MEDIAWEEK

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THE NEWS MAGAZINE OF THE MEDIA

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Moore moves Bauer to *Life*; Hallett heads home PAGE 32

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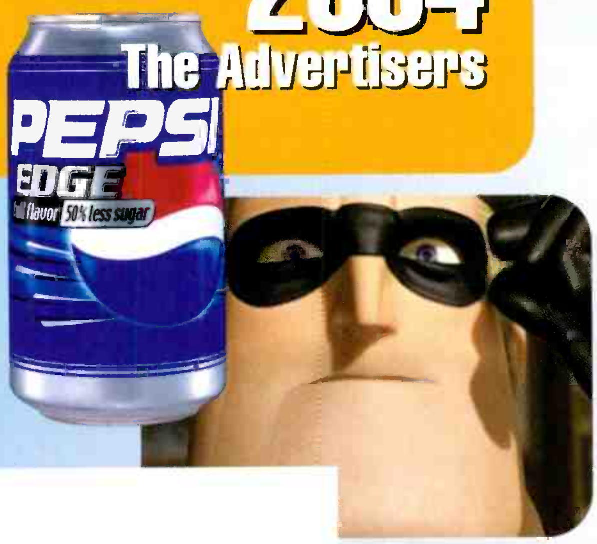

What will brands spend in the marketplace?

SPECIAL REPORT BEGINS AFTER PAGE 24


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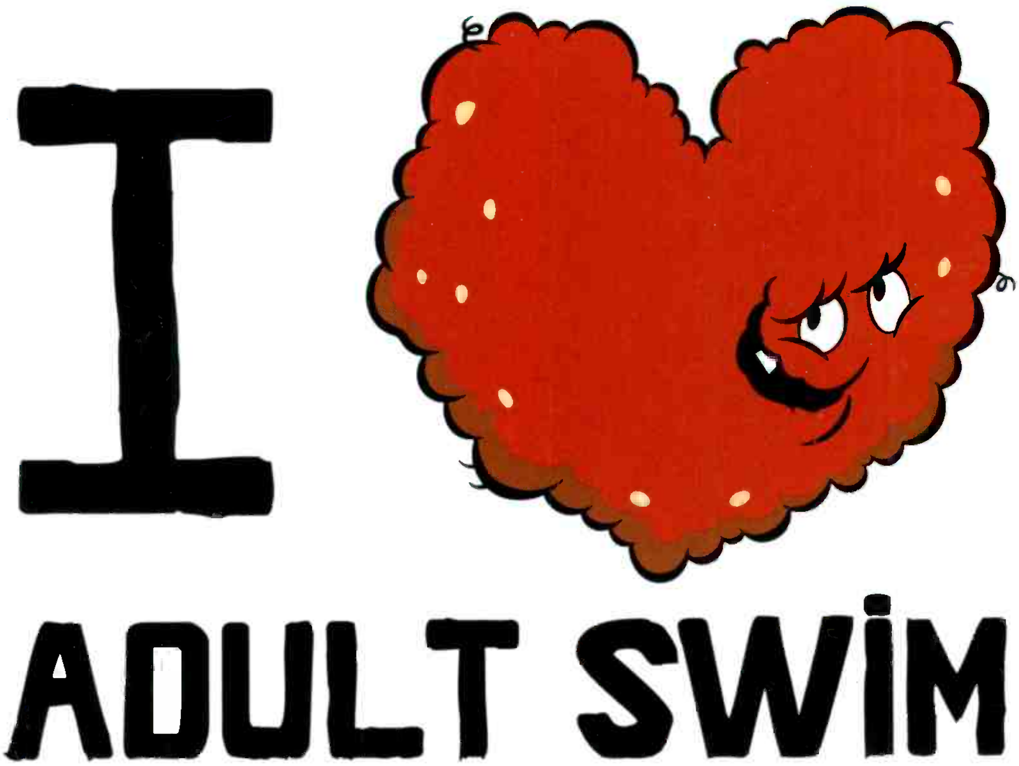

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At Deadline

NBC, UNIVERSAL UNITS LOSE EXECUTIVES

On the eve of the NBC/Vivendi Universal Entertainment merger, two high-profile executives—NBC Enterprises president Ed Wilson and Steve Rosenberg, president of Universal Domestic Television—are exiting. Wilson announced his resignation April 22, while Rosenberg is expected to make a formal announcement today. Although Wilson's departure stems from his getting an apparently less-senior role in the combined operation, Rosenberg's exit is a reflection of how his division measured up in the structure of the combined companies. Barry Wallach, executive vp of NBC Enterprises, is reported to be next in line to run the combined operation. Meanwhile, NBC parent General Electric received an all-clear from the Federal Trade Commission to close its acquisition. But it was the $275 million payoff to Barry Diller—CEO of InterActive Corp. and a large enough shareholder in VUE to be an obstacle to the deal's consummation—that really clears the way for the $14 billion deal to close soon.

ADWEEK TO LAUNCH MONTHLY

Adweek Magazines last week announced it will launch *Marketing y Medios*, a monthly business-to-business publication covering marketing, media and advertising news for businesses targeting the U.S. Hispanic population. The English-language magazine and companion Web site will launch in September with a circulation of 18,000, targeting marketers and advertising executives, as well as print and broadcast media planners and buyers. Topics will include the distinctions between Spanish-dominant and Spanish/English households, and the differences between recent immigrants and more acculturated Hispanic Americans.

ZENITH: ADS WILL GROW IN '04

Declaring the long-awaited advertising recovery underway, Zenith Optimedia last week forecast ad spending to grow 4.4 percent this year, to $155.3 billion. By segment, Zenith predicts network TV will increase 5 percent in 2004; cable 8 percent; syndicated TV 5 percent; spot TV 8 percent; spot radio 4 percent; network radio 5 percent; magazines 6 percent; newspapers 4.8 percent; and Internet 8 percent.

TVB, SIX NETWORKS LAUNCH AD CAMPAIGN

For the first time, the six broadcast networks and the Television Bureau of Advertising have joined forces to underwrite an ad campaign touting the reach of broadcast TV. The campaign begins next week in major trade publications, including *Mediaweek*, and *The New York Times*. Created by The NBC Agency, the network's in-house agency, the ads invite buyers to "Come on, join the crowd."

NETWORKS TO INCREASE TENNIS COVERAGE

The U.S. Tennis Association will launch a six-week summer season for professional tennis players on the ATP and WTA Tour, with weekly events that will air on ESPN, CBS, NBC and the Tennis Channel. The series, which begins on July 12, will add 100 live hours of tennis coverage to the partner networks. The new U.S. Open Series TV package transforms the currently disparate schedule of men's and women's events into live, regularly scheduled TV broadcasts that link to and culminate in the start of the U.S. Open and its coverage on CBS. Olympus has signed on as a charter U.S. Open series sponsor. And MassMutual will become a sponsor of the series beginning in 2005.

ADDENDA: Spurred on by creditors' demands for more value, cable operator **Adelphia**'s board announced last week that it will sell the company rather than go it alone...**Charley Humbard**, former senior vp/general manger of Discovery Networks' digital services, and **Brad Siegel**, former president of Turner Entertainment Networks, are launching the **Gospel Music Channel** in fourth quarter 2004...**Paul Bronstein**, vp of research for Westwood One, was elected chairman of the Network Radio Research Council. Barry Feldman, director of marketing research for American Urban Radio Networks, was named vice chair of the council...**Mitsubishi Motors North America** will shift its $250 million U.S. media-buying account to PHD, North America, from Deutsch.

CLARIFICATION: In the April 19 Magazine Monitor monthlies chart, *National Geographic Adventure*'s May 2004 issue had 70.16 pages, making 2004 year to date 184.6 pages, a 1.85 percent decrease over 2003.

CORRECTION: In the April 19 Magazines department, the name of Pat Haegele, senior vp of Hearst Magazines' *Good Housekeeping*, was misspelled.

INSIDE
MEDIAWEEK

BOB D'AMICO/ABC/DISNEY

Market Indicators

NATIONAL TV: STEADY
Pharmaceutical and wireless wars and new movie releases continue to drive scatter sales. With its ratings up over last year, UPN is getting a fair share of scatter dollars.

NET CABLE: MOVING
After months of quiet, the marketplace seems to be heating up. Second-quarter scatter market is healthy with pressure on key avails pushing CPMs up slightly. Kids upfront business on the move.

SPOT TV: CONSTRICTED
Inventory conditions are looking very tight for May and June. Healthy activity from a broad range of categories, including automotive, wireless, home improvement, financial services, movies, restaurants, retail and political.

RADIO: ACTIVE
Demand for local is steady in May, driven by auto, entertainment (TV and cable tune-ins), financial, wireless and retail. Top markets are tightening as national spot accelerates. Rates are still competitive.

MAGAZINES: HEATING
Auto spending picking up for summer issues in support of launches in third and fourth quarter. Household furnishings and supplies are strong and new sports apparel and accessories for women give a boost to outdoor and enthusiast books.

Media Wire

Kelley Fallout Claims Top *USA Today* Editors

USA Today lost more top editors on April 22 when managing editor Hal Ritter resigned, and the Gannett paper's executive editor Brian Gallagher said he also plans to leave soon. The resignations follow that of editor Karen Jurgensen, who stepped down early last week in the wake of the Jack Kelley fraud scandal.

USA Today president and publisher Craig Moon expressed his dismay about Ritter's resignation. "It is always a great loss when someone of Hal's stature moves on," Moon wrote in a staff memo. In announcing Jurgensen's exit, Moon said a search for a new editor was underway and that he intends to fill the position as soon as possible.

"I don't think anyone could possibly be more upset about the Kelley mess than I am," Ritter said in a memo. "For 22 years, I have put all my energy into helping make *USA Today* the great newspaper that it is today. My departure will make it easier for my colleagues in News to continue the job of making the newspaper even greater." Gallagher told colleagues he plans to remain in his post until a new editor is named, but would leave soon afterward. —Editor & Publisher *staff report*

Arbitron Cedes Outdoor Ratings to Rival Nielsen

Arbitron has backed off its original strategy to develop an outdoor-ratings system, leaving the field wide open for Nielsen Media Research, which on April 16 began collecting outdoor data in Chicago through its Npod (Nielsen personal outdoor device) technology.

Instead, the radio-ratings company is developing an outdoor-planning tool. "Ratings presumes there's a buy to begin with, but outdoor isn't getting enough share of ad budgets," said Bill Rose, vp and general manager of new ventures for Arbitron.

