the scene of recent broadcast changes. It has seen the entry of a new VHF channel, shoehorned into the picture by FCC *diktat* and launched last year after a long battle between opposing applicants. The new station was also involved in an affiliation switch, with CBS and NBC flags being exchanged.

Across state lines

Five of the six Tennessee ADIs cross state lines, covering parts of eight states, in addition to which Tennessee itself is cut in two by time zones, eastern and central.

There were two dozen commercial stations in Tennessee with audiences recorded by Arbitron in the

November 1988 report; eight of these were independents. The two biggest markets have two indies each; the other four have one each, including Jackson.

Except for Jackson, all Tennessee markets have the full complement of affiliates. The Tri-Cities ADI has one UHF affiliate, as did Knoxville, until the current CBS affiliate moved from channel 26 to channel 8 as a result of the FCC's action.

The other three are equal-facility markets (all affiliate "Vs").

Ad activity

Reports of TV ad activity out of Memphis are typical of both the state and the U.S. Ron Klayman, vice president and general manager of WMC-TV, which celebrated its 40th anniversary last December, says business in the market is "fair." Local, he points out, is doing better than national, but he also notes that '88 was "pretty good" in general. His own station is "slightly ahead" in both national and local time sales.

Klayman estimates the market ad take breaks down into 55% local and 45% national. But with local

growing faster than spot, this ratio could be 60-40 in a few years, predicts the station chief.

WMC-TV, an NBC affiliate, was No. 1 in the market in the February Arbitron sweep with a 30 household share, sign-on to sign-off. The ABC affiliate, WHBQ-TV, No. 3 in the market with a 13 share, is the last RKO TV station remaining. Its vice president and general manager, Alex Bonner, has been with the station 37 years, long enough to speculate that the majority share of local billings vs. spot these days in Memphis may eventually repeat history and reverse itself. He calculates the local/national ratio at 60/40 currently.

Bonner projects Memphis TV station revenue at about \$50 million, including network compensation. Kent Lillie, vice president and general manager of WPTY-TV, one of two independents in the market, estimates that the local/national total last year was about \$55 million, not including network comp.

BAR estimates, on the same basis, that the 1988 market gross for national-plus-local came to \$62.8 million, up 3.1% over 1987, with local figured at \$37.6 million, a ratio of 60%.

As is true of many markets, auto dealers and dealer associations are among the most active local advertisers in Memphis. Klayman singles out Toyota as particularly active and points out that one of the dealers on his air is Covington Pike Toyota, which he described as the largest U.S. Toyota dealer. Klayman also points to Wal-Mart, a discount chain, and McDonalds, as very active advertisers.

Bonner says that auto dealers

Memphis: Federal Express hub



the stations had to overcome their respective identity crises. For WCAY, it has had to separate itself from a religious independent station in nearby Murfreesboro. And at WZTV, it spent years fighting poor signal problems before the advent of cable TV in the market, and afterward the station was confused with Atlanta's independent WTBS-TV (also Channel 17). Once Turner Broadcasting went to the superstation concept, viewers began to identify Nashville's Channel 17 as the only Channel 17 in town.

Promoting the indies

The independents' owners both put major advertising-promotional packages together soon after taking over the stations. WCAY committed \$200,000 in the first quarter to marketing and promotion, promotion manager Deborah Little said. In addition, the station's on-air image was also suffering when MT Communications took over earlier this year.

"The viewer doesn't differentiate between an independent and network station. They won't be satisfied with a less-than-best picture. If it's fuzzy or cloudy, they won't accept that. That becomes an image. I found that people thought WCAY was the station that was either off the air or you can't get signal," Warner says.

When ACT III Broadcasting bought WZTV from Multimedia last year, its management came in and revamped the station's promotional efforts and put money into a new ad campaign and on-air look. "But for us, the best promotional medium we have is our programming," Jay notes.

By fall, WZTV will have loaded up its program lineup with new

shows, *Growing Pains*, *Mama's Family* and *Who's the Boss?* to go with *Cheers*, *Three's Company*, and a strong movie lineup. Additionally, Dreispul has two local programs in development: a children's show to attract the 6-to-11-year-old audience and an entertainment-interview program. Dreispul hopes to have the children's show ready to produce by summer and the interview program is still in the planning stages.

Still, in sign-on to sign-off ratings, WZTV is a distant fourth behind the affiliate stations. According to February numbers, the station had an identical 2 rating/5 share in Arbitron and Nielsen, trailing third-place WKRN, which had an identical 6 rating/17 share in the services. WZTV has continued to carve its niche in the market by counterprogramming against the affiliate stations. While they run news, WZTV airs *Three's Company* and gets a 5 rating/7 share (both books), just below WKRN's news with an 9 rating/13 share (Arbitron) and a 6 rating/9 share (Nielsen).

But WCAY has to be even more aggressive in programming to raise its 1 rating/3 share sign on-sign off numbers in Arbitron and 1 rating/½ share in Nielsen. Warner bought fast and furious at NATPE this year, purchasing *Hunter* and first-run shows *Roller Game*, *The New Leave It To Beaver*, *College Madhouse*, and *Crimewatch Tonight*. WCAY also has first-run programs through its Fox Broadcasting affiliation.

"Fox is taking chances and changing what television programming is all about. Their numbers for us are our biggest on our air," Warner says. In February, the Sunday Fox lineup of *21 Jump Street*,

America's Most Wanted and *Married . . . With Children* comprised the station's highest-rated programs, pulling an average 6 rating/10 share in the Arbitron ratings and 6 rating/9 share in the Nielsens.

Buying the right stuff

Syndicated programming buys at WKRN have propelled the station into the No. 2 spot in early fringe, with *The Cosby Show* as the cornerstone of the effort, which leads into the station's successful 5 p.m. news. After years of disappointments in syndication (*Knots Landing*, *Dynasty*), *Cosby*, *Night Court* and *Family Feud* are scoring ratings points for the station.

"We could not afford to let our news, pulling good numbers [29 share in both books in February], be an island for us," McDermott says. "The key to *Cosby* is, as an isolated half hour, it is not a good buy. We can make a profit by putting it and *Night Court* together with the same ratings, the same rate and sell as an hour." WKRN has taken two years to put together its winning schedule, paralleling WTVF's early-fringe ratings decline.

Tried 'em all

WTVF's Ervin has tried game shows, off-network sitcoms and reality programming in late afternoons, but no combination has caught on with the audience. The locally produced *Extra* and *USA Today* are pulling identical 4 rating/9 shares in ratings. *A Current Affair* at 5 improves to a 7 rating/13 share, but remains third in the time period.

WTVF's *Extra* broadcast, which airs opposite *The Cosby Show* and *The Oprah Winfrey Show* at 4 p.m., Monday-Friday, fell to single-digit shares in February. *Oprah* was the time-period winner with a 21 rating/46 share, followed by *Cosby* with a 10 rating/23 share. *Extra* had a 4 rating/9 share, all according to Arbitron.

But WTVF does succeed with local programming anchoring other dayparts. Both WTVF and WSMV maintain a commitment to local programming. □

WCAY-TV is under new ownership.



State's production grows

Low-cost facilities, Nashville Network attract attention

By DOUG LEDUC

The discovery of Tennessee as a source of high-quality, low-cost television production is boosting business and fueling growth for companies in the state that provide it.

Major Tennessee producers of television programming and commercials are projecting revenue increases for 1989 over last year, and many say their facilities are operating at full capacity. Three Nashville firms are expanding their facilities this year to handle an increased workload.

Steve Land, vice president for Bagwell Communications, says the 15-year-old Knoxville production company is having its "busiest year yet." Rowland Productions executives project the young Knoxville production firm will achieve \$1 million in revenues by the end of its third operating year eight months from now. And Bob Hasentufel, producer/director at Knoxville's Kennedy Maxwell Productions says, "There's a lot of talk on the street that big things might be in the offing for the state."

Word is spreading that top-quality production is available in Tennessee for 30% less than most coastal operations charge, and the value is drawing more out-of-state business every year, industry executives say. Operating in a right-to-work state, Tennessee production companies "don't have the unions to worry about," and a lower cost of living helps keep personnel expenses below New York and Los Angeles levels, Hasentufel explains.

Changing direction

Kennedy Maxwell Productions started several years ago as a motion picture production company but devotes most of its resources now to producing commercials and corporate communications projects. It has a 3,000 square foot sound stage with a blue screen for matting and a full grip package.

The studio is completely equipped for 35mm and 16mm film and one-inch videotape production, Hasentufel says.

The company has full editing capabilities for one-inch videotape and offers in-house 3-D and 2-D computer animation, he says. Because the firm is staffed with 12 fulltime employees "who are all familiar with our equipment, terrain, venues and modes of operation," it is very sparing on its use of freelancers, Hasentufel says.

The company draws more regional than local business. In the past year it has done work for the Smithsonian Institution and for a number of Florida resorts, Texas banks and North Carolina furniture companies.

Bagwell Communications just completed production on 26 episodes of a remodeling show for The Nashville Network and just began shooting 13 episodes of a new action/adventure situation comedy for Nickelodeon. "Cable's been very good to us," says Land, a Bagwell vice president. The company is "becoming a known entity to all the cable networks" and could double its revenues this year as a result, he says.

Bagwell has two studios: a 30-foot-by-40-foot facility for insert work, table top shooting and smaller projects, and an 80-foot by 100-foot sound stage. The sound stage is fully soundproofed and air conditioned. It features computerized, Colortran lighting and a continuous floor, so cameras "can be dollied all the way down to it without getting any shake," Land says.

On the post-production side, the company has two computerized edit bays with on-line one-inch and super Beta equipment and Grass Valley switchers. It has some special effects equipment and may purchase animation equipment later this year.

Coming to Knoxville

Mark Hickman, vice president of Rowland Productions, says production business in Knoxville and east Tennessee is going through the kind of growth spurt that has occurred in Nashville, Atlanta and Charlotte, N.C. in recent years. "Folks are looking for alternatives; people are becoming more budget conscious and they've been looking at Nashville, Atlanta and Charlotte, and that trend has come to

The Everly Brothers on TNN's "Nashville Now"



been relatively strong in the market until last year. It continued being sluggish during the first quarter, according to Tolar. The WRCB-TV chief figures the market splits local and national business about 50/50. He finds the market getting more competitive in the early fringe, access and news day-parts.

Nevertheless, the station is well-armed syndicationwise. It runs *Wheel of Fortune* and *Jeopardy!* from 7 to 8 p.m. and has been carrying the shows for five years. It has *The Cosby Show* at 5 and runs *Family Ties* and *The Jeffersons* in the hour before that. The children's hour is 3-4 p.m., with animation in the first half hour and *Diff'rent Strokes* at 3:30.

'Outstanding' billings

While Tolar wasn't enthusiastic about first quarter business, Lewis Robertson, vice president and general manager of WTVC(TV), the ABC outlet, talks about "outstanding" billings. He puts the local/national ratio at 60/40. Robertson says his station did well in attracting national business during the first three months of the year and he "assumes" that his competitors did also.

The WTVC general manager reports that NAB figures for the market show a \$27.6 million total for '87 and \$27.4 million for '86. He describes '88 as a "down" year, but another source says that the NAB revenue totals for the first nine months of '88 show an 8.5% increase.

While Robertson was upbeat about national billings during the first quarter, he makes clear that local has been outpacing national volume "for several years." He describes automotive as the top local ad category, with fast foods and health care clients also important.

His station's "strongest day-part," says Robertson, is 6 a.m. to 8 p.m. He puts WTVC No. 1 in most dayparts during that period on the basis of 25-54 demographics, particularly women.

The CBS affiliate in the Chattanooga market is WDEF-TV, which had a 21 share in the February Arbitron book, sign-on to sign-off. WRCB-TV had a 29 share, while

WTVC had a 23. The vice president and general manager of WDEF-TV, Mark Keown, agrees that it is a very competitive market.