Arbitron is also looking to use the portable people meter as the collection device rather than developing a separate system like the one it tested last year in (*continued on page 8*)

Kids Upfront Kicks Off With Big Bucks

Dollar volume up as much as 12 percent to almost $900 million

THE MARKETPLACE **By Megan Larson**

The kids upfront began in earnest last week, surprising ad-sales executives by moving earlier and faster than in recent years. A significant number of deals were closed—Nickelodeon was 90 percent wrapped with its business at press time, while Cartoon Network/Kids WB were halfway done. Judging by the activity in the endemic kids categories and the entry of rarely seen brands in the upfront like Campbell's Soup and Aunt Jemima syrup, total revenue could grow about 12 percent over last year to take in between $840 million and $896 million, depending on where one puts last year's kids upfront total.

"It is very obvious that there is more money across the board—toys, games, videos and packaged goods are spending more," said Jim Perry, senior vp of ad sales for Nickelodeon. "There is no doubt that this is the strongest kids upfront in many years." With gross ratings points flat across kids networks year-to-year, demand is up, especially for inventory during the "hard eight"—the eight weeks between Halloween and Christmas—which is driving pricing up as much as 18 percent (the rest of the year is seeing more modest growth).

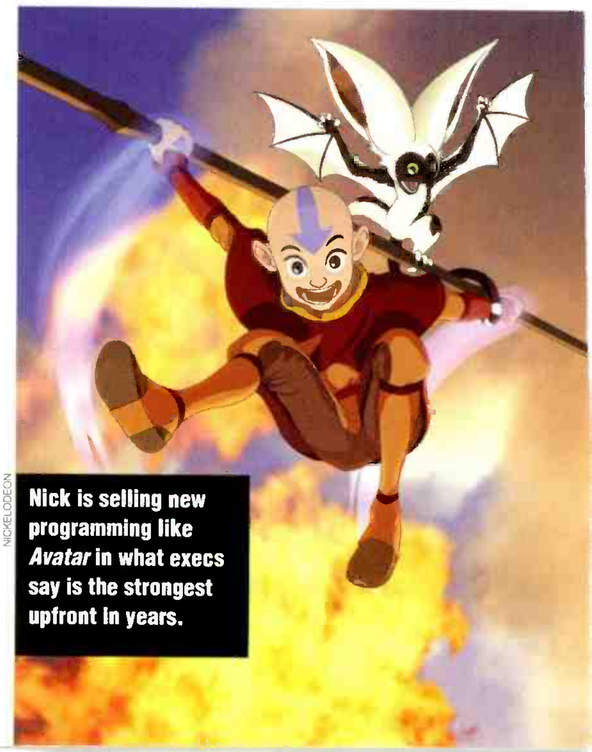
"Budgets are up, but demand is exceeding supply during the key promotional windows," said Kim McQuilken, Cartoon Network's executive vp of sales and marketing, who also sells Kids! WB. In fact, demand is so strong that he and his team are now selling time in the "hard 10," having expanded the crucial period for pre-Christmas toy and game promotion by two weeks. "Last year, those who waited got shut out of some of the windows they wanted," he added. "We have been sending out that message for the last six months."

With deals still left to write, media buyers declined to speak on the record, but agency insiders confirmed that negotiations were indeed underway last week and that some business was already closed.

The robust nature of this kids market could bode well for the adult-targeted cable-network upfront. Advertiser budgets have yet to be finalized, leaving both sales execs and media buyers unclear about how strong the upfront will be. "Last year at this time, I had some deals done, but I haven't heard the networks trolling any numbers yet," said one media buyer earlier this month. "There is a lot of uncertainty out there," agreed one mid-tier cable exec who spoke on condition of anonymity. However, McQuilken has a more sanguine outlook: "Adult budgets on Cartoon are up."

All the major kids categories are spending more, but particularly surprising is the strength of the packaged goods category. As the media spotlight continues to shine on widespread childhood obesity, there has been some concern that key (and potentially more fattening) food brands—for example, Oscar Mayer Lunchables and Kraft Macaroni & Cheese—will pull back on commercial messaging. However, it seems that some of these companies are using this as an opportunity to promote healthier alternatives or smaller-portion packages.

"Rather than run from it, advertisers seem to be working through it," noted Perry. "They are trying to find new ways to do business and address the issue." ■



NICKELODEON

Nick is selling new programming like *Avatar* in what execs say is the strongest upfront in years.

New Boss, Same Situation

ABC's Sweeney and McPherson face the same problems as predecessors

NETWORK TV By John Consoli

Doubt mongers questioned whether the executive changes made at ABC by parent Walt Disney Co. last week will be enough to turn around the fortunes of the network, which is mired in fourth place in the ratings.

Media buyers and rival-network executives agreed that bringing in Disney cable boss Anne Sweeney to also oversee ABC, and Touchstone studio boss Stephen McPherson to run programming, replacing Entertainment chairman Lloyd Braun and Entertainment president Susan Lyne, will not have much impact—positive or negative—on ABC's May 18 upfront presentation. But they also wondered whether this new team, picked from inside Disney, will have the moxie to tell Disney chairman Michael Eisner and president and COO Bob Iger to back off and give them the autonomy their predecessors never had in their efforts to turn the network around.

"As long as those two guys are at the top, it is less likely that the network will turn itself around," said one major media buyer, who did not want to speak for attribution. "They have a need to meddle in everything at ABC, and they haven't exactly had the Midas touch."

Sweeney said she did not talk with Eisner or Iger about how much autonomy she would have or what role they would play in this latest attempt to turn around ABC. "I made the assumption that the relationship I've enjoyed working with them over the past eight years will continue," she said.

There are some immediate fires to put out. Insiders at ABC said that McPherson did not get along well with the network's head of comedy development, Stephanie Liefer—now he's her boss. Sweeney also will have to decide how much autonomy she gives McPherson, who, as head of a studio, had much more autonomy than he will in his new post. "I will sit down [with McPherson] and establish goals, talk things through, come up with a strategy and see that the job gets done," said Sweeney. "It will be a culture of high creativity."

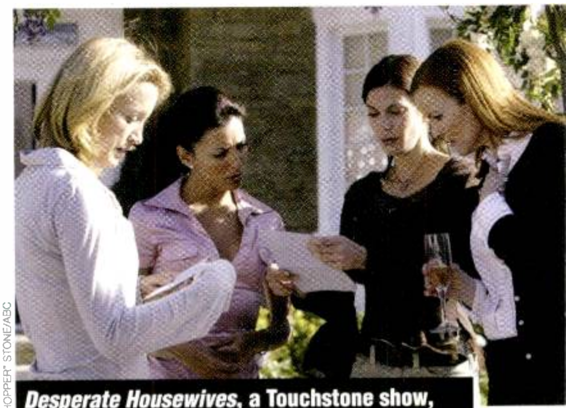
But Sweeney ducked one question media buyers want answered: How much more will ABC rely on Touchstone programming, as opposed to working with other studios? Touchstone's track record is mixed: As many of its shows on ABC have failed (*Veritas*, *MDs*, *Miracles*, *10-8*, *Kingdom Hospital*) as have succeeded (*Alias*, *According to Jim*, *8 Simple Rules*, *My Wife & Kids*). Meanwhile, fewer shows from outside studios have been given a chance. In fact, more than half of ABC's fall development slate, including *Desperate Housewives* and *Doing It*, comes from Touchstone. All Sweeney would say on the subject was, "We are going to put together the best schedule possible."

Another situation Sweeney and McPherson are walking into is an apparent rift between Eisner and Iger over Lyne's departure. Insiders said that when Braun decided to leave, Iger lobbied to keep Lyne as the sole head of programming and went so far as to give her a public vote of confidence. But Eisner insisted on bringing in someone to share programming duties (initially speaking with ESPN programming head Mark Shapiro, before settling on McPherson) and overruled Iger. That led to Lyne's resignation and to Iger having to proclaim publicly that he had a change of heart about her. With Eisner having selected both Sweeney and McPherson, insiders believe Iger must be looking over his shoulder.

Can a cable executive successfully transition to the broadcast side? Sweeney—who turned the commercial-free Disney Channel into a kids programming powerhouse—believes so. "It's all television, and I have been part of launching, building and rebuilding television [channels] for a long time," she said.

Countered another buyer: "The idea that somebody who successfully ran a cable operation can be successful at a broadcast network is a lot of hooey. The whole cost structure is different, and shows with ratings on broadcast that are cancelled can be hits on cable."

"It's still a mess over there," said an exec at a rival network. "With all these changes, nothing has really changed. [Alex] Wallau [former ABC Television president] has a new title but most of the same duties. The head of the studio that provides ABC with most of its programming is now the ABC programmer. Sweeney is a Disney insider. And [entertainment consultant] Fred Silverman is still there."



PETER "HOPPER" STONE/ABC

Desperate Housewives, a Touchstone show, is expected to make it onto ABC's fall lineup.

"It's Susan and Lloyd's development, but now Steve gets a big say on what actually makes the schedule," said Peter Olsen, senior vp/director of national broadcast for MediaCom. "But you can't say he has all of the say because of the continuing influence of Eisner and Iger in the process."

Still, Rino Scanzoni, chief investment officer at Mediaedge:cia, said that while it is Braun's and Lyne's development, McPherson will have a chance to make an impact because he will decide what's on the schedule and will shepherd each new series beyond pilot. "I believe 80 percent of a show's success is the execution during the season," Scanzoni said. "[McPherson] will get to approve scripts and can make some talent decisions. Clearly, there are things for him to do."

Andy Donchin, senior vp/director of national broadcast for Carat North America, agreed that the executive changes won't be a factor if the shows presented in the upfront are good. "The timing of these moves isn't the greatest, but I will be more concerned with what they are presenting, not who's presenting it," Donchin said. ■

Watching the Watchdogs

Indecency enforcement is central theme at the annual NAB conference

BROADCASTING By Todd Shields

At last week's National Association of Broadcasters convention in Las Vegas, a panel session was treated to a showing of the opening moments of the landmark 1977 miniseries *Roots*. The scene depicts bare-breasted women washing clothes in a river. Could it be shown on broadcast TV today?

The answer, from no less than panel participant David Solomon, chief of the Federal Communications Commission's enforcement bureau, was inconclusive—a conclusion that, in itself, spoke volumes about the climate of

Media Wire

Atlanta. "That may put us on a slower track," Arbitron CEO Steve Morris acknowledged in an earnings call. Arbitron is still testing the PPM for radio, TV and cable, and last week said it would launch a second test market in Houston later this year.