Keown describes '88 as a "great" year, particularly for local business, and speculates that '88 spending may have taken money from '89 budgets. In any case, he says that the first quarter started off well, reaching an increase of 10% before slowing down. As the first quarter came to a close, Keown was talking about station business being "flat to down." Nevertheless, he says he is confident about future billings trends and feels that "we're not selling hard enough."

Station executives in the Tri-Cities market of Bristol-Kingsport-Johnson City were the most cheerful about business of any market in Tennessee. Robert H. Smith, Jr., executive vice president and general manager of WCYB-TV, a strong leader in the market, was feeling pretty comfortable about TV ad trends late last month. He says that local advertising has been doing well and that spot has been doing better than anticipated. One factor, he says, is the upcoming Virginia gubernatorial race. (Bristol, Va., on the Virginia-Tennessee border, is WCYB-TV's city of license.) But local business is still, by far, the station's main source of revenue, with its local/national ratio being two-to-one.

Smith describes the Tri-Cities market as "mixed and fragmented." There is no large central core,

WKXT's new VHF antenna



he points out. "The incorporated areas contain just 60,000 population for Johnson City, 50,000 for Kingsport and about 45,000 for Bristol."

Starting 10 years ago, WCYB-TV began building its news and public affairs programming. Its early morning half-hour news (6:30) got an 11 rating and 58 share in the February Nielsen book. Early evening news numbers were 30/47 and the late news got a 14/44 in February. The station, says Smith, promotes not only the news, but "everything," heavily.

Ranking second in the market is Park Broadcasting's WJHL-TV (Johnson City). General sales manager Jack Dempsey, who takes over as general manager next month, finds advertising in "pretty good shape" currently. However, he says, '88 started out well and went downhill.

Ad source diversity

There's a diversity of ad sources in the Tri-Cities market, Dempsey holds, but he complains about the "lack of predictability" for national spot.

Though No. 2 in the ADI, WJHL-TV is No. 1 or tied for first in the Tri-Cities metro, Dempsey says. The metro embraces a seven-county SMSA, consisting of five counties in Tennessee and two in Virginia.

The small Jackson market contains one affiliate, an ABC outlet on channel 7, and one independent, on channel 16, in the process of being sold. Al Marra, general manager of the affiliate, WBBJ-TV, says his biggest problem is maintaining a quality look to his news shows. Cable viewers, he points out, compare his station to affiliates in bigger markets, which have more resources to put behind their news. "We have to work harder."

On the other hand, Marra has his choice of syndicated programs. "They come to us first." The station is running the Bill Cosby and Oprah Winfrey strips but neither *Wheel of Fortune* nor *Jeopardy!* is airing in the market.

Despite the market's small size, Marra says the national/regional spot ratio on his station comes to 42%. □



Burch sisters music video set up by director Larry Boothby at Scene Three.

acter generators with multiple fonts and disc storage.

The formation of TNN generated a lot of new business for production companies in the Nashville area, directly and indirectly. The city's Scene Three, for example, produces many of the country videos shown on the network, and it benefits from the image TNN has created for Nashville as a television production center.

Mike Schussele, marketing director for the firm, says the company has been doing a better job of selling itself to out-of-state clients lately and looks for 1989 "to be the biggest year we've had."

Scene Three has a fully-equipped 65-foot-by-80-foot studio. Its post-production equipment includes an edit suite with five one-inch tape machines, a CMX 3600 editing system, an Ampex Century switcher, a two-channel digital effects machine, an Abekas A62 digital disc recorder, a Chyron Scribe character generator, an Ultimatte 5 and an Ampex ESS-3 still-store. Its graphics department includes an Ampex AVA paint system and also a Bosch FGS 4000 animation system.

Southern Productions, another Nashville firm, increased its capacity last month when it moved into a new, \$2.5 million, 17,000 square-foot production complex. Lynn Bennett, founder of the company, says the new facilities "bring together many different resources so a producer can complete an entire product" at one location.

The complex includes an 80-foot-by-60-foot studio and a smaller, 30-foot-by-40-foot studio, which will feature an industrial kitchen. Its post-production facilities provide computerized animation equipment, a studio for audio sweetening and voiceovers and two CMX computerized editing studios.

Another Nashville television

production company, Jim Owens & Associates, is planning a \$4 million addition to its existing facilities. Jim Owens, owner of the firm, says the expansion will include a 6,400-square-foot studio with seating for 500, a prop room, additional office space and an underground parking facility.

Jim Owens does most of its work in a 2,400 square foot studio with seating for 150. A second studio will enable the company to work on two projects at once, Owens says. The company plans to add three shows to its product line in the near future, so its facilities will be limited largely to internal use. The expansion should be completed this fall "if everything goes according to plan," Owens says.

Nashville's Post-Masters is expanding its facilities 50% this year, from 12,000 square feet to 18,000 square feet. The expansion will provide space for a third computerized editing room, a second computerized graphics room and an audio sweetening room. The Post-Masters complex already features a film-to-tape transfer room, a video duplication room, two computerized editing rooms and a computerized graphics room. The company also has a fully-equipped, 40-foot-by-60-foot studio.

The company was to acquire Memphis-based Motion Picture Laboratories shortly. With the closing of the deal, Post-Masters will be able to offer customers access to three film-to-tape transfer systems, six fully-equipped edit suites with digital capabilities, and seven paint and animation systems. Span International, a newly-formed, Nashville-based subsidiary of Britain's Span Pictures, is "growing by leaps and bounds" and probably will do \$500,000 in business by the end of its first year in October, according to Pat Ledford, president. In its first six months, the subsidiary has produced music videos, concert television specials and installments of a rock music series, *Live On Stage*.

Live On Stage is one-hour, compilation program of three or four artists performing three or four of their most popular songs in concert. "We do breaking artists as well as legends and contemporary artists, and we have comics" in each program, Ledford says.

In Memphis, the television production division of Marshall and Lawrence and Associates, a prominent advertising firm, is beginning to develop a clientele independent of its parent firm. Bill Flanigan, vice president for production and client services with the firm, says its Madison Avenue Video and Post has increased its business "four- or five-fold" since he was assigned six months ago to market its services.

Bill Carrier III, president and staff director for Memphis-based API Photographers, says business is going so well, the company likely

Shoot for Blount Memorial Hospital at Kennedy Maxwell





Steppenwolf on Span's "Live On Stage"

Knoxville."

Rowland was formed in January 1986, and its business has grown exponentially since then. If the trend continues, its revenues will hit \$1 million this year, Hickman says. With eight fulltime employees and some freelance help, Rowland has produced programming for TNN, Nickelodeon and other cable networks and currently is shooting a pilot for a series of historical documentaries.

The company does commercials and corporate communications projects as well as television programming and has done work in the past year for Nissan, Wendy's and Mr. Gattle's.

Eddie Speaks, production manager for the film, says it is a "full-service film and video production company, with a Sony one-inch portable tape machine for on-location work" and a computerized, one-inch editing bay with Sony 3100 tape machines and a digital special effects generator. Speaks attributes part of Rowland's success in attracting programming projects to the experience it has gained doing work for The Nashville Network. "TNN has opened a lot of doors for production houses in east Tennessee," he says.

Continental Film Productions in Chattanooga is more diversified than many Tennessee competitors—doing work in slide, motion picture, multi-image and video for-

—mats—but executives there say it benefits from the heightened profile of the state's television production industry.

The company has a fulltime staff of 18, including writers, photographers, directors, artists, audio engineers and related support personnel. "We shoot 16mm and 35mm film and have a 3/4-inch video editing facility," says Jim Webster, Jr., Continental's executive vice president.

Webster says business plateaued in the fourth quarter of 1988, but has picked up considerably this year. "Industry trends have been good," he says. "Companies are spending more on sales, training and public relations" films. "We've been in business for 38 years, so we're pretty stable, and we have some of the top production people in the area."

TNN forges ahead

In middle Tennessee, the success of The Nashville Network has drawn attention to the area as a television production center, and companies in the business are expanding to handle a steadily increasing workload.

TNN itself "is having a banner year," according to David Hall, general manager for the network and a vice president with Opryland U.S.A., its parent company. Revenue for the network's first quarter

is up 22% over the same period last year, and business is likely to continue at that pace throughout 1989, Hall says.

"Anytime you build a TV network, you go through a period of time building credibility and value to the advertising community," he says. "TNN has done that, and we're seeing that investment pay off."

TNN has 260 full-time employees and produces 2,000 hours of original programming each year. It was started in March 1983 with 7 million subscriber households on more than 800 systems and has grown to the point that it is now offered by more than 7,740 systems and seen in 43.1 million subscriber households—or about 48% of all U.S. television homes.

TNN executives estimate income from use of the network's crews, equipment, studios and mobile facilities by outside firms amounted to \$9.6 million in 1988, for a gain of 30% over \$7.4 million reported for 1987.

Danny Wendell, director of operations for TNN, attributes most of the growth in its rental business to the expansion and promotion of its facilities. Over the last five years, we've at least doubled the size of our facilities—in some instances we have tripled it—and this has allowed us to open them more to outside businesses," he says.

Expanded facilities

Where TNN had one studio, it now has three; where it had one edit bay it now has three; and where it had one mobile unit; it now has two. Its Opry House Studio is 69-by-69-feet with a seating capacity of 300. It is equipped with five cameras, four "C" format one-inch VTRs, a 48-input audio console, a computerized lighting system, a Chapman Nike crane and a 24-track audio recorder.

TNN's 80-foot-by-80-foot studio features about the same equipment with seating for 150. The Grand Ole Opry House studio is 80-by-60-feet with seating for 4,400. The network's post-production facilities feature CMX computerized editing equipment, digital effects units, eight one-inch and two two-inch VTRs and two channel char-

Shoot at Rowland Productions



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Opryland redirects its focus

Opryland USA's Syndicom Entertainment Group is redirecting its attention this year from television production to a marketing push for current inventory, company officials say. Jane Dowden Grams, general manager for Gaylord Syndicom, the syndication/communications subsidiary of Syndicom Entertainment, says it is taking into television syndication movies it has turned out in the last four years for CBS, NBC and HBO.

"We'll be bringing them into domestic syndication in the United States and will be offering our first Prestige 1 movie package for them in the Fall of 1989," she says. The company also has stepped up foreign marketing for the two series it produced with Shelley Duvall and initially run on Showtime: *Faerie Tale Theatre* and *Shelley Duvall's Tall Tales & Legends*.

Opryland USA is owned by Gaylord Broadcasting, a privately held, Oklahoma-based broadcasting company. Gaylord closed its Los Angeles production office last July "to concentrate on marketing... some very fine projects we've produced on the west coast" since the subsidiary was formed in 1981, Grams says.

"We do not anticipate any new production for ourselves" this year, she says. "that is not to say if a project comes along that's very right for us we wouldn't consider it—we would certainly consider it—but that's not an area of concentration for us." Grams says the U.S. has become saturated with television programming, and this makes marketing television shows much more competitive. One response to the increased competition has been the rise of tabloid television.

'Not our bag.' "Everybody's trying to upstage each other; everybody's trying to get a hit," she says. "They're using sensationalism to grab viewers' attention. But how blue are you going to get; how shocking are you going to be. They're going to extremes to try and create ratings... and that is just not our bag."

Syndicom Entertainment has improved its competitive position in national advertiser sales with the formation of Syndicom Ad Sales in January of this year. With offices in Chicago, headed by Rae Schatz, and New York, headed by Bob Chenoff, the new operation will oversee all barter advertising sales for the entertainment group's syndicated properties and will acquire new barter television properties.

"The creating of Syndicom Ad Sales and the shift of Gaylord Production Co. to Nashville broaden our horizons and strengthen the foundation laid by Gaylord Syndicom," Grams says. Three two-hour movies starring Katharine Hepburn, Robert Wagner and Marlo Thomas will be sold by Syndicom Ad Sales in the Prestige I package this fall.

Four one-hour musical specials featuring Casey Kasem and a variety of rock 'n' roll stars of the 1960s also will be sold as a Syndicom Entertainment Group package. Negotiations also are underway for a sponsor for *Shelley Duvall's Tall Tales & Legends*.

And Syndicom Ad Sales will represent *Hee Haw*, a Gaylord Syndicom show about to begin its 22nd season. The show is carried by 200 television stations across the country and is seen by viewers in more than 4 million homes each week. Grams says Duvall's projects have done very well overseas, and are now shown in about 80% of the world.

"With the development of cable and satellite services and the deregulation taking place in the foreign market, a whole new territory for television properties has opened up," Gram says. "And fairy tales are timeless. There's a new generation of children coming on, and they [Duvall's projects] are family material that appeals to both children and adults."

"will surpass last year's production by 30%." The company does 75% of its business with Tennessee-based clients, but "we find ourselves getting more and more business on a regional and national level," he says. By 1990, 40% of API's business should be out-of-state, Carrier says.

API has a 15,000-square-foot production complex with an 80-foot-by-45-foot sound stage and a 2,500-square-foot shooting area for smaller projects. It has HMI lights, a fully-outfitted grip truck, a workshop for set construction and cameras for taping and for 35mm and 16mm filming.

For post-production, it has a fully-equipped, computerized Betacam editing suite. In recent months, API has done music videos for Megajam Records, commercials for Thompson Waterseal's national advertising campaign and a pilot for a national billiards show, Carrier says. "We're also getting ready to do work for Tinsley Advertising in Miami."

Positive anticipation

Joe Dyer, vice president of Memphis' Ardent production company, says it is looking forward to "an extremely good year" in 1989, based on its first-quarter experience. The company has a 35-foot-by-45-foot studio and cameras for videotape and 35mm and 16mm film work. It also has a 19-foot grip truck with a JL Fisher Model 10 dolly.

Ardent's post-production facilities, which feature a Grass Valley Group series 300 switcher, are controlled by a CMX 3600 Edit controller. They have on-line graphics with a Superscribe, Cubicomp 3-D animation, and three-access digital video effects with perspective.

The company also operates three 32-track digital recording studios. Dyer says animation equipment the company has added in the past year has had a beneficial effect on its business, "and we're doing a better job of trying to make the marketplace more aware of our capabilities."

There seems to be a new excitement about Memphis; we've recently recorded LPs for groups from Australia, West Germany, Italy and Canada. □

Programming

Columbia's '227' gets high numbers with reps but some questions arise

Columbia Pictures Television has just placed the popular NBC sitcom 227 into the syndication marketplace, and the early prognosis from major reps collectively indicates it will get healthy off-network numbers.

However, they express some reservations on just how well it will do in the 1990 marketplace against what is considered heavy off-network competition also debuting at that time; on whether the program, because of its ethnic focus and talent, will be accepted nationally; and whether the program is being offered somewhat late for the 1990 syndication season.

They also question the wisdom of CPT not being flexible on the starting date of the show and not putting a cap on the number of episodes that a station must buy. The number would be in accordance with the length of NBC-TV's continuing run.

As to the marketing of 227, which is getting the promo heading of "Numbers You Can Bank On," Barry Thurston, president, syndication, says that the push is being rolled out to stations in the major markets first. New York has already been given a presentation, and Los Angeles, Chicago and a handful of other top markets will follow in the initial phase. Sometimes if a smaller market is close to a major one geographically, that market will get pitched as well.

Also, when it comes to whether the show should have been offered earlier for the 1990 mix, Thurston says, "I've always been a believer in the product. And I believe the product transcends anything, and if it's good enough, the people will buy it when you bring it out. In the case of 227, which is about to go into season five, we have no worries about it. Other companies which offer shows in syndication when they are in year two or three on the network probably feel compelled to do so because they think the program may decline in audience.

"Our feeling is that we have to

get a show done right on the network; then we can better talk to a station on what it is they get. Critics will always say you're too early or too late. That's a marketing concept. We try to remove the risk."

Pricing. As to how pricing will be handled on 227, Thurston says the offering price will be determined by the market and the competitiveness of the market. In some cases the program will be offered on a bid basis. But in many other situations, 227 will be offered on a straight license fee basis, with stations given a certain time to respond.



A family portrait of the tenants of CPT's sitcom "227."

CPT will ask stations for a 10% down payment and pay as the show is played over a 42-month payout, similar to *Boss'* terms, on a weekly license fee basis.

Thurston points out too that CPT will guarantee licensees 116 episodes of 227. Ninety-two episodes will have been produced through this year and another 24 will be produced for the next year.

Provision. There is a provision, adds Thurston, for stations to pick up additional episodes which could wind up totaling as many as a few hundred. "But, points out Thurston, traditionally, most network shows don't stay on more than four or five years, and if they do they

have to be very successful. To stay on six or seven years, the show has to be supersuccessful, and be No. 1 in its time period. Look at 227, it's No. 1 at 8 p.m. on Saturday, so to stations that's a plus."

Stations acquiring 227 are being asked to air the sitcom beginning with the fall of 1990 and have no option at this time to delay the debut. Thurston considers this a plus: "Both *Golden Girls* and *Amen* came out with marketing plans that allow stations to delay the program from 1990 to 1991. And stations that bought those programs and that buy 227 can delay the two to air 227."

Plan may change. But CPT's plan is subject to change, adds Thurston. "This is not an exact science, and the marketplace will tell me whether they need flexibility or not. If we find they do, I suspect you will probably see some little changes. In the first few weeks of selling the program, we will know whether we are going the right way. We may have to dial in some more flexibility."

As to whether 227 is too ethnic for wide national appeal, Thurston notes "This is an age-old question, dating back to when the company was selling *The Jeffersons*, *Sanford and Son* and *Good Times*. *Sanford and Son* and *Good Times* went into syndication in 1978, and they are still in the top 20 of all sitcoms in syndication. *Jeffersons* has been in syndication since 1981 and has been one of the outstanding performers of all time, despite some that thought we would have trouble selling it in some areas."

In its presentation to stations, CPT is expected to emphasize the following points, among others, on 227: Columbia is the top supplier of network comedies; it is No. 1 in off-network comedy performance; 227 was an immediate success in its Saturday 9:30 p.m. slot on NBC and did better in terms of shares when it was moved to 8:30; it increased the performance of its lead-out, *The Golden Girls*; it delivers the most desirable demographics and in its present 8 p.m. time period is number one in every demo category; and it increased the shares of the entire Saturday comedy block from 8-10 p.m.

Viewpoints

Dick McDonald



President, McDonald Davis & Associates, Milwaukee-based healthcare marketing and communications firm, in a speech before the Ohio Hospital Assn. in Columbus.

Hospital advertising deemed more necessary, in need of sophistication

Some trade publications have conjectured that there's a cutback in hospital advertising. Yes and no. What we're seeing is a reduction in the number of hospitals advertising. Some of the smaller hospitals, and some which only dabbled in advertising, are dropping out of the ball game. But the hospitals which *have* been using advertising effectively are increasing their advertising expenditures, and they'll become the dominant players in their communities.

Today it's no longer a question of whether a hospital can afford advertising. It's a question of whether they can afford *not* to advertise.

Critical strategy decision

There's a critically important point in strategy that's often overlooked—media selection and usage. Too often when we talk about creative strategy we tend to look only at the message and the way it's developed. But media selection is equally important. And hospitals should look for ways to use media imaginatively.

The obvious first consideration is: Which media should they choose for their message. Which will be the most effective? Which does the best job of reaching target audiences? But beyond that are other considerations:

How large an ad will be necessary to capture newspaper reader attention compared to the competition's ads? Will color help? If so, is the added investment worth it? Will several fractional page ads on the same subject be more effective than a single large ad? Can they use an unusual size or format to help set their ad apart?

Will 30-second broadcast spots work better than 60s? Or can the message be condensed into 15-second spots to increase the frequency of exposure within the budget available.

How much more impact will a hospital get from the use of two or three different media rather than just one

medium? And how can it best capitalize on that synergy?

What weight levels should it use in its media buy? How many times does it need to run its ad or spot to get attention? And don't think that it's the same as the drug store down the street. Because of the nature of healthcare messages, it takes a lot more exposure to gain the desired impact. People are *not* basically interested in the message. They don't want to think about sickness. So they'll tend to tune out, or pass by a print ad more than they would for a supermarket's sales.

How can a hospital best use direct mail? Is mailing a newsletter to consumer homes really effective? Or does the hospital need something that will gain more attention in the avalanche of mailings now coming into everyone's home?

Some excellent ads are being written and produced by in-house marketing or public relations staffs. But we see an overall weakness in the selection and best use of the appropriate media. The most creative ad in the world won't get the job done if people don't see it.

Unfortunately, too many hospitals who figure there's nothing difficult about developing a media strategy waste time and money on trial and error until they come upon a combination that works. They don't realize that they don't have to buy broadcast media from prices on the rate card. They don't know how to negotiate broadcast buys by capitalizing on open inventory opportunities. They may not realize that low-rated programming, at lower broadcast rates, may be even better for their spots if the topic matter is right. For instance, a Sunday morning talk show that appeals to senior citizens may be the ideal place for eldercare spots, whereas the program would have minimal value to the average commercial advertiser.

More innovation seen

As healthcare marketing moves into the 1990s we'll see even more changes, more innovation. Creative strategies that are novel today may well be obsolete within the next few years.

Looking into a crystal ball, here are some of the things already beginning to occur:

- Improved methods of tracking results—not only in incremental dollars generated by advertising but also in increased share of consumer mind and preference.
- More use of positioning advertising in the mass media, supplemented by targeted advertising for specific products.
- Increased market and consumer research—not only into market share and consumer preference but much more motivational research into what type of appeal works best with which audiences in healthcare promotion. Along with this we'll see hospitals investing more money in copy testing before they run ads, to make sure their message is indeed on the mark. This will become particularly true as hospitals increase the size of their advertising investment and media costs.
- Development of co-op ad programs, similar to those used by retailers, whereby vendors are approached to participate in the hospital's advertising costs. As an example, manufacturers and suppliers of cardiology-related products being asked to help fund the hospital's cardiac advertising campaign.

those set in eateries include: NBC's *Morton's by the Bay*, a series commitment starring Nell Carter; *American River*, given a six-week order by NBC; a Barbara Eden project, also given a six-week commitment by NBC; *Bagdad Cafe*, a Whoopi Goldberg series commitment on CBS; and *Hot Prospects*, an ABC pilot. Foote, Cone & Belding's Burbank-based FCB/Telecom says *Bagdad Cafe* is a midseason entry.

Medical programs are making a comeback, with six such ventures in development for fall. Richard Chamberlain's *Kahuna*, set in Hawaii, is firm on CBS, while ABC has given advance orders to *Doogie Howser, M.D.*, a medical comedy, and *911*, an *Emergency*-like series about cops, firefighters and paramedics. The latter project, moreover, is similar to two reality-based concepts, ABC's *Code One* and CBS' *911-Rescue*. CBS also is look-

ing at *Doctor, Doctor*, a sitcom about a physician on a morning TV show.

The networks have nine other pilots with broadcast settings, perhaps buoyed by the reception given CBS' *Murphy Brown* and the movie hit *Broadcast News*. On the other hand, as some sources point out, ABC's *Studio 5B* earlier this year was a shortlived bomb. The list of concepts built around a TV background include ABC's *Morning Glory* and *Philby*, plus CBS' *Julie Brown*, *Doctor, Doctor*, *Starting Now* and an Ed Begley Jr. Project. Focusing on the radio end of the business are ABC's *A Girl's Life*, CBS' *FM*, NBC's *Knight and Daye* and Fox's *Bill Gets a Life*. Of these, Begley and *FM* have firm commitments, according to Saatchi & Saatchi. FCB/Telecom adds that *Knight and Daye* is a six-week order.

In the Begley show, a former kid's show host turns politician. *Top of the Hill*, a CBS series commitment formerly called *Lame Duck*, also will be set in the political world.