Nielsen plans to deliver the first outdoor ratings to its clients, which include JC Decaux and Viacom, in September, with a preview of early findings in June. The second outdoor-ratings market is likely to be in New York later this year. Beginning next year, Nielsen hopes to roll out its outdoor-ratings service to top U.S. markets, said a Nielsen spokesman. Nielsen is owned by VNU, the parent company of *Mediaweek*. *—Katy Bachman*

Turner Fast Tracks the Laugh Track for TBS

As expected, Turner Broadcasting System has made over TBS as a comedy network to both complement and distinguish it from sister cable service TNT, whose tagline is "We Know Drama." With its new look and logo and its own tagline of "tbs very funny," the network's executives hope to establish it as the authority on comedy, with acquired series including a tamer version of *Sex and the City* and original and reality series.

"TBS was the last great independent TV station, but we wanted to evolve to a TV-network mentality," said Mark Lazarus, president of Turner Entertainment. "What's fabulous is that we are not changing a thing about our programming; we are just sharpening our focus."

TNT has more serious-minded programming ambitions. After a few years of steering clear of series television, the network has several series projects in development. In addition to the previously announced limited series—Steven Spielberg's *Into The West* for 2005 and the BBC co-production *The Grid*, which is set to premiere this summer—TNT has several dramas in development, including *The System*, about a ruthless, rough-and-tumble Miami prosecutor, and *Hell's Kitchen*, about a New York Irish-Catholic family that houses criminals and cops under the same roof. *—Megan Larson*

uncertainty surrounding broadcast indecency. In a post-Janet Jackson world that features an aggressive FCC and a Congress moving toward steeper fines, bare breasts and coarse language claimed a leading spot on broadcasters' agenda last week.

FCC Chairman Michael Powell told the convention, "It's a misconception that there's something dramatically new" in the agency's indecency enforcement. Powell said the FCC is enforcing a statute that dates back to 1927 and that its criteria for identifying violations remains unchanged—although, he added, "We are rightfully enforcing it more forcefully and more quickly," in response to increased public complaints. Powell warned that requests by some broadcasters for greater clarity on what might constitute a violation could lead to a government "red book" and that strictly following such a guide would rob FCC enforcers of the ability to judge nuance and context.

From their defensive crouch, broadcasters managed to get in a few punches. Eddie Fritts, NAB president/CEO, used his keynote address to suggest that "wardrobe malfunctions" like the one claimed by Jackson after the Feb. 1 Super Bowl halftime show on CBS are part of cable and satellite's routine offerings. "What is malfunctioning now in Washington is a regulatory framework that treats broadcast programming differently," he said.

Powell: While the FCC's indecency policy hasn't changed, it is being more "forcefully" enforced.

NAB

His point may have resonance on Capitol Hill. Rep. Joe Barton (R-Texas), chair of the Commerce Committee that oversees TV legislation, told a breakfast meeting that he expects cable will not be able to regulate its own content for decency, forcing Congress to eventually step in, if only to protect the sensibilities of offended viewers. "It's not an answer [to say], 'Sorry, ma'am, that's coming off cable. We can't help you,'" Barton said.

Some 2,500 miles away in Washington, broadcasters on April 19 asked the FCC to reconsider its March 18 decision that singer Bono's fleeting use of the f-word on NBC's Golden Globe Awards show in 2003 was indecent. NBC filed its own request for reconsideration, and Fox and CBS parent Viacom joined an array of groups, including artists and civil-liberties advocates, in another petition for reconsideration.

Later in the week, Viacom president/CEO Mel Karmazin told investors he will fight any penalties from the FCC, which is expected to propose heavy fines against shock jock Howard Stern, who airs on 18 stations owned by Viacom's Infinity Broadcasting. "We'll aggressively take the FCC to court because we believe what they're doing is not appropriate," Karmazin said. *—with Katy Bachman*

A Spectrum of Choices

TV companies start new businesses to create revenue from digital signals

BROADCASTING **By Katy Bachman**

Following several years of promises, speculation and small attempts by broadcasters to monetize their $3.5 billion investment in digital spectrum, opportunities for turning a profit in the area are starting to materialize. In the past two weeks, broadcasters have advanced two broad-based approaches.

One approach taps the spectrum to compete with cable operators. Last week, U.S. Digital Television turned on its low-cost, over-the-air alternative to a cable system in Las Vegas, the company's third market. At the same time, Emmis Communications CEO Jeff Smulyan unveiled his plan (presently called Broadcasters' Initiative) to launch a similar business that would be owned and operated by the TV groups, a dozen of which have already committed to the concept; they include Clear Channel, Meredith Broadcasting and E.W. Scripps Co. "If we got fair compensation for our signal, we wouldn't be here today," Smulyan said last week at the National Association of Broadcasters convention. "This time, we can own it. This is our opportunity and our time."

The other approach has NBC and its affiliates beginning to roll out in third quarter a local weather and news-alert channel on their digital spectrum. It's the nation's first digital

broadcast network and the first of four new digital channels planned.

Whether all the plans deliver the additional revenue stream broadcasters seek remains to be seen, but the potential is there, rather than a river of red ink. NBC's Brandon Burgess, evp of business development, insists NBC's strategy, with the force of the network brand behind it, will get results. "This is a time when we should explore extending our businesses together," said Burgess. "We're all facing the digital future; everything is going to get more fragmented. What's going to be more important is brands and consumer recognition."

While most NBC affiliates like the idea of the weather channel, other broadcasters are more concerned about finding a way to combat what they see as cable's control of TV distribution. "The first priority is to take control of our own destiny. This is the first opportunity we have had to get back in touch directly with our customer base," said Bill Moll, president/CEO of Clear Channel TV, who passed on USDTV in Salt Lake City to go with Smulyan's Broadcasters' Initiative. Though USDTV has a head start on Broadcasters' Initiative, Smulyan believes he has room to grow. "This is too important for us not to do it ourselves. We can eclipse [USDTV] in a short period of time," said Smulyan, who is launching an ad campaign next week in major trade publications.

Broadcasters have a lot to think about but not a lot of time, as the 2006 deadline to give back the analog spectrum looms. "Both plans have some value and they aren't mutually exclusive," said Alan Frank, president of Post-Newsweek Stations, which owns NBC affiliates in Detroit and Houston. "We're looking into [BI]. There's a lot of promise; we hope it succeeds. Cable really hammers you." ■

Fox Needs Sunblock

Low-HUT summer months a challenge for net's yearlong scheduling push

TV PROGRAMMING **By A.J. Frutkin**

When Fox announced last week it will launch six original series in June, the move capped the network's long-term efforts to focus on year-round programming. But news of those launches comes with some obstacles, not the least of which is persuading the audience to embrace year-round viewing.

Although broadcasters increasingly have beefed up their summer programming, much of that content has been nonscripted. Most scripted programs—up until now, at least—have been shows that failed to make the regular-season cut and, consequently, were burned off in the summer. Four of Fox's six new series are scripted: legal drama *The Jury*; the Hawaii-set *North Shore*; the comedy *Quintuplets*, starring Andy Richter; and the fish-out-of-water sitcom *Method and Red*.

Buyers say Fox's June launch of *North Shore* could break through with solid promo backing.

FOX

Given the history of network burn-offs in summer, convincing viewers of these programs' merits may prove to be an uphill battle. "What we have to do is be patient," said Preston Beckman, executive vp of strategic program planning at Fox Broadcasting. The two nonscripted series airing this summer are *The Simple Life 2* and *The Casino*, from reality guru Mark Burnett. If successful, all of these programs could get 22-episode orders, added Beckman. "These aren't summer shows, but shows starting in June," he said, noting that the network hopes to create three scheduling cycles: June to January, October to May, and a shorter cycle running from March to mid-summer.

But even if Fox's scheduling strategy can win over viewers, it still must contend with Mother Nature. "That June-to-July period is a death trap," said Laura Caraccioli-Davis, senior vp/director of SMG Entertainment. "HUT levels always go down in the summer, so there are less people to make appointment viewing."

In order to overcome that drop, Caraccioli suggested aggressive off-channel promotion for the June shows. "The networks usually use their own air for advertising. And as a result, they wind up talking to the people who are already tuning in," she said. "Whether it's local cable or out of home or the Internet, Fox will have to do marketing in a way that most networks haven't done in the past." ■

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SALT LAKE CITY/NORTH BEND, IND. **TV STATIONS**

Grassroots Indecency Group Targets Two NBC Affiliates

BY GILBERT NICHOLSON

NBC affiliates owned by two religious institutions are the first battlefields chosen by Salt Lake City-based content activist Steve DeVore, who is intent on growing a national grassroots campaign against network prime-time programming.

A 53-year-old Mormon and neuropsychological consultant, DeVore started www.cleantv.net this past January and is targeting KSL-TV, Bonneville International's NBC affiliate in Salt Lake City (Bonneville is owned by the Mormon church), and WNDU, Michiana Telecasting's NBC affiliate in South Bend, Ind. (Michiana is owned by the University of Notre Dame), in an online campaign against what he considers obscene and violent TV.

"The biggest obstacles to change are these two stations owned by major religious organizations," said DeVore. "As long as they continue to associate with NBC programming, it will be difficult to make changes across the board." DeVore approached KSL president Bruce Christensen in February and says he was told, "If you don't like it, turn it off." Christensen failed to return numerous calls seeking comment.

DeVore then sent examples of NBC prime-time programming to the leadership of The Church of Jesus Christ of Latter-day Saints; he is waiting for a reply before launching street protests against KSL and advertisers this summer. He plans to approach WNDU management in the coming weeks.

"He's preaching to the choir," said WNDU president Jim Behling. "To the people out here in Middle America, we're already there." Behling said WNDU has pulled some NBC specials and regular series, including the controversial and short-lived *Coupling*, which KSL also refused to air. Those scheduling moves have done little to deter DeVore. "That only represented a half hour out of 30 hours of programming they didn't pull that was just as bad," he insisted.

"We're already in frequent contact with the network, trying to get them to be a bit more sensitive," said Behling. "To start some type of campaign to get us to do something we're already doing seems a little wasteful."

DeVore's strategy is to influence affiliates of the Big Four networks and advertisers in 280 markets by providing links on his Web site where local volunteers can chronicle indecent or violent programming in what he is calling "Raunch Reports."

The "Action Now" link provides e-mail addresses of local station owners, general managers, sales executives and advertisers. Failure to drop objectionable programming will result in boycotts of advertisers and street protests of advertisers and stations, warned DeVore. "We want to let the free marketplace decide," said DeVore, a Libertarian who opposes censorship rulings levied by the Federal Communications Commission.

DeVore launched CleanTV in response to an October call by Latter-day Saints Elder Russell Ballard to speak out against "family-destructive viewpoints and behavior" on television. In a Feb. 24 meeting with Christensen and Bruce Reese, president of KSL owner Bonneville International, DeVore pressed the two about the dichotomy of a Mormon station broadcasting shows like *Ellen* reruns, *Las Vegas* and *Law & Order: Special Victims Unit*.

The two men said the Mormon Church wants to have a voice in the community through KSL's local news, which draws viewers leading out of highly rated NBC programming, according to DeVore. Reese also did not return repeated calls seeking comment.

"They said, 'Our research shows the Mormon population loves the programs you object to. The more offensive programming, the higher the ratings among members of the church,'" said DeVore, who added, "I told them, 'As a member of the church, if I set up a

AUSTIN, TEXAS **MAGAZINES**

TM Redesigns to Better Distinguish Edit From Ads

***TM*'s Reporter section has been expanded and made bolder.**

Texas Monthly has infused a ranch-sized amount of Texas taste and sensibility into its latest redesign, unveiled in the May issue. "When you work at a magazine, you manage a brand," said editor Evan Smith of the 300,000-circ title. "How do we stick with people and distinguish ourselves more? By reinforcing the brand."

To do that, the new look centers on an new typeface, Sentinel, custom created for the magazine with an antique look and heavy serif edges. The type "is distinctly Texas and reinforces the history and perception of *Texas Monthly*," explains art director Scott Dadich.

TM also added color tabs to the top corners of front-of-the-book sections and "L brackets" on the gutter side of every edit page outside the feature well. "More ads now resemble editorial," said Smith. "There's a need to distinguish the look of editorial copy from that of advertising." Another typeface new to the book, Retina (originally designed for stock-market listings, to be legible at small sizes), will display *TM*'s extensive restaurant and event listings in a more legible and efficient way. Though the last redesign was only in April 2001, "technology has made it both possible and necessary to shorten that interval," said Smith. The 18-month revamp also included adding color to the listings, expanding the front-of-book Reporter section and adding long-form Q&A section *Texas Monthly* Talks, which corresponds with the title's statewide public-TV program of the same name.

TM's ad pages through May 2004 were down 5.4 percent to 608 due to the February '03 30th anniversary issue, according to publisher's estimates. —*Aimee Deeken*

BY EILEEN DAVIS HUDSON

Web site and published the same stuff you broadcast, I would be labeled a pornographer.'"

DeVore's Web site has already started to reach advertisers. CleanTV e-mail protests have reached the halls of Zions Bank, with 40 branches in the Salt Lake metro area. DeVore disclosed an e-mail response from company president Scott Anderson, explaining that the bank instructs media buyers and TV and radio stations to avoid airing its advertising during offensive or violent shows. But he also suggested that viewers should just turn those shows off.

"In the marketplace, as advertisers look at buying media space, they are not buying programs, they are buying viewers," Anderson wrote. "If the viewers aren't there, the advertisers won't be there either."

DeVore said he would prefer the Mormon and Catholic churches drop NBC programming on KSL and WNDU and use their deep financial resources to create networks with programs reflective of their stated morality.

But if they don't, DeVore says, CleanTV will proceed nationally. "It's a consistent, gradual and persistent roll out. We're not going away. We're just beginning."

MIAMI RADIO STATIONS

WFLL-AM Flips to Sports

Miami is about to get its third Sports station. Through a local marketing agreement with James Crystal Radio—owner of WFLL-AM, formerly with a business-news format—Foster Sports, a Miami-based sports-marketing firm, will debut 1400 The Fan on May 3.

The Fan will face Beasley Broadcast's WQAM-AM, the top-rated Sports station in the market, with a 2.6 overall share. WQAM holds the rights to three of Miami's four professional sports franchises (the National Football League's Dolphins, Major League Baseball's Marlins and National Hockey League's Panthers). The Fan also faces Clear Channel's WRFX-AM, a Fox Sports Radio outlet with a 0.5 share. "The market is ripe for a third station. We'll be more entertainment and personality driven," said Carl Foster, president of Foster Sports, who also serves as general manager and morning host of the station.

The Fan's schedule will be built around local shows and Foster is in talks with ESPN Radio, Sporting News Radio and Sports Byline USA to fill the lineup. —*Katy Bachman*

CHRIS MELLOR/LONELY PLANET IMAGES

The ornate Iowa Capital Building sits in the heart of one of the world's leading insurance centers.

Des Moines, Iowa

WHILE OUTSIDERS MAY HAVE THE MISGUIDED NOTION THAT DES MOINES IS ALL ABOUT agriculture, the locals are quick to point out that the city is the third-largest insurance hub in the world, behind London and Hartford, Conn. Insurance and financial companies, including Principal Financial and Wells Fargo, are either based in Des Moines or have a sizeable work force there.

But it won't just be big finance that this state capital will be known for once a massive retail and commercial development called Jordan Creek Mall is finished in August. The new mall, located in neighboring West Des Moines, will be one of the largest in the U.S.

Des Moines local media, particularly TV stations, have watched with glee as their coffers filled with unexpectedly robust political-ad spending. Spending has remained above average ever since the Iowa caucus put the presidential quest of Sen. John Kerry (D-Mass.) in overdrive. (The caucus also sent former Vermont Gov. Howard Dean, the one-time Democratic front-runner, into a tailspin after his overly exuberant "I Have a Scream" concession speech following his disappointing third-place finish.) Local TV execs say they've enjoyed double-digit revenue gains in the first quarter thanks to political spending.

Hearst-Argyle Television's CBS affiliate KCCI is the undisputed overall news leader in the No. 73-ranked Des Moines-Ames market (404,580 TV homes). In February, KCCI pushed up the start of its morning news to 5 a.m. from 5:30.

NIELSEN MONITOR-PLUS
AD SPENDING BY MEDIA / DES MOINES

	Jan.–Dec. 2002	Jan.–Dec. 2003
Local Newspaper	$72,179,080	$73,748,810
Spot TV	$52,339,460	$49,328,050
Outdoor	$5,529,790	$5,918,839
FSI Coupon	$2,348,670	$2,292,870
Total	$132,397,000	$131,288,569

Source: Nielsen Monitor-Plus

SCARBOROUGH PROFILE

Comparison of Des Moines

TO THE TOP 50 MARKET AVERAGE

	Top 50 Market Average %	Des Moines Composition %	Des Moines Index
DEMOGRAPHICS			
Age 18-34	32	30	96
Age 35-54	40	38	95
Age 55+	28	32	111
HHI $75,000+	31	21	69
College Graduate	13	12	96
Any Postgraduate Work	11	9	80
Professional/Managerial	23	18	81
African American	13	#	#
Hispanic	14	#	#
MEDIA USAGE-AVERAGE AUDIENCES*			
Read Any Daily Newspaper	53	58	109
Read Any Sunday Newspaper	62	64	104
Total Radio Morning Drive M-F	22	20	92
Total Radio Afternoon Drive M-F	18	15	84
Total TV Early News M-F	28	32	112
Total TV Prime Time M-Sun	38	38	100
Total Cable Prime Time M-Sun	14	14	100
MEDIA USAGE-OTHER			
Accessed Internet Past 30 Days	62	62	100
HOME TECHNOLOGY			
Owns a Personal Computer	69	69	100
Purchase Using Internet Past 12 Months	42	40	95
HH Connected to Cable	67	60	90
HH Connected to Satellite/Microwave Dish	18	23	126
HH Uses Broadband Internet Connection	20	14	68

#Respondent level too low to report. *Media Audiences-Average: average issue readers for newspapers; average quarter-hour listeners within a specific daypart for radio; average half-hour viewers within a specific daypart for TV and cable.
Source: 2003 Scarborough Research Top 50 Market Report (August 2002 - September 2003)

The move has worked well for KCCI, which had been in a dogfight for morning-news dominance with WHO-TV, the New York Times Co.'s NBC affiliate. "Right out of the shoot, we won the local morning newscast," says Paul Fredericksen, KCCI president and general manager. In the February sweeps, KCCI averaged a 5 rating/35 share in households, compared to WHO's 4/30. The two were neck and neck in demos.

KCCI may have helped further strengthen its already-solid lead in early-evening news by landing *The Dr. Phil Show*. The nationally syndicated talk show currently airs on Citadel Communications' ABC affiliate, WOI, at 3 p.m., where it wins the time period. KCCI will begin airing the show this fall, also at 3 p.m., ahead of *The Oprah Winfrey Show* at 4 p.m.

WHO, which is celebrating its 50th anniversary this year, also has been trying to improve its position. WHO unveiled a new set this month and began running a new graphics package and station logo in January. Last year, the station introduced a million-watt Doppler radar and upgraded its helicopter, the only one in the market. WHO news director Mark Ginther arrived at the station in April 2003 from his previous post as assistant news director at KSTP, Hubbard Broadcasting's ABC affiliate in Minneapolis-St. Paul.

For the fall, WHO has acquired *The Ellen DeGeneres Show*, currently on Sinclair Broadcast Group's Fox affiliate KDSM-TV, and is picking up *The Montel Williams Show* at 3 p.m., replacing *Pyramid* and *Hollywood Squares*. WHO is also adding *Who Wants to Be a Millionaire* at 4 p.m.

Although it is giving up *Dr. Phil*, WOI hopes to have an equally successful run with *The Jane Pauley Show*, which it launches on Aug. 30, likely at 3 p.m., says Ray Cole, president/COO of Citadel Communications. "We're very excited about the prospect of that show," he says.

Cole, who lives in Des Moines, is serving as acting gm of WOI following the departure last December of Marshall Porter, who Cole doesn't plan to replace. Last year, WOI promoted its executive producer Scott Frederick to news director.

WOI has picked up *Entertainment Tonight*, currently on KDSM, for the fall. "That [show] will become a very big part of our access lineup at 6 p.m.," says Cole. WOI is the only Big Three TV outlet in the market without a 6 p.m. newscast. With ABC's cancellation of daytime soap *Port Charles*, WOI last year expanded its midday newscast to a full hour, from 11 to noon. WOI is the flagship broadcast station of the Iowa State University men's basketball program. This year, WOI, for the first time, also carried Iowa's wrestling championship (wrestling is very popular in Iowa, and Iowa State is a longtime powerhouse in the sport) and the girls' and boys' state basketball championships.