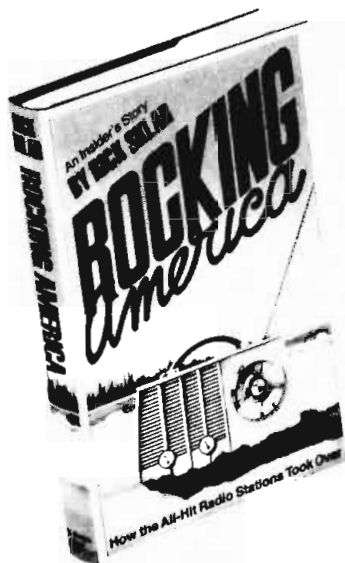
Cops 'n' comedians. In the drama genre, Saatchi & Saatchi says the focus seems to be moving away from introspection and back toward "60s and '70s-style action." Cop shows in particular seem back in favor, with a dozen such pilots mulled for fall. So far, however, only three cop shows have advance commitments: NBC's *Hanna*, *Hardball* and *Orleans*, the latter likely for midseason.

Still other trends noted by S&S include: non-traditional families; fantasy, including sitcoms with traces of *Bewitched* and *Beetlejuice*; and projects with predominantly black casts. Roseanne Barr's success on ABC has sparked a rush to other standup comedians in sitcom settings. NBC has given a series order to Jackie Mason, and CBS has Whoopi Goldberg's *Bagdad Cafe*. Still under consideration are other premises centered on Rodney Dangerfield and Louie Anderson, both NBC.

Like ABC's *The Wonder Years* and *China Beach* and CBS' *Tour of Duty*, all set in the '60s, several pilots look to the past. *Elvis: Good Rockin' Tonight*, an ABC series

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Doctor, cop, working women, spinoffs abound for fall, two agencies observe

Based on early series commitments by the Big 3 TV networks for 1989-90, cops, working women and doctors will be more visible in next season's primetime. And judging from pilots under consideration, shows set in the broadcast business and spinoff characters also seem to be in favor.

According to Saatchi & Saatchi Advertising, New York, the first ad agency to release its analysis of the pilot crop, the Big 3 already have a total of 25 series commitments for 1989-90. NBC alone accounts for 11 such advance orders, while its rivals have seven apiece. As S&S points out, only seven of 13 early 1988-89 commitments have made it to air so far this season. Other agency execs recall that, in the past, some commitments fizzled entirely and never got on the air.

The 1988-89 season saw three newcomer comedies become hits: ABC's *Roseanne*, and NBC's *Empty Nest* (a *Golden Girls* spinoff) and *Dear John*, all among the top 12 in Nielsen household ratings. NBC's *Unsolved Mysteries*, a reality-based series, emerged as the season's fourth bonafide hit, among the top 20. Thus, it is not surprising to find more spinoffs, more reality shows, and more projects featuring other standup comics trying to follow Roseanne Barr's lead.

Saatchi & Saatchi counts a record 102 pilots under study at the Big 3 networks, seven more than last spring (with ABC alone up five). With the Fox Network factored in, the count swells to 117.

Of the six spinoff projects in the works for fall, so far only one has an early series commitment—*Nikki and Alexander*, according to Saatchi & Saatchi's Betsy Frank, senior vice president and associate director—media research. This NBC series stars Irena Ferris, recreating the role of a beautiful Russian introduced in a high-rated *Night Court*.

NBC execs also are considering the merits of a 227 spinoff in which Jackee's Sandra character would manage a New York health club, and *Mancuso, FBI*, starring Robert Loggia in the role he created in the

Favorite Son miniseries. ABC, meanwhile, is mulling a *Who's the Boss?* spinoff in which four of Samantha's girlfriends become teen models, and *Family Matters*, featuring the elevator operator from *Perfect Strangers*.

Looney 'toons. Fox has the most offbeat spinoff idea, *The Simpsons*, starring the animated characters from its *Tracy Ullman Show*. Animation also figures in three other primetime projects for the first time in 20 years, the ad agency points out: NBC's *Hound Town* and Fox's *Hollywood Dog* and CBS' *The People Next Door*—the latter two mixing animation with live action a la Disney's *Who Framed Roger Rabbit?* box office hit.

A half-dozen other pilots also are inspired by theatrical movie hits,

but only two, *Working Girl* on NBC and *Coming to America* on CBS, have series orders. Most of the other projects featuring working women are set in the restaurant or broadcasting business. Among



Sandra, the bombshell on '227,' is being ogled as a spinoff sitcom by NBC.

Agencies: Nets to dump 19+ hours?

In looking over the current primetime slates of the Big 3 networks, Saatchi & Saatchi Advertising says that NBC needs to replace at least four hours, CBS six and ABC nine hours.

The ad agency in its report on 1989-90 development notes that NBC, as befits the leader, needs the least fixing, with most of it centered on Friday night. S&S estimates NBC could do away with "four to five hours" of current programming. Foote, Cone & Belding's FCB/Telecom would guess higher—if NBC goes ahead with its dream of replacing a movie night with regular series.

ABC, finishing second in 1988-89, needs to supplant "nine to 10 hours" this fall, particularly on Thursday and Saturday, in S&S' estimation.

CBS, meanwhile, could use replacements for "six to eight hours" of current fare, S&S continues. *Jake and the Fatman* likely will anchor a Wednesday "night of crime drama, similar to NBC's Tuesday," the agency predicts. *Kahuna*, with Richard Chamberlain as a doctor in Hawaii, should go into an 8 p.m. slot on Friday or Saturday, the agency adds.

Generally speaking, Saatchi & Saatchi observes, NBC wants more "urban, upscale and innovative" hits, while ABC is looking back to its past of "urban, youthful comedies and action dramas." CBS seeks "younger, more urban" viewers, especially in the leadoff hour.

The Fox Network, in the meantime has become a weekend "force to be reckoned with," especially with *America's Most Wanted* and *Married...with Children*, the latter one of the hottest favorites among 18-34 viewers, S&S points out. Fox is just one competitor that has helped erode the Big 3's combined audience share to 68 from 90 in 1979, the agency adds.

FCB/Telecom paints an even gloomier picture for the Big 3, based on their pilot projects for the coming season—"the dreariest development crop in recent memory." While lauding Fox's pilots as "the most impressive," FCB/Telecom blasts the networks' plans as bearing less resemblance to the audience appeal of *Lonesome Dove* than "to another bird—the one most people associate with Thanksgiving."

World Events' Denver, the Last Dinosaur, animation strip set for September, has been sold in 112 markets covering 72% of the U.S. Clearances represent 18 of the top 20 markets, including all the Fox-owned stations.

Lou Reda productions' War Chronicles has been sold by **Orbis communications** to 61 markets, representing more than 55% of the country. Covering 23 of the top 30 markets, the 13-half-hour series, which highlights dramatic battles of World War II, has been cleared on five NBC-owned outlets, and WTVS-TV Detroit, KDFI-TV Dallas-Ft. Worth, and WBNX-TV Cleveland, among the top 10. Other licenses are KTXH-TV Houston, WGTV(TV) Atlanta, WTVT(TV) Tampa and KIMA-TV Minneapolis.

Orion Television Syndication's Crimewatch Tonight, half-hour reality based strip, has racked up licenses representing more than 57% of the U.S. Among the 44 stations cleared are WPWR-TV Chicago, WFXT-TV Boston, KGTV(TV) San Diego, WCAY-TV Nashville, KTVY-TV Oklahoma City, WKBW-TV Buffalo and KTVX-TV Salt Lake City.

Muller Media Inc. will distribute *Connie Francis—A Legend in Concert*, currently in production by Cummings Entertainment. Distribution of the special will first be available through direct-mail video, then to cable or free TV in the fall.

Republic Pictures Domestic Television has added WHYI-TV Philadelphia and KTSF-TV San Francisco to its Hollywood One feature film package lineup. Package consists of 30 titles. Also, its Color Movies I package has been sold in five additional markets: WSVN-TV Miami, WSMH TV Flint, WAOW-TV Wausau, KECL-TV Missoula and WMCC-TV Marion. These additions bring the current total to 93% of the U.S.

Viacom Enterprises has cleared 43 markets representing 53% of the U.S. for *Trial By Jury*, including nine of the top 10.

LBS Communications will be the exclusive worldwide rep in all areas of broadcasting on **New Frontier Productions' Cool School**, a concept created by Robert Mandell. *School* will star an ensemble cast of discor-

dant characters in stories that are funny but deal with important issues. Production will utilize a contemporary graphic approach combining animated characters with digital effects techniques.

Reda Productions mounts diversified 'reality' menu of historic programs

Lou Reda Productions, Radnor, Pa., based production and packaging firm, is continuing to roll out unusual reality programs. The company, according to Lou Reda, president, has begun or completed work on product focusing on such diverse aspects of American history as gangsters, the Marine Corps, World War II, and the Bill of Rights.

The Gangsters: The Golden Age, which has gone into syndication via M&M Productions, is hosted by Patrick O'Neil and is a two-hour special relating the doings and undoing of gangsters from 1919 through 1935. Clearances are for the third quarter, and it is offered via a 12/12 barter split. The special was produced in South Carolina, with archive footage coming from the University of South Carolina. The school functions as coproducer as well, points out Reda. More than 50 markets have cleared the special, notes Reda.



Melvin Purvis, chief gangsterbuster, in Reda special.

Another completed effort is *The War Chronicles*, a series of 13 half-hours retracing specific events of WW II through rare combat footage, being sold by Orbis Communications. Sales of the series on the dramatic battles in Europe have reached 61 markets, representing more than 50% of the U.S. Stations

include five of the NBC-owned outlets. Also being offered are highlights of the South Pacific battles during WW II, in a new grouping.

In production by Reda is a piece for the Space and Air Museum in Washington, on the history of Marine aviation during WW II, which will be expanded into a half-hour TV special from part of a major exhibit to be shown at the Smithsonian. Joe Foss, medal-of-honor recipient, will host the show. The special will be offered as a videocassette after its TV run, says Reda. Reda is looking for Arts & Entertainment to show the special.

A&E deal. Reda says he has recently concluded a coproduction deal with A&E to produce a 26 half-hour series, *The History of the Armed Forces in Combat*. Airing on A&E will begin next April. Also, Reda says he's in development on a 10-vignette series on the Bill of Rights, along the same lines as the *Constitution Minutes*, with some major talent.

Planned is a play that will be made into a two-hour TV movie on the life of General Grant and General Lee. The play will be mounted in Cleveland at the Playhouse Square Foundation. The TV version is forthcoming, with a script being prepared. Reda says that such actors as Stacey Keach and Jason Robards are "very interested" in doing both the stage and TV adaptation.

If all goes well, Reda sees the TV show airing in the fall of 1990 on a network. "I know I can get a cable deal, but I'm looking for network first," says Reda.

In development, too, is a coproduction venture with NFL Films, called *Sports Quiz*, a show which would involve all sports. ESPN has shown interest in the proposed half-hour weekly program, according to Reda.

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PROGRAMMING

commitment, will take place in the 1950s, while NBC's *When We Were Young* will look at life in the '60s. *Elvis* may get the 8 p.m. (ET) berth on Saturday or Sunday, S&S speculates. Fox's *Wurlitzer* features a jukebox that both plays hits of the past and serves as a time machine.

Because the reality genre has helped turn around time slots for the Fox Network (Saturday and Sunday) and NBC (Wednesday), Saatchi & Saatchi says ABC and CBS are eyeing a combined six such "relatively low budget" shows to counterprogram tough competition. ABC alone has 15% of its pilots in the reality category, the agency notes.

Reality shows. ABC—whose reality ideas range from *Code One* and *Unclaimed Fortunes* to *Over the Edge* and *SST* (which stands for "Stage, Screen and Television")—may well schedule this type program in the Thursday 8 p.m. (ET) and Sunday 7 p.m. time periods, both agencies guess. Meanwhile, its Sam Donaldson/Diane Sawyer news magazine is destined for Thursday 10 p.m. (TV/RADIO AGE, March 20).

While last spring's pilot crop stressed drama, S&S notes the '89 batch concentrates most heavily on comedy, with "more than half (53%) of all pilots" in the sitcom genre and with an even higher percentage of NBC's (57%) looking for laughs. That's a reversal of 1984-85, when comedy was deemed dead by agency and network TV execs alike—until NBC's *The Cosby Show* revived the category in fall '85.