Fox affiliate KDSM runs Des Moines' only 9 p.m. newscast. The hour is produced by sister station KGAN in Cedar Rapids, uses KGAN anchors and is transmitted live via a fiber-optic link between the stations.

Pappas Telecasting's WB affiliate KPWB signed on in 2001 as Des Moines' newest TV outlet. The station had been a secondary UPN affiliate but ended its agreement to carry UPN programming last September. KPWB is operating without a gm following the departure of Debra Corson in March. Lin White, who had served as a consultant for the station for about two months at the start of this year, has been named acting gm. The preseason home of the National Football League's Kansas City Chiefs, the station also carries St. Louis Cardinals Major League Baseball games on weekends. With syndicated fare like *Friends*, *Will & Grace* and *King of Queens*, KPWB has presented the biggest direct challenge to KDSM, which also targets younger demos.

Middletown, N.Y.-based Mediacom Communications is the main cable operator in the Des Moines-Ames market as well as in the state of Iowa, having established that position in 2001 when it acquired AT&T's cable systems in the area. The company's advertising-sales arm, OnMedia, serves as the local interconnect. "The interconnect pulls four different zones together—Des Moines, Ames, Marshalltown and Fort Dodge," says Bob Montgomery, OnMedia's senior director of regional opera-

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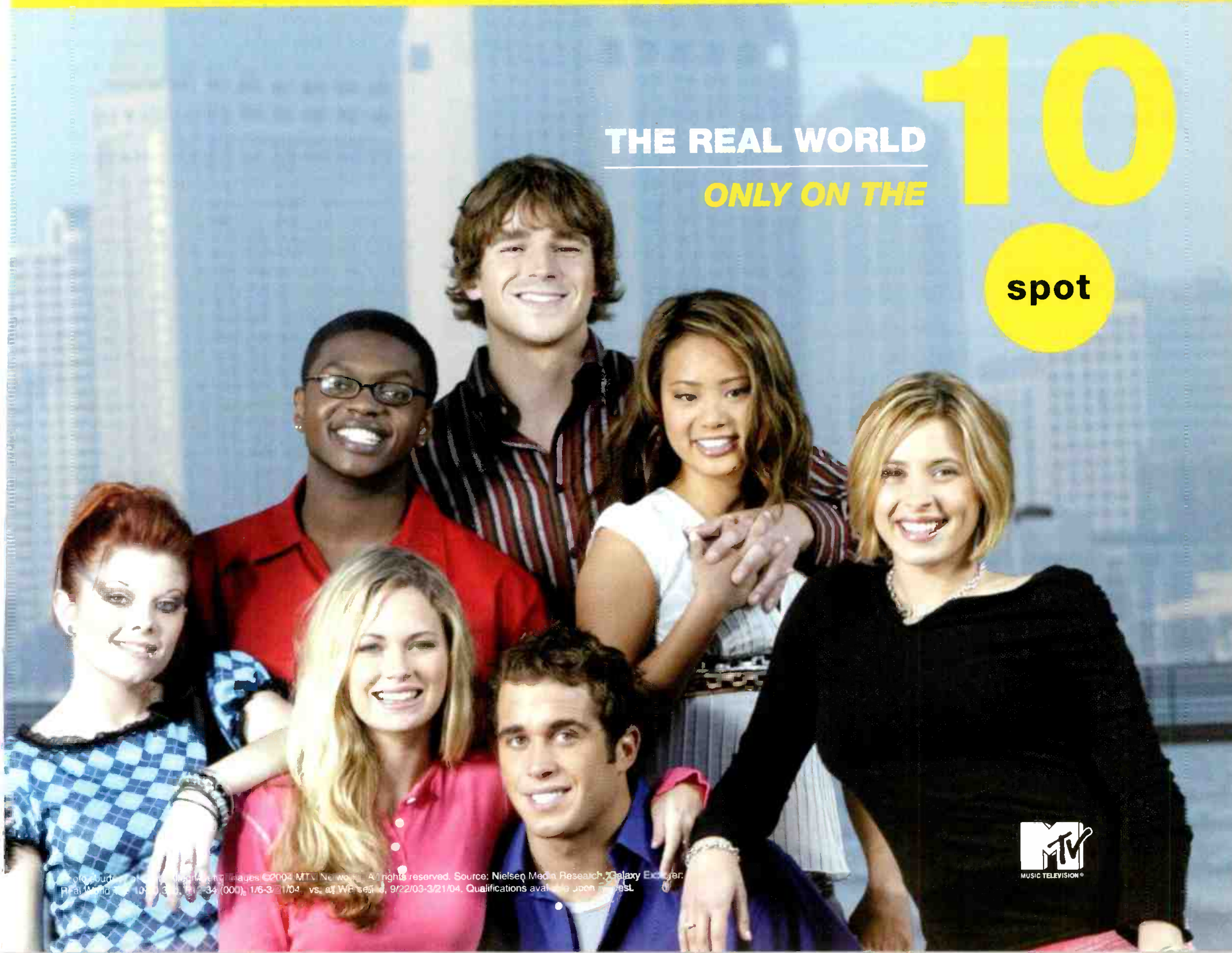


NEWSPAPERS: THE ABCs

	Daily Circulation	Sunday Circulation	Daily Market Penetration	Sunday Market Penetration
Polk County: 150,926 Households				
The Des Moines Register	72,960	93,371	48.3%	61.9%
Story County: 29,866 Households				
The Des Moines Register	8,219	12,537	27.5%	42.0%

Data is based on audited numbers published in the Audit Bureau of Circulations' Fall 2003 County Penetration Report.

NIELSEN RATINGS / DES MOINES

EVENING AND LATE-NEWS DAYPARTS, WEEKDAYS

Evening News

Time	Network	Station	Rating	Share
5-5:30 p.m.	CBS	KCCI	13	32
	NBC	WHO	7	19
	ABC	WOI	3	8
6-6:30 p.m.	CBS	KCCI	17	32
	NBC	WHO	12	23

Late News

Time	Network	Station	Rating	Share
9-10 p.m.	Fox	KDSM	2	4
10-10:30 p.m.	CBS	KCCI	19	38
	NBC	WHO	13	26
	ABC	WOI	2	4

*All data estimated by Nielsen from diary returns of evening and late local news only. Source: Nielsen Media Research, November 2003 (February 2004 not available).

ARBITRON

RADIO OWNERSHIP

Owner	Stations	Avg. Qtr.-Hour Share	Revenue (in millions)	Share of Total
Clear Channel Communications	2 AM, 4 FM	31.0	$12.0	39.3%
Saga Communications	1 AM, 4 FM	30.4	$8.8	28.9%
Citadel Communications	5 FM	20.6	$6.6	21.6%

Includes only stations with significant registration in Arbitron diary returns and licensed in Des Moines or immediate area. Share data from Arbitron Fall 2003 book; revenue and owner information provided by BIA Financial Network.

tions. The company serves about 178,000 subscribers and inserts ads on 34 networks.

Cable penetration in the market is 60 percent, compared to the national average of 67 percent. However, competition from satellite has heated up in the past few years, as local broadcast stations were made available. Local residents are 26 percent more likely to be connected to DBS service than the top-50-market average (*see Scarborough chart on page 14*).

Gannett Co.'s *Des Moines Register* is the sole daily in Des Moines and the largest paper in the state. The *Register*'s circulation as of September 2003 was 152,885 and Sunday circulation was 244,330. Both numbers are essentially flat compared to the same period ended September 2002, according to the Audit Bureau of Circulations.

In 2003, the *Register* plunged headfirst into a major commitment to local zoned coverage. The paper added some 20 new staffers to its core group of six working on zoned sections, says Paul Anger, the *Register*'s editor and vp.

The paper overhauled its old zoning system because it had become ineffective for both readers and the staff, says Anger. "Over time, they had fallen into something that felt more generic rather than something specific to each community," says Anger. The new system increases the previous six zones to nine, including three in Des Moines itself: Des Moines East/North, Des Moines South and Des Moines West. Those join six others for the communities of West Des Moines, Clive, Waukee, Urbandale, Johnston and Ankeny. Also, the zoned sections were increased in frequency, from once a week to three times: Tuesday, Thursday and Friday.

In the past year, the paper launched several initiatives to entice younger readers, including a completely revamped Datebook entertainment tabloid. The weekly section was redesigned "from stem to stern," says Anger, "to make it quicker, hipper, livelier, with more fun, more information and [a] younger-skewing [feel] than the previous incarnation." The section targets the 18-34-year-old demo and averages about 40 pages. Anger says the section has increased its revenue about 20 percent year over year in each month since it was relaunched nearly a year ago.

Earlier this month, the *Register* acquired the Press Citizen/Shopper group from Wheeling, W.Va.-based Ogden Newspapers for an undisclosed sum. The *Register* already owned several area weeklies, including the *Altoona Herald-Index* and *Indianola Record-Herald*. Other publications in the market include the *Des Moines Business Record* and *Cityview*, an alternative weekly, both published by Business Publications Corp.

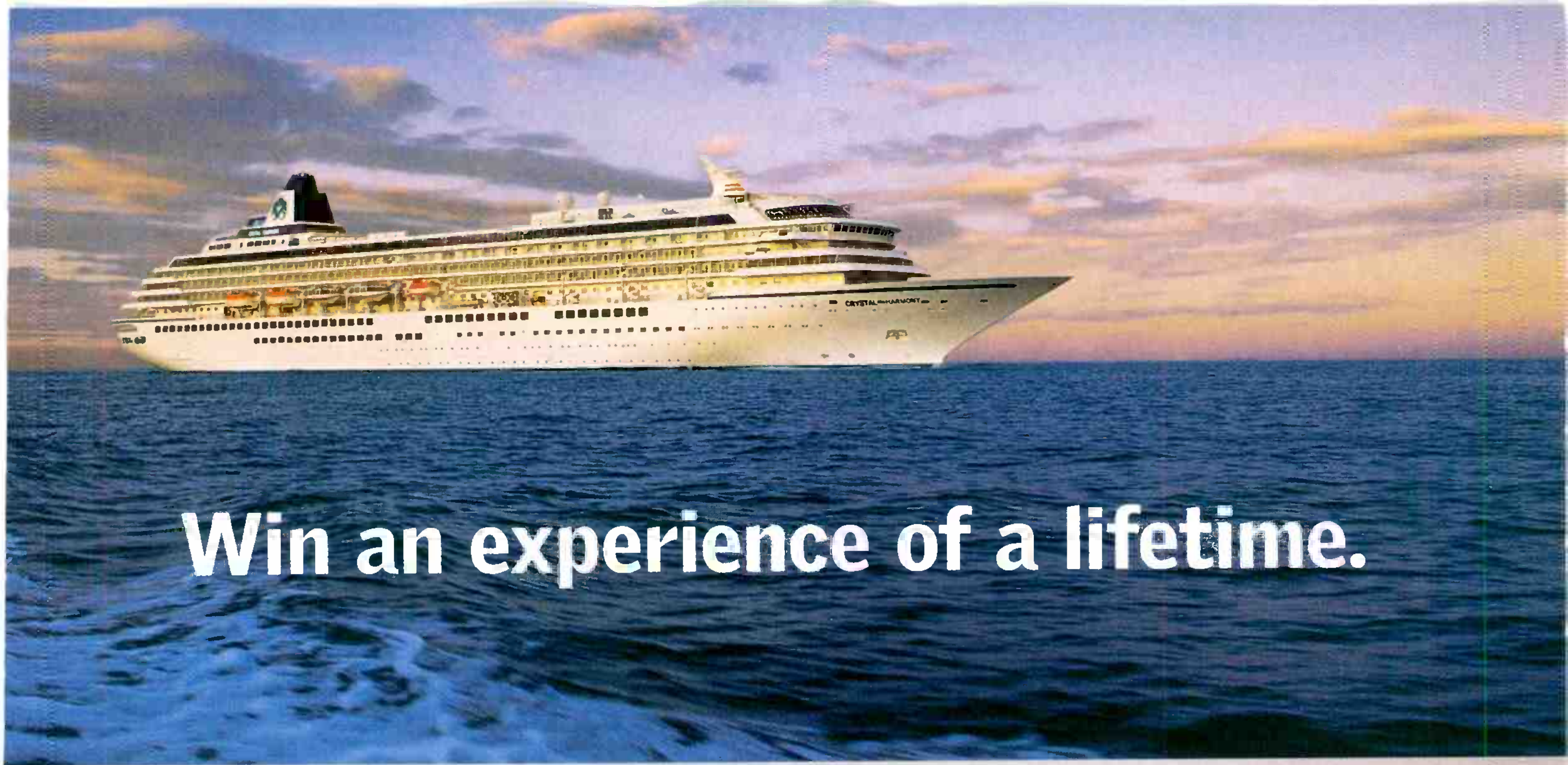
The Des Moines radio market ranks No. 92 in the nation. Like most other markets across the country, a handful of stations control the vast majority of radio revenue. Clear Channel Communications' News/Talk WHO-AM remains the market's longtime leader overall, garnering a 12.1 share among listeners 12-plus in the fall 2003 Arbitron survey. The station is also No. 1 in morning and afternoon drive and is Des Moines' top biller by far, taking in an estimated $6.45 million in 2003, according to BIA Financial Network.

Citadel Communications last September secured its position as one of the market's leading broadcasters when it acquired five Des Moines radio stations from Wilks Broadcasting. The stations it acquired are KBGG-AM, KHKI-FM, KGGO-FM, KRKQ-FM and KJJY-FM. Among other changes in the market, Citadel last December changed the call letters of KRKQ-FM to KBGG-FM. The former Adult Contemporary station, licensed out of Boone, Iowa, is the market's new Hot Talk format as well as its first FM Talk outlet.

Last October, Clear Channel's KVJZ-FM became KDRB-FM, flipping overnight from Smooth Jazz to Urban. The previously unannounced change came as a shock to the station's loyal listeners, who had been tuning in since the station became Smooth Jazz in 2001.

KDRB appears to have hurt its sister Clear Channel station, Contemporary Hit Radio outlet KKDM-FM, which plays music in direct competition with KDRB's new Hip-Hop and R&B format, including artists such as Ludacris, Beyoncé and Usher. In the fall book, KKDM garnered a 6.2 share (12-plus), down from a 10.8 in the summer; KDRB jumped to a 4.4 share, up from a 2.8.

Clear Channel Outdoor dominates the Des Moines out-of-home marketplace, serving 27 counties. Clear Channel offers bulletins and mall-kiosk advertising and is the exclusive provider of 30-sheets. ■



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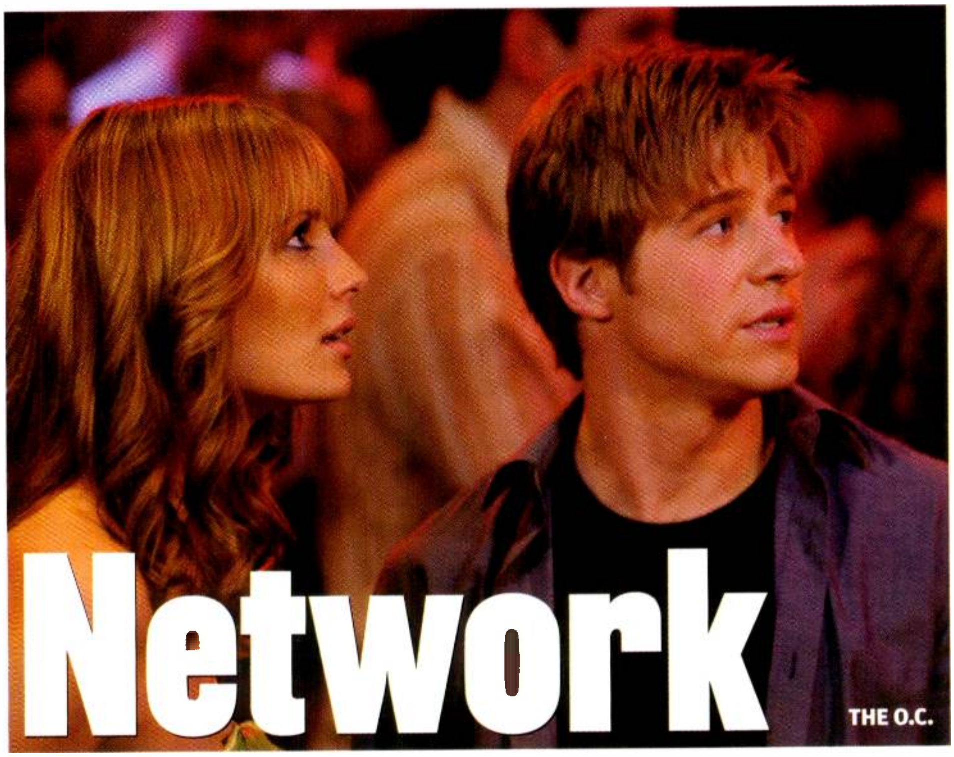


THE O.C.

Network REPORT CARD

CBS holds up, but ratings falter for network TV

BY JOHN CONSOLI

The Big Four broadcast networks—CBS, NBC, Fox and ABC—cumulatively, have had a much better season than they have been credited for, says Jeff Zucker, president of NBC Entertainment, News and Cable Group. Season-to-date, Zucker points out, the 18-49 rating for the Big Four is down 5 percent now, but he says that when the season ends following the May sweeps, ratings in that advertiser-desired demo will be down only a percent or two.

"There's no question that ABC and the WB have had difficult years," he says. "But at the Big Four networks, viewership is only down 3 percent." And he is predicting that when ratings for the *Friends* and *Frasier* finales, along with the finales of some of the other network hits, like *CSI* on CBS, are added in, "total viewership on the Big Four will be higher than last year."

Agreeing with Zucker, CBS chairman and CEO Leslie Moonves says it is just harder for the broadcast networks to get that message out, because the broadcasters, unlike cable, as a result of federal antitrust laws, cannot do cumulative ad pitches.

But all is not as positive as the broadcast network executives see it. As more and more cable networks are added to systems around the country, broadcast network viewership and ratings will continue their slow erosion. To try to combat that in the minds of the media buyers, each broadcast network, including the smaller WB and UPN, will individually continue to make their arguments that immediate maximum reach in one broadcast commercial spot is more desirable to advertisers than reaching a similar sized audience on cable in several spots over several nights.

Media buyers, for the most part, continue to buy into the immediate maximum reach argument, but say that at some point, the hefty price that they are being charged for that audience might reach the breaking point, making it easier for them to move client dollars into cable or other, more reasonably priced, media.

According to Nielsen Media Research data, the Big Four broadcast networks combined viewership season-to-date is 43.1 million, compared to 44.4 million last season, down 3 percent. Adding the WB and UPN into the mix, that number grows to 49.1 million this season, compared to 52 million last season, down 5 percent.

CBS has by far had the best season from a ratings standpoint, growing 4 percent in households to an 8.5, up 6 percent in viewers to 13.2 million, and flat in adults 18-49 at a 3.9. CBS is the leader among all networks in household ratings and viewers, while NBC, despite being down 7 percent in 18-49, is still the leader in that demo with a 4.2. While NBC's Zucker continues to argue that advertisers desire 18-49 viewers most, and that is where NBC is strongest, Moonves says CBS' lead in total viewers makes it more desirable. In the viewer area, CBS has increased its lead over NBC from about 900,000 viewers last season to a whopping 2.3 million this season.

Here is a network-by-network breakdown of where they stand as they get ready to unveil their development for next season.

CBS

Households: 8.5 rating/14 share (+ 4 percent)
Total viewers: 13.2 million (+ 6 percent)
Adults 18-49: 3.9/11 (no change)
No. 1 in households, total viewers; No. 3 among adults 18-49

CBS added four new series—dramas *Cold Case*, *Joan of Arcadia* and *Navy NCIS*, and sitcom *Two and a Half Men*—to its already stable prime-time schedule this season, leaving the network with only a few holes to fill. With *Everybody Loves Raymond* expected back for its ninth season to anchor the Monday night sitcom block, CBS will probably drop in a new sitcom behind it at 9:30 p.m. (where it launched *Two and a Half Men* this season), and will move one of its other Monday comedies to

R. Foreman/FOX

Ron P. Jaffe/CBS

Wednesday, pairing it with *King of Queens* from 9 p.m. to 10 p.m. With the failure of mid-season drama *Century City* to catch on, middle-of-the pack rated *The Guardian* will probably return on Tuesdays at 9, meaning that night will return intact (with *NCIS* at 8 and *Judging Amy* at 10). Blockbuster Thursday and solid Sunday will also return unchanged. Other than launching a new sitcom on Monday, CBS has holes to fill at 10 p.m. Wednesdays and Fridays, where it will put new dramas. The marginally performing Saturday night drama *Hack* will probably also be replaced.