Although 605 of CBS' development is aimed at the 8 to 9 p.m. span, FCB/Telecom laments that that network's "comedy development looked particularly weak."

Syndication shorts

Group W Productions has cleared *Couch Potatoes* in two additional markets: WKRC-TV Cincinnati and WXEX-TV Richmond. The trivia game show series has been shifted in Detroit to WXON-TV at 12:30 p.m. The show premiered on WKRC-TV on March 27, at 9 a.m., and on WXEX-TV on April 10.

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First show. Saralegui's first show will be a panel discussion on virginity, with audience participation. Other topics discussed during *Cristina's* debut week will include child support, violent crime, Hispanic gays who want to come out of the closet and financing a child's education.



Univision's "*Cristina*," hosted by Cristina Saralegui.

The production crew, headed by executive producer John Neuharth, is based in Miami. But Saralegui says she'll be running a road show, "And when we're in Miami, we'll fly in some Mexican-Americans from Los Angeles or San Antonio. When we tape in Los Angeles we'll fly in some Cuban people and some Puerto Rican people from New York, so our studio guests will always represent the full diversity of national origins that make up our Hispanic population in the U.S."

And Rosita Peru, Univision's vice president and director of programming, adds, "*Cristina* will act as a valuable information source for our viewers."

WBGO-FM's 10th

The "David" of the jazz radio world, WBGO-FM Newark, is marking its 10th year of broadcasting as a public radio station via a series of four events. In April, the station marked the occasion with a

birthday celebration, and then a concert at Newark Symphony Hall.

Upcoming, on May 4, will be a dinner and awards ceremony, to be held atop the World Trade Center. The fundraising event will honor Michigan Congressman John Conyers, and Andrew Whist, senior vice president of corporate affairs for Philip Morris International, for their contribution to jazz.

A May 11 event—"The Big B's at Carnegie Hall," will highlight the station, Blue Note Records and the blues, in a concert.

CMBA sets parley

The Concert Music Broadcasters Association, organization consisting of classical radio broadcasters, will hold its 1989 convention in St. Louis, May 10-12.

The convention agenda includes

an update on Arbitron, Birch, MRI and MA*RT services; a nontechnical presentation session on enhancing a station's signal; and a record distribution panel.

A May 11 session will focus on "Sales as the Contemporary Music Stations Do It," presented by the Radio Advertising Bureau, and another will highlight sales and audience development promotions by CMBA stations.

On May 12, there will be two morning sessions: "Programming for Ratings: What Do You Do When the Music's Over?," and "Increasing Your Station's Classical Radio Revenue in 1989 and Beyond," a 90-minute session that will focus on marketing retailers, sellthrough and making advertisers' news ads more effective.

A Friday afternoon panel will highlight "Protecting and Renewing Your License."

U.S.-British barter push

The coventure adventure continues (see coproduction story, this issue) with three U.S. and three British TV companies forming a unique European barter consortium dubbed Advertiser Supported Alliance for Programming, or ASAP for short. Although the ASAP partners would like to book sponsors as soon as possible, multinational advertisers have yet to make commitments.

The six cofounders are ABC Distribution Co., MGM/UA Telecommunications and D. L. Taffner/Ltd. in the U.S. and Central Television Enterprises, Thames Television International and Yorkshire Television International in Great Britain. A seventh member will come aboard when Qintex Entertainment's acquisition of MGM/UA Communications is completed "sometime this summer," says Norman Horowitz, president, MGM/UA Telecommunications. Australia's Seven Network is part of Qintex, he notes.

The partners realize they face an uphill battle to sell the concept of barter distribution in Europe. Don Taffner concedes, "It's going to be difficult" to convince European broadcasters to go the barter route since many have a "hostility" toward the concept. Still, he adds, "There was hostility to barter in the U.S. in the past." Today, however, it is "a growing, thriving business in the U.S." The ASAP sales presentation film calls barter in the U.S. "TV's billion-dollar baby." Adds Central TV's Phil Jones, managing director, "How large [ASAP] will grow will depend on factors outside our control."

Multinational advertisers and agencies have already approached ASAP with feelers about buying time in the partnership's barter programming, but nothing concrete has yet developed, according to Taffner and Rick Levy, Taffner's president of sales and marketing. Emphasizing that ASAP will not dictate terms alien to European nations' practices, Levy says ASAP will base its ad rates and selling approach on the patterns of each country. European broadcasters do not offer ratings guarantees, he indicates, but those policies eventually may change.

The diversity of the participants' programming will enable the consortium to offer product for all dayparts, Levy continues. Jones says of the expanding European market's TV channels and satellite services, "They're all going to need programs. We [the partners] have enough programming to fill countless channels for countless years."

Univision's changing programming content reflects American posture

As the two Spanish-language networks, Univision and Telemundo, boost U.S.-based program production, the results are reflected in program content as well as sheer quantity. Univision president Joaquin Blaya reports Univision has raised its share of U.S.-made programming from 7% to 30%, as an example of the quantitative differ-

ences.

Two new examples of the changing content of Univision's offerings which bowed recently, and both are patterned after successful U.S. English-language formats.

One is *El Juez* (*The Judge*), a Spanish-language version of the Genesis Entertainment syndicated *The Judge*, based on actual court

cases. Genesis International produces the show.

The other is *Cristina*, Univision's new TV talk show, *Oprah Winfrey* and *Donahue* style, named for hostess Cristina Saralegui. She's the former editor-in-chief of *Cosmo-en-Español*, the Spanish-language edition of *Cosmopolitan*.

Cristina's launch follows the rollout of Telemundo's *Cara a Cara* (*Face to Face*) with hostess Maria Laria, from originating station KVEA-TV Los Angeles, to nearly nationwide exposure on most of the Telemundo network during 1988.

Both new Univision programs, says Blaya, "are designed to attract America's more assimilated Hispanics. Many of these have developed some general market tastes along with their success. We expect these shows to first recapture those who are already born-again Hispanics, then gradually attract more potential converts and turn them into born again Hispanics, too."

Controversy. Cristina promises to preside over an early-evening show (5-6 p.m. Eastern time) "that offers Hispanics a chance to hear the opinions of other Hispanics. We'll cover controversial issues. We won't be afraid to talk about sex, because that's part of life, too. But we'll talk about all the things relevant to Hispanics living here. We'll also talk about funny things. On the other hand, I'm not going to scare off potential members of our studio audience by either dwelling on the seamier sides of sex or by holding any of our studio guests up to public ridicule like some talk show hosts do."

With so many second-generation Hispanic women now holding jobs outside the home, Saralegui says a typical situation she expects to cover will be nannies who are "minding not only the kids when the lady of the house is at work, but in our extended families, grandma, too, when she's too advanced in years to properly mind herself."

The Hispanic difference, explains Saralegui, is "Our Mary Poppins is likely to be an undocumented alien who's being a babysitter because she has not yet learned enough about U.S. ways to find and hold down any other kind

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TELEVISION/RADIO AGE

Station Report

May 1, 1989

CLEARING THE ROAD

The San Francisco area's dense traffic was loosened appreciably when KPIX-TV and KCBS radio cooperated in a "Beat the Backup" campaign, promoting car-pooling and public transportation./81

NEW IN NEW ORLEANS

Possibly the only black woman in the U.S. to own and operate a TV station, Barbara Lamont says she's operating WCCL-TV New Orleans in an undersold market. A lot of her sales pitch is against radio./82

BUYER'S OPINION

Will anyone ever be happy with Hispanic audience measurement? And are the "new and improved" methods really what they are claimed to be?/83

SPOTLIGHT ON...

Crossing over into "the cable rate zone," Stephen Phelps of Ross Advertising, St. Louis labels the medium's inconsistencies a real horror story./85

New Orleans' new WCCL-TV is fun, 'hot', and 'good deal' for advertisers

Asked what her sales force tells New Orleans retailers when they ask why they should advertise on her brand new WCCL-TV, owner Barbara Lamont replies: "People in New Orleans like fun and they like new things. We're fun for our viewers and we're new to them. That makes us hot. And those are just three of the things we tell our charter advertisers."

49 WCCL TV

Lamont, who may be the only black women in the U.S. to own and operate a television station, says another thing she tell retailers is "the good deal we give them. Our Charter Club member advertisers get packages that yield a lot of impressions at a good rate."

Undersold market. She adds, "There's only one daily newspaper here and five other commercial television stations. This market is vastly undersold. There are all kinds of retail operations in New Orleans that have never been on television."

Lamont explains that much of WCCL's sell is against radio: "There are some strong radio stations here and the strongest have higher rates than some of the TV stations. But we offer advertisers sight, sound, motion, emotion and color, in a world of other media that are only one-dimensional. And advertisers get all this at lower rates than on some radio stations."

Why did Lamont select New Orleans? She points out that besides oil, New Orleans "has a big tourist industry. And even bigger than that is our port."

But she adds that it actually started in 1984 with comparative hearings before the FCC. At the time, she recalls, she had a choice of building in New Orleans or building in Tampa. Tampa at the time had already started its upward growth curve, while the oil boom

had just gone bust in New Orleans.

Says Lamont: "I figure what's come down eventually has to go back up. But in the meantime, compared to Tampa when we started building, land and labor costs in New Orleans were a lot lower. Most people think success is big revenue. And, yes, that is half of it. But the other half is keeping costs low, and we're the leanest, meanest TV operation in town. Our startup costs, starting with our building costs, were brought in at a third less than initial projections."

Group film buyer. She also says WCCL holds program costs down by using Gene Wilken out in San Juan Capistrano, Calif.: "He's a group buyer who gets volume discounts by buying for 40 or 50 independent stations. And he has a computer system that can punch up track records for every syndicated property in markets of any designated size. This tells us from the start what kinds of audiences we can expect for each show."

Lamont keeps her staff lean "by starting with a fully automated traffic and beta cart system. Our whole staff is only 32 people. But they're good."

She explains that under vice president, general manager George Stantis is general sales manager Bob Bechir and seven account executives "who are very retail oriented and experienced in giving clients service the old fashioned way. Some of them are from radio. They're expert in helping retailers create a sales event and showing them how to sale-price their merchandise for the event. Then we produce the commercial for them to match the event. We also call back to make sure everything is working according to plan, and that the customers are coming into the store. For retailers here, we're one-stop shopping for marketing, air time, commercials and hand-holding."

Frozen market. Lamont also observes, "Long-range, we know there's not likely to be a fourth commercial independent here. The FCC froze 30 of the top 33 markets pending resolution of a decision on HDTV and ultimate band widths. New Orleans is one of those 30 frozen markets and we were the last CP to squeeze in under the wire. And remember, this isn't Houston with a dozen TV stations. There are a lot of programs people in New Orleans have never seen."

Lamont doesn't see a handicap in WCCL's being a UHF, "because



Barbara Lamont tries out her new control room at WCCL-TV, which bowed in New Orleans March 19. Besides WCCL, Lamont also opened a new teleport she says is "making New Orleans a gateway city for telecommunications."

KPIX-TV, KCBS radio numbers show audience action influence

A lot of stations talk about the traffic, but in San Francisco, Group W CBS affiliate KPIX-TV and CBS owned all-news KCBS teamed up to do something about it. Now the results are in, showing the stations' teamwork produced measurable effects.

the preceding two weeks.

One public transit service, BART, reported a 6.2% increase in riders for the morning commute on test day, Feb. 28. The evening return ride showed a 9.2% increase. The base was ridership the three previous Tuesdays, and since the



Carolyn Wean and Ray Barnett who head, respectively, KPIX-TV and KCBS Radio San Francisco.

BEAT THE BACK-UP

February 28 / KPIX 5

Like most major metropolises, San Francisco, too, has its drive-time traffic jams. In fact it has them morning, noon and night. Noontime traffic has become a major market headache along with the ones everyone expects during morning and evening rush hours. So KPIX-TV and KCBS radio kicked off "Beat the Backup," a campaign urging commuters to carpool or use mass transit.

Demonstration Day. February 28 was designated "Beat the Backup Day," a demonstration day in which Bay Area residents were particularly encouraged to share a ride or take the buses and trolleys. KPIX-TV vice president, general manager Carolyn Wean says it was northern California's "first campaign to create awareness of transportation issues." And it was carried out in conjunction with major Bay Area transit and metropolitan agencies.

Here's the score:

A survey of over 600 Bay Area adults following the one-day, Feb. 28 experiment found that 14% of those who were aware of the test participated in it. Some 22% of the sample said they were very likely to take part if the test were repeated, and another 18% described themselves as "somewhat likely" to participate.

The day before the experiment, Feb. 27, a 70% jump in calls was reported for carpool connections, compared to an average day during

week of Feb. 14, BART reported steady gains of some 6,000 to 8,000 riders per day versus forecast.

MUNI, another transit service, showed a 2.5% gain in riders between 8 and 10 a.m. on Feb. 28. Wean calls this result "particularly meaningful" because MUNI "is the only transit system in the country that carries more passengers than its city population on weekdays."

On the roads, the backup of westbound cars waiting at the Bay Bridge toll plaza on Feb. 28 "at no

time extended past the West Grand Avenue overcrossing." It normally backs up as far as the I-80/580/880 Interchange.

At the same time, the signal bridge west of the Bay Bridge toll plaza was in operation 40 minutes less on Beat the Backup Day than on normal weekday mornings.

Between 6 and 10 a.m. on the Golden Gate Bridge, the vehicle traffic count was 2.7% lower on test day, Feb. 28, than one week earlier on Feb. 21. And on the water below, passengers on the Golden Gate Ferry increased 13.6% on Feb. 28.

CalTrain, the Peninsula commuting service reported a 13% increase in passengers on Feb. 28. This was confirmed by the bus services that feed the train.



KPIX-TV news team of Wendy Tokuda and Dave McElhatton report Bay Area traffic situation as part of joint campaign with KCBS radio to "Beat the [traffic] Back Up" by riding commuter lines.

Appointments

Stations



E. Berry Smith and **James D. Freeman** have been promoted at Schurz Communications, Inc. Smith moves up to the new post of senior vice president, broadcasting of SCI. He's succeeded as president and general manager of WSBT, Inc., the SCI subsidiary that operates WSBT-TV, WSBT and WNSN(FM) South Bend, Ind., by Freeman, who had been vice president and station manager of WSBT-TV.



Michael J. Faherty has been promoted to executive vice president-radio for Cox Broadcasting. He is succeeded as vice president, general manager of Cox's WSB AM-FM Atlanta by **Robert F. Neil** who moves in from the same position at WWRM(FM) St. Petersburg-Tampa.

Rick Green has been appointed vice president, general manager of Group W's KMEQ AM-FM Phoenix. He moves in from Houston where he had been general sales manager of KODA, also a Westinghouse station.



Michael "Mick" Anselmo, general manager of Malrite Communications' WDGY/KEEY(FM) Minneapolis-St. Paul, has been elected a vice president. He joined Malrite in 1984 following management posts at both radio and television stations.



Timothy J. McKernan has been promoted to director of sales for KPLR-TV St. Louis. He has been with KPLR for 23 years and reports to vice president, general manager **Robert Fulstone**.

New Orleans' new WCCL-TV is 'hot'

ing enormous and we can uplink to every state and overseas." Besides TV programming she says her teleport features 24 hour high speed data transmission capability: "This is increasingly essential to industries today, from banking to commodities traders to retailing, transmission of oil exploration data and business video conferencing, as all industry becomes more information dependent and more corporations become part of this growing global trading village of ours."

Communications access. The first fruit of all this, she adds, "is that we've already seen the first four or five corporations either move to New Orleans for closer access to our teleport, or have expanded their corporate communications centers here. More are sure to follow."

Getting back to television, Lamont recalls that WWL-TV conducted a live video conference with Michael Dukakis from Massachusetts to get his comments during the Republican convention in New Orleans. To do this, she said, WWL "used linkage not possible before

we completed our teleport." Still under construction, she adds, are microwave facilities for a statewide Louisiana television news network.

Meanwhile, says Lamont, "The more new retail advertisers we introduce to television, the more commercial production work there is—enough so we don't need to be greedy. There's enough to go around for the production facilities of all the TV stations here to share in it."

She says New Orleans' public television "also produces some wonderful documentaries and specials. And now they can use our teleport to feed other public stations around the country. We can also feed college sports to any point from the Superdome. The possibilities are almost endless. New Orleans is home to a wealth of wonderful musical and other entertainment talent. But up till now their national exposure for the most part has always been limited to the tourists who've come here to enjoy it. Now for the first time, thanks to our new teleport, they have the opportunity for truly nationwide fame."



Jonathan D. Spaet is now sales manager, WNBC-TV New York. Formerly an account executive for NBC TV Spot Sales, Spaet succeeds **Jay Linden**, now director, eastern sales, NBC TV Stations division, also New York.

Christopher T. Kager and **Timothy J. Connors, Jr.** have been promoted to vice presidents at WWOR-TV Secaucus-New York. Connors joined the station in 1981, was promoted to sales manager last year and now becomes local sales manager. Kager came aboard in 1984 and was promoted to national sales manager last year.

out of a dozen cable systems in this market, only one doesn't carry us. And they probably will as soon as they add to their current channel capacity."

She concedes that "No one here, including us, is real competition for WWL-TV. They have *Oprah* and she does a 60 share in her time period. No one's going to beat numbers like that. We don't even try."

"New Orleans is vastly undersold. There are all kinds of retailers here who've never been on television."

What WCCL does do, she says, is "compete against radio. We even use radio games to do it, only we add pictures. I said we were fun. Everyone likes money, so we spin our own roulette wheel during four breaks in our *Big Bucks Movie*. People send in their birth dates, or the last digits of their Social Security number or whatever on our coupons that they mail back. These are the numbers they hope come up on our spinning wheel.

Road show. "Now a lot of radio stations do this, too," she admits. "The difference we offer besides pictures is, we run a road show. We take our spinning wheel to different locations and those locations are our advertiser's shopping malls. This attracts more shoppers and builds more store traffic so the advertisers love it. Our charter advertisers also love the 10% discount we offer for our first year to all 52-week clients who stay on the air with us throughout the year."

WCCL made its debut March 19, but Lamont also owns a teleport that opened for business just in time for the Republican national political convention in New Orleans. And now, says Lamont, "Our teleport is making New Orleans a gateway city for telecommunications."

She says the 36 cables running into the facility "are completely fiber optic. That makes the cost sav-

One Buyer's Opinion



Researcher wants better Hispanic media measurement

Higgins

It seems that recently there has been an increasing demand for Hispanic media audience research. And with it has come a growing number of new efforts to study and measure Spanish language television and radio audiences with antiquated, non-customized and inappropriate research techniques. The latest efforts by the radio rating services have not been enough to motivate many Spanish language radio broadcasters to actively participate in their "new, improved" Hispanic radio quarterly reports.

In the Southwest, second and third-generation Spanish language broadcasters appear to be looking at these supposedly "new and improved" methods of providing information on Spanish language radio audiences as merely a repackaging of their research product: That is, the basic content seems to be the same old thing. These "new and improved" techniques adopted by the radio ratings services have not answered many of the questions, inconsistencies and discrepancies still evident in their "new Hispanic radio reports."

In order to measure Spanish language broadcast audiences effectively, structural modifications must be made in the sampling techniques of all three ratings services that currently provide broadcast audience ratings. Only when the ratings services make the investment to update, upgrade and, most important, increase their sample sizes in all the major Hispanic ADIs will they create a market for Spanish language broadcast research.

Another necessary ingredient for the appropriate development of adequate Spanish language broadcast research is more active participation by the advertiser/manufacturer in the Hispanic media buying process. In becoming more involved, they may find that their agencies are not always as effective as they could be and should be in placing radio and/or television for their Hispanic-targeted advertising campaigns.

Today, more than ever before, media planning is being developed to target products and services at discrete and precise market segments. To do this effectively in "Spanish U.S.A." requires a broader knowledge of the different segments within our domestic Hispanic market. New research techniques need to be developed to adequately measure our Spanish language broadcast audiences because the so-called "new improved" measurement techniques still leave significant numbers of listeners or viewers out of the measurement base.

But the matter does not even end there. Another possibility remains to be considered: Can a combination of methods be developed in which one method will compensate for the other's limitations?

It appears that the use of combinations of methods in the research field is not new. But the question is whether the right combination has been tested on a subpopulation that is culturally different from the general market consumers most advertisers and their agencies have been catering to and selling to during a far longer period of their total business history. Most of the methods of television and radio audience measurement that exist today were not designed to measure a subpopulation that is culturally different and that functions in a bicultural mode.—**Glenn T. A. Higgins**, vice president, director of research, California Research Consultants, Carlsbad, Calif.

Representatives



Jeff Burnton has been promoted to the new post of regional sales manager in the Los Angeles office of Blair Television. He joined Blair seven years ago and now steps up from account executive and reports to **Robert R. Saracen**, vice president and Los Angeles manager.

Tony Santino has been promoted to sales manager of the San Francisco office of Katz Independent Television. He joined Katz in 1983 as sales manager of the Swords Team in San Francisco and before that he had been with Metro TV Sales.



Jill Crawford has been promoted to vice president, Dallas regional manager for Group W Radio Sales. She has been an account executive for the rep since its 1986 launch and before that had been an account executive with Selcom Radio.

John Brejot is now sales manager of Katz Radio's Houston office. He came to Katz last year and before that had been an account executive with KKHT Houston.

Gary DeSerrano has joined Republic Radio's Houston office as sales manager. He had been with the sales team at KZZB Beaumont, Texas.

Agencies



John R. Gaffney has been promoted to senior vice president, media director at Della Femina, McNamee WCRS-Boston. He came to the agency in 1985 from J. Walter Thompson, Detroit, and now moves up from vice president.



Gwyn Kaufman and **Ronald von Urff** have been elected senior vice presidents at J. Walter Thompson/USA. Kaufman came to JWT first in the labor relations area, then joined media in the mid-'70s. Von Urff, a specialist in sports buying, was with William Esty Co. before joining JWT in 1978. Both are currently associate media directors.

CBS Radio mixes trucks, baseball



Saluting a three-way launch at annual Mid-America Trucking Show in Louisville are, from l., Cathy Pratt, CBS Radio; Jon Schetzley, ad chief for Volvo GM Heavy Truck Corp.; Jerry Moore and Claire Sloan, both of Volvo GM agency, Fahlgren & Swink; Baseball Hall of Famer Brooks Robinson; and Maureen Hartigan of Volvo GM. Three items launched were a "special limited edition" All-Star White GMC Integral Sleeper tractor, Volvo GM sponsorship of CBS Radio Sports' Game of the Week and All-Star baseball broadcasts, and a special printed cross-country trucker's guide showing the Game of the Week and All-Star broadcast schedules plus a list of CBS Radio affiliates carrying the games coast-to-coast (see also Radio Report).

Media Services



Andrea Carolan has been appointed an account supervisor for Bohbot Communications. She moves in from DeWitt Media, Inc., where she had been a vice president of local broadcast operations, and before that she had been an account supervisor with the LaMarca Group.

Spotlight On...

Stephen Phelps



Director of media services
Ross Advertising Inc.
St. Louis

Steve Phelps poses, "Consider, if you will, two national firms, both of which represent most, but not quite all, U.S. cable systems. And consider the existence of exclusive agreements which appear to give sole system representation rights to one rep but that are successfully proven to be false by their competition.

"Then there are the local systems who contact your client with offers of better programming at a fraction—one-third to one-quarter—of the national rates.

And don't forget those local systems that, when contacted, quote higher rates than those available through the national rep, for the *very same* system, and who, when pressed, threaten not to accept the order unless it is placed direct. And, just to keep things interesting, consider evidence of an emerging trend that sees local systems combining forces to market their systems along regional lines."