Media agencies like CBS' stable schedule. "Stability of schedule gives us a lot more confidence that the shows we buy in the upfront and the ratings estimates we base our buying on will hold true all season," says Lyle Schwartz, managing partner of research at mediaedge: cia. "It's important for viewers to know when the shows they want to see are on."

NBC

Households: 7.2 rating/12 share (– 6 percent)
Total viewers: 10.9 million (– 7 percent)
Adults 18-49: 4.2/12 (– 7 percent)
No. 2 in households and total viewers; No. 1 among adults 18-49

NBC had another poor fall development season, with only one new show, the Monday night drama *Las Vegas*, a hit. But NBC's season was saved by the success of its new (*Average Joe* and *The Apprentice*) and returning (*Fear Factor*) reality shows, the mid-season return of last season's solid drama *Crossing Jordan*, which was on hiatus while star Jill Hennessy had a baby, and its moving of *Third Watch* from Monday night at 10 p.m., where it was getting steadily beaten in the ratings by CBS' *CSI Miami*, to Friday at 10 p.m. where it filled a void when its own *Boomtown* and CBS' *The Handler* failed.

NBC will return its Monday schedule next fall intact with two of its successful reality shows, *Fear Factor* and *Average Joe*, leading into and out of 9 p.m. *Las Vegas*. NBC will also return its current Sunday night lineup and continue its practice this season of airing movies and repeats of its hot reality shows and episodes from its various *Law and Order* series on Saturday night. Zucker is also toying with the idea of leaving the current Friday lineup the same, airing a two-hour *Dateline*, followed by *Third Watch*. He could also air an hour-long *Dateline* at 8, move *Third Watch* to 9 and air the new *Law & Order 4: Trial by Jury* at 10 p.m. On Thursday, the network is committed to replacing *Friends* with spinoff *Joey* at 8, may keep *Will & Grace* at 8:30, return *The Apprentice* at 9 and *ER* at 10.

NBC also has a hole at 8 p.m. on Wednesday and two hours on Tuesday night to fill. NBC developed 14 sitcoms for next season, so some of them can go in those time slots. Media buyers do not believe *Joey* will perform as well as *Friends*, and that *The Apprentice* viewership could be adversely impacted if Donald Trump has to file for real-life bankruptcy to protect his money-losing Atlantic City casinos.

ABC

Households: 6.0 rating/10 share (– 6 percent)
Total viewers: 9.1 million (– 9 percent)
Adults 18-49: 3.3/9 (– 13 percent)
No. 4 in households, total viewers, and among adults 18-49

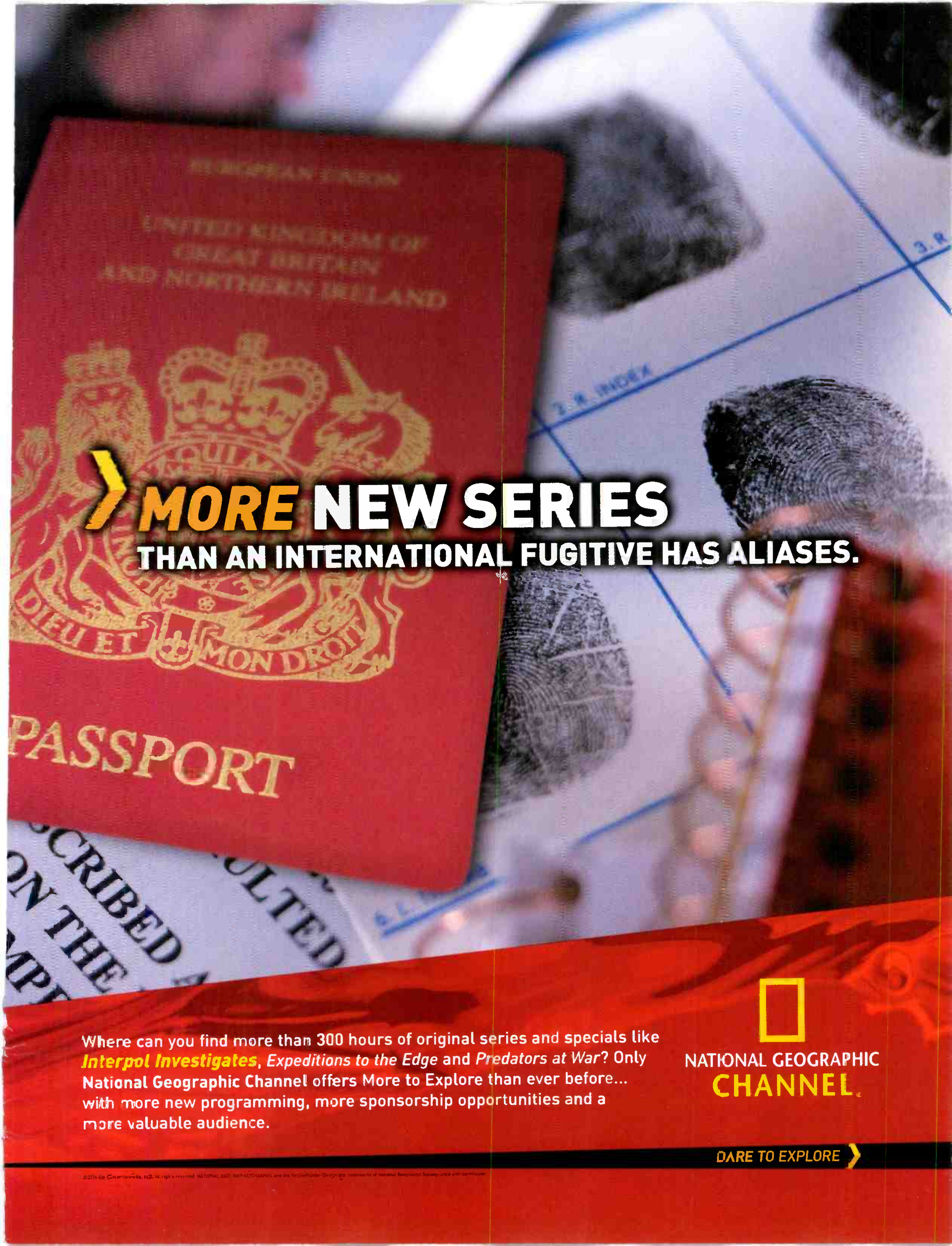
ABC needs dramas badly, particularly at 10 p.m., as lead-ins to its affiliates' local newscasts. The 10 p.m. time period was a poor one for CBS in the not-so-distant past, but in the last three years, that network has shored up that hour nicely. ABC needs to do the same. It will return only two dramas next season, *Alias* and *NYPD Blue*, to its entire prime-time schedule. Adding to the network's problems is that while it has 11 sitcoms, and several do solid 18-49 ratings, none can be considered a breakout hit, and at least a few of those will not return, adding more holes to the schedule. Compounding things further is that Barbara Walters will be leaving as longtime host of the network's solid prime-time newsmagazine, *20/20*.

ABC has still not come up with successful replacement shows for *Monday Night Football*, after it leaves the air in late December each season, and it has not increased its audience for *The Wonderful World of Disney* by moving it from Sunday to Saturday night this season. Further compounding the network's unsettled situation was the departures last week of Entertainment chairman Lloyd Braun and Entertainment president Susan Lyne. They were responsible for the programming development that has now been handed off to new Entertainment chief Stephen McPherson. Before she left, Lyne said she wanted to start next season with 12 or 13 sitcoms, and wanted to do more dramas targeting woman. It remains to be seen what McPherson's strategy will be. ABC may have to fill as much as seven hours with new programming next season, which means the network is going to be rebuilding for several years to come. One slight positive in the entertainment division transition: A sizable portion of the programming developed by Lyne and Braun for ABC for next season comes from Touchstone Television, the Disney division that McPherson headed before moving over to ABC.

Fox

Households: 6.1 rating/10 share (+ 2 percent)
Total viewers: 9.7 million (– 1 percent)
Adults 18-49: 4.0/11 (– 5 percent)
No. 3 in households and total viewers; No. 2 among adults 18-49

Fox's successful summer launch of its new drama *The O.C.* last August emboldened the network to expand that strategy to this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LARRY KING INTERVIEW WITH HEATHER MILLS McCARTNEY
TALK/INTERVIEW

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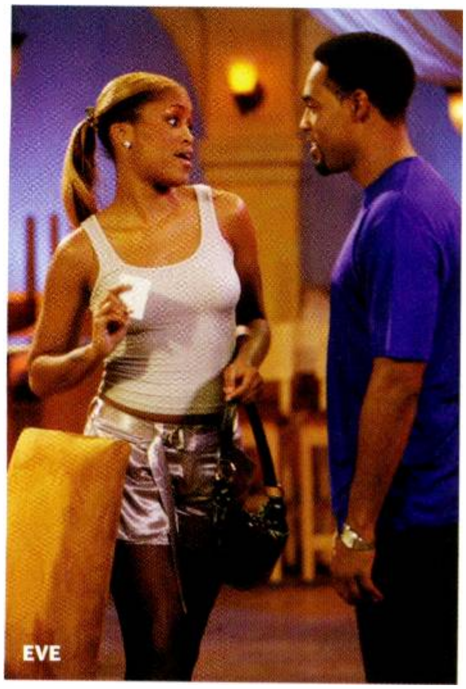

EVE

coming summer, where it will premiere four new scripted series beginning in June: dramas *The Jury* and *North Shore*, and sitcoms *Quintuplets* and *Method & Red*. Entertainment president Gail Berman's strategy will be to air first-run episodes throughout the summer of these series, and to also air each one during the same week on other nights in repeat, to try to get each maximum exposure.

Fox was once again hurt this season because it had to displace almost an entire month of October prime-time scripted programming to air coverage of the Major League Baseball postseason games. Berman is hoping that starting Fox's fall schedule in June will hook viewers through the summer and make it easier for those shows to leave the air for four weeks in October and still get the audiences back when they return.

Other than *The O.C.*, Fox also did not have much in the way of solid new programming this season, but its soft ratings have been masked by the resounding success of *American Idol*. Pairing *Idol* on Tuesday with drama *24* and on Wednesday with *The O.C.* have made those nights the network's best in the ratings.

Saturday and Sunday are solid, but the network has to virtually start from scratch on Monday, Thursday and Friday. If the summer premieres work, though, Fox could be in good shape next season.