Phelps says, "If you're able to accept the above and not abandon the medium for local radio, you've just crossed over into 'the cable rate zone.'"

Then he adds, "Seriously, or at least attempting to be somewhat serious, if I hadn't experienced first hand the confusion that exists today in the world of local cable negotiating, I wouldn't have had any idea of just how backwards and upside down the cable marketplace has become. While I've certainly heard the oft-repeated litany that 'It's just a matter of time before things settle into place,' I'm concerned that in the meantime 'things' appear to be getting worse, not better."

Phelps adds, "Although I may be willing to accept, at least in part, the reasoning that the medium is going through growing pains, I am concerned that unless order is brought to the negotiating arena, and quickly, bridges are going to be burned to the national advertising agencies, many of whom have helped champion the medium. If anyone has constructive suggestions regarding this problem, *please* speak now, lest we be destined to wander forever in 'the zone'."

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KAER and KFBK (AM), Sacramento KFWB, Los Angeles KJQY, San Diego

Westinghouse Broadcasting Company

FEEDBACK

As syndicators take more national time out of hit barter shows, how will this affect your acquisition or renewal of these programs?



"Barter programming is a tradeoff. If you have a successful barter show, you wish it wasn't barter. If not, you're glad it is. If they take more time, the license fee would have to decrease commensurately. But there has to be a time when someone says 'Enough.' Otherwise you'll have the ultimate barter show—which is ABC, NBC or CBS."

*Harvey Cohen
President/general manager
WDZL(TV) Miami (Ind.)*



"You're damned if you do and damned if you don't. We cast a cold eye on the tendency of syndicators to take spots out of shows. We'll probably be leery of taking the marginal shows, but I think the hits will be renewed. The marginal shows are going to have a lot of trouble, and we're going to give them a lot of trouble. Fifty-fifty is enough, and any more gets to be a problem for stations."

*Steven A. Bell
Senior vice president/general manager
KTLA(TV) Los Angeles (Ind.)*



"I think we tend to weigh all programs on a cost factor basis, whether they're barter or cash. We weigh the time taken out against what we could sell the time for, and if it's too high, we don't take it. If it's a show that's going to get a 10 or 15 rating, we weigh that against what the options are."

*Bob Wormington
Vice president/general manager
KSHB-TV Kansas City (Fox)*



"If we want the program badly enough, we will take it if the barter time left makes any sense at all. It's the same as cash. If they keep asking for more and more, we have to determine what it's worth."

*Ted Baze
President/general manager
KGMC(TV) Oklahoma City
(Ind.)*

Wall Street Report

Tribune takeover talk, fueling stock activity, deflated by ESOP action

Tribune Co., which has been considered a candidate for takeover, has been getting its share of attention on Wall Street lately. With 1988 earnings per share at \$2.78, Shearson Lehman Hutton projects \$3.00 for '89, while Merrill Lynch is going with \$3.20 for '89 and \$3.45 for 1990.

At Merrill Lynch, first vice president Peter Falco observes that Tribune's issuance of a new \$350 million preferred to an employee stock option plan recently deflated much of the takeover speculation that had moved the stock from just under \$40 a share to over \$48 in a few weeks. He says, "On a fundamental basis, we believe Tribune stock should be valued at five to seven times estimated 1990 pretax cash flow of \$7.75 per share, implying a price range of \$39-54 per share.

"Near term, the price action of Tribune could depend on how much stock is in the hands of arbitrageurs and other takeover speculators, and to what extent they chose to unwind their positions without regard to price. We believe the substantial share repurchase program will limit the downside risk in the stock to the low \$40s per share and believe that investors should maintain their positions in the stock."

At Shearson, analyst Alan Kassin maintains, "The major catalyst to any takeover bid will probably be Tribune's ownership of the largest and most attractive group of independent television stations." His firm's estimated private market value for Tribune is \$66 per share, broken down as follows: newspapers, \$47; TV broadcasting, \$16; radio and entertainment, \$4; newsprint, \$7; less debt (net of cash), \$8.

King World reevaluated

News of major market nonrenewals of *Inside Edition* has taken the investment glow off of King World Productions, even though earnings per share growth is seen. With earnings per share for the fiscal year ended Aug. 31, 1988 at \$2.28, Mabon, Nugent & Co. predicts \$2.73 for '89 and \$3.45 for '90. It expects price/earnings ratio to slip over those three years from 10.9 to 9.1 and 7.2. Oppenheimer & Co. calls for \$2.70 in '89 and \$3.20 in 1990.

Raymond L. Katz, analyst for Mabon, Nugent, comments, in lowering the stock's rating from "buy" to "neutral," "In our judgement, the stock is dead money and will be no more than a market performer. Present value analysis supports a low-end stock price in the 23-24 range. We, therefore, think the stock is a better bet in a down market than in an up market.

But Dennis B. McAlpine, Oppenheimer analyst, contends that the market's reaction to *Inside Edition*'s shaky support and potential demise is overdone. He asserts, "At \$24, the stock is selling at only 8.5 times estimated fiscal 1989 earnings, and 7.5 times is our 1990 estimate, which we believe is cheap. We

would buy the shares if this weakness continues despite the absence of any positive driving news."

Katz at Mabon, Nugent says his firm had expected any expansion of the stock's multiple to come from product line expansion—namely *Inside Edition*. But he points to King World's difficulty in maintaining strong stations and time periods in New York, Chicago and Los Angeles, indicating "less of a chance of achieving the success we originally had hoped for."

An upturn for Turner

Moody's Investors Service has raised its rating on the senior debut of Turner Broadcasting System to B3 from B2 and on TBS' subordinated debt from B3 to B2. The rating agency notes that its action reflects the likelihood that TBS' cash flows will continue to increase over the intermediate term and should be more stable and predictable.

The agency comments that TBS has aggressively acquired and developed programming which has established it as a major supplier to the cable industry. Moody's believes that TBS is, therefore, well positioned to take advantage of anticipated growth of advertising targeted for basic cable viewers.

Moody's also notes that, although TBS' aggressive strategies had resulted in a heavily leveraged capital structure, management appears to have acquired both financial and strategic support with the preferred stock investment of \$550 million, and representation on TBS' board, by a group of major cable multisystem operators. Pointing to the risk in the company's commitment to original programming, it mitigates this with management's somewhat cautious approach, the programming library that it already controls and the cash flow from more established lines of business.

Agencies: not all alike

The tendency of advertising agency stocks to move together in lockstep may be disappearing, according to Laurie Goldberger, advertising analyst for Shearson Lehman Hutton. She comments, "In the past, the stocks tended to move as a group; there was little or no differential in valuations stemming from different fundamental outlooks. Their trading range was fairly broad, moving from 20% market discounts to premiums of a similar magnitude as investors' attitudes about U.S. Media trends shifted.

"These swings created excellent trading opportunities, especially as the companies expanded their business scope to become no more than 40-50% dependent on the U.S. media market. We believe this has changed. A new focus on the group's strong balance sheet and cash flow characteristics seems to have all but eliminated the once common discount valuations. This changing focus reflects the market's general willingness to apply cash flow valuation models even to service companies with no obvious, tangible underlying asset base."

Principal agency recommendations at Shearson Lehman are Interpublic and Omnicom, but it also considers WPP Group a good short-term trade "since its near-term earnings momentum should remain strong."

In the Picture

Harry Pappas



President, Pappas Telecasting, returns to Omaha to manage KPTM-TV himself. Here he talks about launching the station in 1986 as Omaha's only independent and the tactics the station uses to sell local retail advertisers today.

KPTM-TV uses research to turn newspaper users into repeat advertisers

Harry Pappas is back in Omaha. Now that Garry Nielsen, who had been running Pappas Telecasting's KPTM-TV has moved to Buffalo as vice president general manager of WIVB-TV, Pappas, owner and president, Pappas Telecasting Companies, will now be managing KPTM personally.

Today he recalls that when KPTM signed on the air in April 1986 as the first UHF in Omaha, "We went in from Day One, committed to convert as many new-to-television retail clients as possible from their then newspaper-only ad programs."

To Pappas it was a matter of creating "an edge" for the station by educating retailers who had not yet tried television about what it can do for them. "And we were willing to invest up front in that education," adds Pappas, "and willing to wait for the pay off—the return on our investment."

One example of that willingness to invest up front was one of Pappas' first moves in Omaha. Facing three established VHF network affiliates, Pappas bought over 500,000 UHF loop antennas and had them mailed to households in KPTM's viewing area. Then KPTM sponsored its \$142,000 Sweepstakes (for Channel 42) with the grand prize winner raking in \$42,000, cash. Pappas credits the combination of the antenna mailing, along with KPTM's program schedule, and a three-month movie schedule, plus the sweepstakes with hoosting the station's potential audience by 30%.

Lip service to marketing

Pappas observes, "A lot of people pay lip service to the idea of 'marketing' their station as opposed to straight selling. What we see as one of the key differences is that so many stations put their energy into making one-time-only sales, while the purpose of our concentration on research, co-op and the homework that goes into them is to convert retailers into steady, repeat customers who will keep renewing their schedules."

When Pappas says "convert" he's talking about the need for broadcasters to go out and "educate all the

newspaper-only advertisers. Newspapers in most markets still outbill television and radio combined, when it comes to local retail advertising."

Pappas points to 22 people in KPTM's marketing department, which he says "is about double that of most of the other stations here. That's part of the commitment we had to make if, as an independent, we're going to be perceived as equal, if not better than, the affiliates."

He says one advantage independents have is, "We can make the most of our ability to program for the tastes of our audience here in Omaha—not the tastes of people in Los Angeles or New York. We can also, and do, place our advertisers' commercials where the viewers will see them: not in never-ending multi-commercial station breaks between shows, but dropped in within our programs."

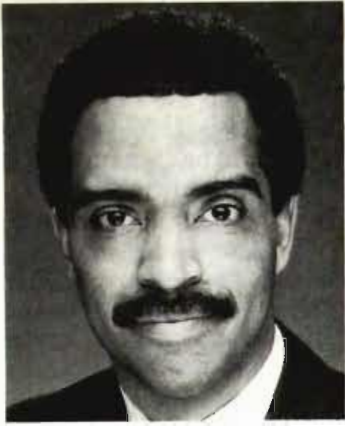
Affiliate numbers

Pappas says another part of the education KPTM gives its retail prospects "is to explain some of the affiliates' numbers. That is, there's a rating of X for the program leading into their station break commercial pod, and a rating of Y for the show that follows. And even though so many viewers run to the kitchen or bathroom at the break, the affiliate salesman is going to claim whichever number, X or Y, is highest for every commercial that runs in that break."

Pappas recalls that KPTM started business with a separate retail manager and eight sales people "who spend 100% of their time calling on retail accounts. And they're backed by a co-op coordinator and a researcher who has the tools it takes: Arbitron, of course, but also Arbitron's Product Target AID, and Simmons, so we can show our retail ad prospects who their clients are and how to reach them with our station. We also signed with Nielsen for its Conquest geo-psychodemographic analysis tool. We're in the process of phasing Conquest into our sales arsenal."

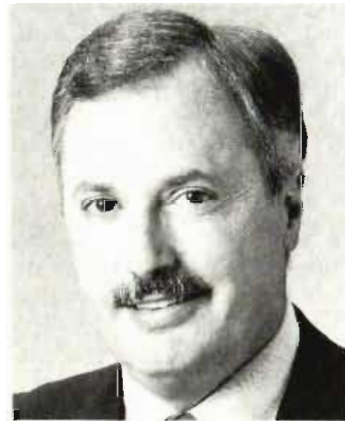
As a specific example of what sales research can do, Pappas observes, "We do well among 25-54s, and that's the broad category for eye glasses. But we do even better among 25-49, and we can show optometrists research showing that 25-49 not only has the buying power, but that even though the younger group, on average, has stronger eyes, they're also more fashion conscious. That means they change their glass frame styles more often. They're also more likely to switch to contact lenses. And with Product Target AID we showed one optical retailer which of our programs most attracted this 25-49 consumer target."

But Pappas warns, "To be a real consultant to retailers, to really learn their businesses, and about their strengths, their weaknesses and their competitors, and how your station can help them most effectively, you can't expect to close on the first or second call. It can take four or five. Then you have to produce commercials for them that do the job. They may start with us with only \$1,200 for their first schedule. That's a loss leader, considering the four or five calls and the research and homework we've done to dig up co-op dollars for them. But then when that \$1,200 builds traffic for them, it will grow. The real payoff is one more steady advertiser, coming back for repeat schedules."



“Any additional time taken out would have to be reflected in a reduced license fee. Under certain circumstances, we would consider calculating the value of the additional barter time and deducting it from the license fee.”

*Marcellus W. Alexander, Jr.
Station manager
KYW-TV Philadelphia (NBC)*



“It has a direct impact on the cost relationship in the advertising marketplace. It’s a very sensitive area. The more commercial time we add and the lower the CPMs we sell it for, the more difficult it is for a station to achieve traditional national sales revenue in the spot market.”

*Al Seethaler
Vice president/general manager
KMGH-TV Denver (CBS)*



“It will definitely affect our acquisition and renewal because we examine everything about the agreement. We have definitely decided not to make a bid on programs because the barter arrangement reduced the value so much that we decided to go in another direction. All of our inventory is tight, and barter reduces our inventory even more. If a program is going to get high ratings for us and protect our early evening or late newscast, this may be a special instance where we would accept such a barter arrangement.”

*Jeff Rosser
Vice president/general manager
WVTM(TV) Birmingham
(NBC)*



“Most indies don’t have hit game shows, and most of the strip shows we have that are barter are for kids. If you get into that squeeze situation, the real question is, ‘When does the squeeze blow the show out?’. That’s based on how many spots are left and what you can sell them for, how important it is to keep the program off my competition and how it’s packaged with other shows.”

*John Serrao
Vice president/general manager
WATL(TV) Atlanta (Ind.)*

new satellite interconnection system is to be in place and operating before the expected end of the life of the current bird. Ledwig said the money must be spent regardless of whether Congress appropriates the extra funds. The only alternative is to "divert scarce resources away from programming and into satellite replacement.

In its budget request earlier this year, the Reagan/Bush administrations froze CPB's appropriation at \$242 million, with no request for satellite-replacement funds.

Finsynd battle firming up

Formal battle lines have been drawn in an issue that has been simmering on the back burner of the FCC stove for the past several years—its financial interest and syndication rules. On one side will be the three major networks who want to be freed of current restrictions; on the other a coalition of parties interested in maintaining the status quo.

Under the aegis of the Motion Picture Association of America, the

coalition announced its formation at a Washington, D.C., news conference. Jack Valenti, MPAA's executive director, said that allowing networks to have a financial interest in the programming they run would drive many producers out of business.

The issue is becoming ripe because restrictions on network production of programming are to be eased somewhat beginning next year. Now, however, they are not

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'Dial-a-porn' court decision could have broadcast implications

The U.S. Supreme Court justices apparently have some strong questions about the constitutionality of last year's law placing severe restrictions on "dial-a-porn." Their decision in a pending case could have an impact on "indecent communications" in broadcasting.

The justices made their doubts known during oral arguments in a challenge brought by Sable Communications, a provider of dial-a-porn services, to the law passed by Congress last July 1. A decision is expected before the court's term ends this July.

Lower courts overturned the law on grounds it was so overbroad that it banned indecent speech. Indecent speech is considered protected by the First Amendment to the Constitution, while obscene speech is not. Both types of speech were at issue in the case taken to the Supreme Court by the Justice Department.

The outcome of the Sable case could determine the outcome of the FCC's ban on airing indecent programming on television except for a six-hour "safe harbor" beginning at midnight. That issue, sent back to the FCC by an appeals court, is being held in limbo pending resolution of the Sable case.

Protecting children. Justice Sandra Day O'Connor, noted that Congress had a legitimate concern in protecting children from indecent material but also noted there is a constitutional requirement that adults have access to any nonobscene speech. She and other justices suggested by their questioning that the case may turn on whether they decide the federal government has taken the "least restrictive" approach toward protecting children.

Richard Taranto, assistant to the Justice Department's solicitor general, acknowledged that there "is no doubt the ban would have an impact on adults" and it may be that a more lax standard would be appropriate. Taranto also acknowl-

edged that the dial-a-porn restrictions were broader than those involved in the 1978 landmark Pacifica case, which upheld the FCC's right to ban indecent broadcasts.

O'Connor noted, however, that "Pacifica did not authorize a blanket ban" the way the dial-a-porn law does. Taranto countered that the Pacifica decision did say a ban

Restrictions are broader than those in the Pacifica case.

was justified because children could view the programming.

Justice William Kennedy, citing another central aspect of the case, asked Taranto if "you think the commission decided that it did as well as it could" in fashioning its indecency rules. Taranto replied, "Yes, and I'm not sure Congress disagreed with them," and added that it adopted the least restrictive alternative to totally screening children from dial-a-porn.

Laurence Tribe, arguing for Sable, said at one point, "We concede that protected speech might harm children, but there is no way to absolutely rule out children's access." It can only be channeled toward adults, much as the indecent programming is restricted to safe harbor hours, he suggested.

Huge awards in libel cases: a second look?

Broadcasters and others opposed to huge court awards in libel cases appear to have a champion in U.S. Supreme Court Justice Sandra Day O'Connor. She revealed her position during arguments over whether limits should be placed on damage awards.

The case involves two waste dis-

posal companies in Vermont, but, depending on how the court hands down its ruling, it could have an impact on libel judgments as well. A Vermont jury awarded \$51,000 in compensatory damages and \$6 million in punitive damages when one disposal company was found guilty of trying to drive a competitor out of business.

'Punish and deter.' The lawyer for the company that won the award attempted to dismiss the huge size by saying it was a proper use of a civil suit "to punish and deter." He suggested the application of the Eighth Amendment barring excessive punishment and fines should be of no concern. O'Connor, who earlier had expressed doubts that states caught in a budgetary squeeze could determine a level of a fine objectively, said the Eighth Amendment "is a concern when the fine is some 600 times the criminal fine. It is a concern."

However, O'Connor and other justices worried aloud that, if the court involved itself in determining whether the Vermont court's award was excessive, the nation's highest court would be deluged with requests to overturn judgments considered by defendants to be excessive punishment.

The lawyer for the defendant in the case, Browning-Ferris Industries, urged the court to "consider a rule under which the punishment would have some relationship to the crime."

Lame duck CPB bird still a concern

Time is running out on the satellite that carries public broadcast programming to participating stations. The bird is expected to die in 1991.

The Corporation for Public Broadcasting made a bid for and received some funds last year to go toward the replacement of the satellite, but President Donald Ledwig has now asked Congress for the remaining \$143.19 million needed to complete the project.

"Financial commitments must be made this year," he told a House Appropriations subcommittee, if a

Washington Report

Are telco fiber optics the competitive fiber that TV viewers need?

Despite television, satellite transmissions and signal-splitting, broadcasting has remained pretty much the same throughout most of the 20th Century. It consists of radio waves that travel through the air to receivers.

But now, following cable, another new player is coming onto the scene, loudly enough and with enough notice that policymakers are beginning to consider the impact at least a decade ahead of the time when the player is expected to become a reality.

The player is fiber optics. It has been around for a long time, but its application to date has largely been limited to medical explorations. About 10 years ago, however, cable systems and telephone companies began laying fiber-optic cables to improve their own intrasystem communications.

Into every home

The telephone companies already are replacing current telephone lines with fiber optics, or at least are installing it in new builds. Eventually, they want to get into every home in America. The problem is cost. Telephone service and data transmission alone cannot support the installation cost. So, the telephone companies are looking to video programming, with the prospect of direct, head-to-head competition with cable. The telcos that were formed with the breakup of AT&T are prohibited from providing such service now, so they are putting on a push to get freed from those constraints as the first step.

Because by most estimates, widespread use of fiber optics cannot become a reality for at least another 15 years, policymakers have a chance to look ahead and not act on an ad hoc basis. Telcos know they want the chance, cable knows it does not want telcos in the business, and the broadcast industry has kneejerk fears of telco entry, fears of the unknown, but hasn't reached a decision on a stance yet.

The National Assn. of Broadcasters probably will oppose telco entry, if only because fiber optics carrying video signals to every home would make moot their current campaign for a broadcast-compatible high-definition television standard. Plus, telcos transmitting video programming would require still another must-carry fight.

Some policymakers have begun looking at the situation, however. Two of them, James Quello and Patricia Diaz Dennis, are FCC commissioners.

When the commission began an inquiry into the efficacy of telco entry, beginning with the ability of telephone companies to own cable systems, Quello welcomed the idea as one that would provide the burgeoning and merging cable industry with some hard competition. Quello is a broadcaster by trade and sympathy and began to have second thoughts after he

voted for the inquiry. He realized that telephone companies, still giants despite the AT&T breakup, could supplant cable rather than just offer viewers a second choice. And telco entry could have an adverse impact on broadcasters.

Dennis expounded on her views in a recent interview with TV/RADIO AGE and helped define the problem facing policymakers now and in the near future.

"The way the issue of cable/telephone crossownership restriction is ultimately resolved will so fundamentally affect the entire broadcasting landscape that it isn't an issue that you can cavalierly approach," she says. "Giving the American public as much diversity and richness of programming as possible is the ultimate goal. Telephone companies are saying that in order to deploy fiber more quickly to the home, they need the cash cow of video programming... What we're really talking about is speeding up that process and bringing fiber to the home via telephone companies a lot more quickly.

"But right now you have broadband in coaxial systems that cable deploys. So the issue really comes down as to whether or not you will increase competition if the telephone companies are allowed into video programming. If you allow them in just to acquire existing cable systems, then you have essentially replaced one means of technology with another."

All in one piece of pipe

She explains, "Fiber is the thread that breaks down the historical distinction between telephone service and programming. Because of the increased capacity... one could bring into the home video programming and telephone service and a lot of things in just that one pipe. The economics of the issue as well as the regulatory treatment will drive the ultimate resolution. Many argue that the economically efficient means of delivery would be for everything to go into one pipe."

Dennis adds, "The benefits of competition generally are higher quality and lower prices. I'd like to give competition a chance to work first before we say that the economics are such that we can only have one pipe into the home."

Additionally, she suggests that "the telephone companies are also going to have other incentives, without video programming, to deploy fiber. Telephone companies are allowed to offer increasingly more kinds of information services and data through fiber, so I'd like to see telephone companies doing more of what cable does, and cable companies doing more of what telephone companies do as well," such as providing two-way interactive communication.

"That is true competition; you're not just simply replacing one with the other. That's the reason I have advocated that the telephone companies should be allowed to be common carriers and provide video programming into the home on a common carrier basis."

Still, she says, there is a question of whether telcos "should be allowed to be nonexclusive packagers of programming." Limiting them to common carrier status would provide the income they need to deploy fiber, would give cable competition, and provide another outlet for programmers, she notes.

allowed to have a financial interest in most of the programs they run, nor are they allowed to syndicate those programs later. An estimated \$2 billion market for reruns is involved.

In a recent interview with TV/RADIO AGE, FCC Commissioner James Quello outlined the problem the agency faces: "I think the networks should be allowed to produce more of their own programs. I'm a little bit afraid of networks having control of syndication and what effect that might have on the inde-

Coalition under aegis of MPAA expresses concern networks could drive producers out of business.

pendent stations."

Quello agrees with the argument of the networks that, with the advent of other competing television media, they no longer are as domi-

nant as they were in the mid-1908s, when the financial interest and syndication rules were last discussed. But, he adds, they "are still the most effective and dominant way of distributing programs in America."

Joining the MPAA are the Assn. of Independent Television Stations, the Screen Actors Guild, other special-interest groups and various consumer representatives. The umbrella group is called the Coalition to Preserve the Financial Interest and Syndication Rules.

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