WB

Households: 2.4 rating/4 share (- 8 percent)
Total viewers: 3.6 million (- 10 percent)
Adults 18-49: 1.5/4 (- 17 percent)
No. 5 in households, tied for No. 5 in total viewers; No. 5 among adults 18-49

The WB, long the darling of the media buying community, is struggling through one of its worst seasons in several years. Its move to make Thursday and Friday comedy nights failed miserably. Its new Sunday drama, *Tarzan*, was canceled after just a few weeks. And its other new drama, *One Tree Hill*, took months to finally get an audience, but it looks like it could be a keeper.

The WB will have lots of holes to fill next season. Long-running drama *Angel* is leaving, and so will some of its comedies. Veteran drama *Gilmore Girls* lost a chunk of its audience this year. The network does have some positives. *7th Heaven*, now in its eighth season, is still pulling in solid ratings, and other veteran dramas *Charmed*, *Smallville* and *Everwood*, and sitcom *Reba*, still pull in strong audiences.

WB co-CEO Jordan Levin is contemplating moving sitcoms to lead off a few nights, following them with dramas, rather than keeping them on exclusive comedy nights. Media buyers warn, however, that the network should not break up Monday night (*7th Heaven* and *Everwood*) or Tuesday (*Gilmore Girls* and *One Tree Hill*). Levin could move *Smallville* to 9 p.m. on Wednesday and add two comedies from 8 to 9 p.m. there, but comedies have not traditionally worked well for the network on Sunday. So, Levin may have no choice but to put comedies on Thursday or Friday again, or, maybe do what the WB has traditionally done best: more dramas.

UPN

Households: 2.3 rating/4 share (no change)
Total viewers: 3.4 million (– 3 percent)
Adults 18-49: 1.4/4 (– 7 percent)
No. 6 in households, tied for 5th in total viewers; 6th among adults 18-49

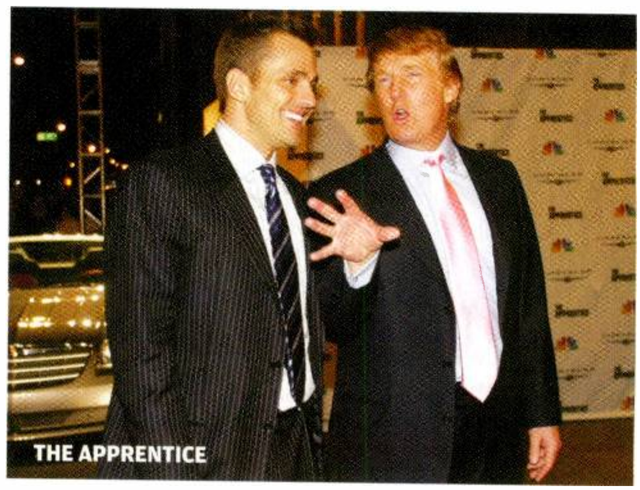
UPN did this season what media buyers have been suggesting for a while: expand its ethnic comedy block from Monday to Tuesday night.

UPN added one new comedy, *Eve*, to its Monday block, moved *One on One* to lead off Tuesday, and added a second new sitcom, *All of Us*, to Tuesday night. *Eve*, starring the hip-hop recording artist of the same name, and *All of Us*, produced by Will and Jada Pinkett Smith, and loosely based on their lives, added some star power to the network. Then the network returned from last spring the reality show *America's Next Top Model*, hosted by Tyra Banks, to Tuesday nights at 9, and it became a breakout hit for the network.

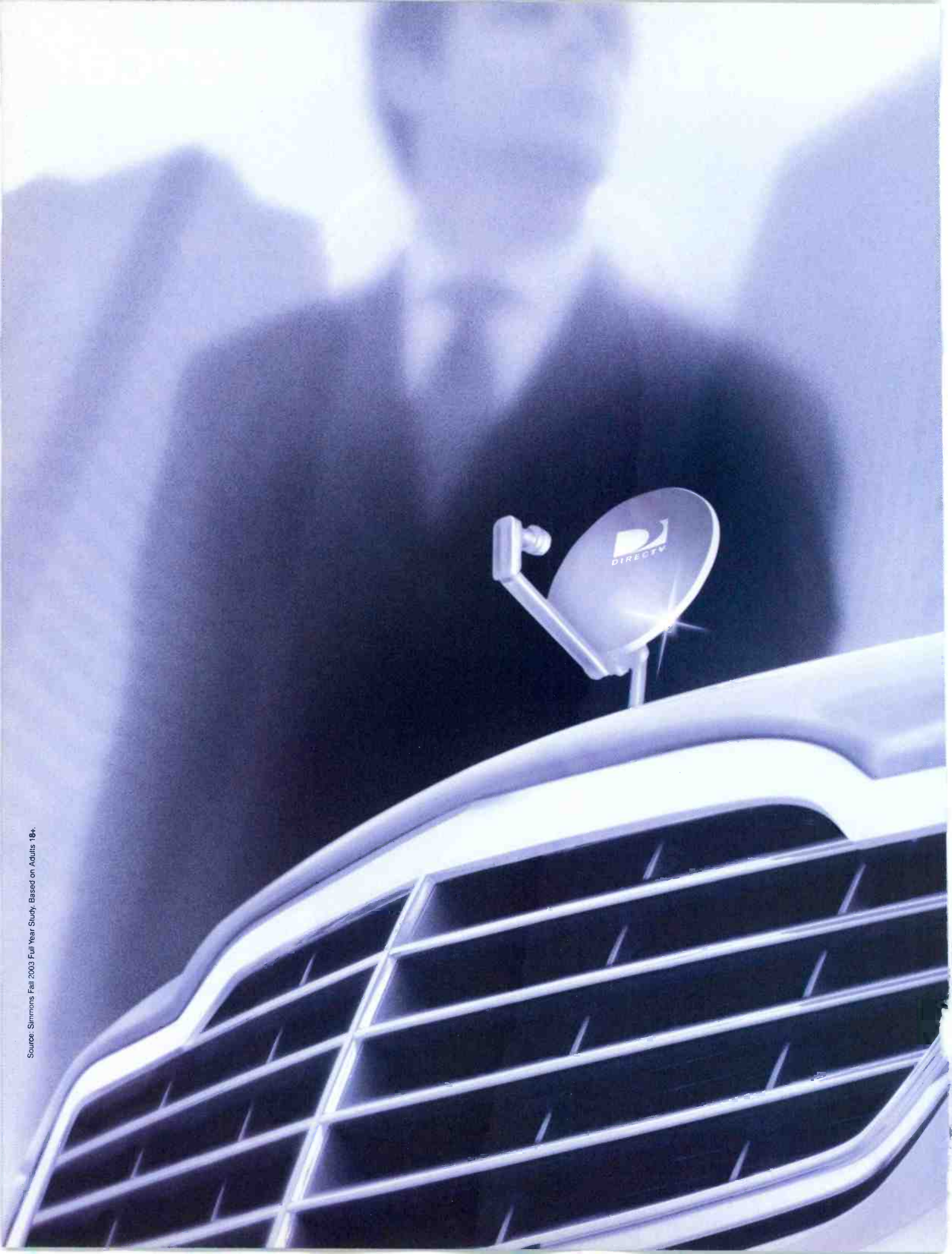
UPN has some decisions to make for next season. Most buyers would like to see it expand its ethnic block to Wednesday, and the UPN has two dramas that would fit there nicely, one starring Vanessa Williams and the other starring Taye Diggs. That would mean if the network wants to bring back fading sci-fi drama *Enterprise*, it would have to move it to Friday night (since *WWE Smackdown* is a fixture on Thursdays).

Media buyers believe moving *Enterprise* to Friday night might not be a bad move. Although Friday night is a low viewing night, *Enterprise* draws a loyal audience, most of which comes to the network for only that show. Adding a second hour of sci-fi on Friday could work. And a sci-fi hour there could not perform worse than this season's Friday movie, which more often than not, produced cable-sized ratings. ■

John Consoli is a senior editor at Mediaweek.


THE APPRENTICE

Eve: Bryon Cohen/Warner Bros; The Apprentice: Eric Liebowitz/NBC Photo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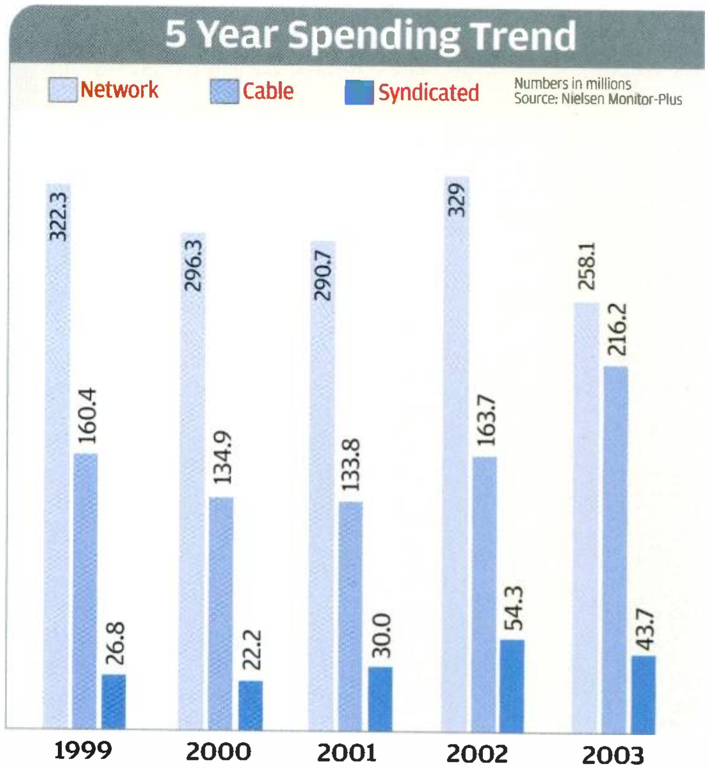


Apparel

For apparel retailers, a colorful spring could give a boost to the fall upfront. Consumers are responding to the new, updated looks they are finding in stores and cash registers are ringing up sales of T-shirts, cargo pants, khakis and casual shoes in fresh pink and green hues. And many shoppers are paying with fat tax refund checks.

According to the latest figures from ShopperTrak, a Chicago-based supplier of information to the retail industry, U.S. retail sales for the week ending March 27 increased by 1.4 percent over the same week in 2003. Consumer confidence levels, however, sank during March, fueled by concerns about job security and local economic conditions.

"Sales are being impacted by numerous crosscurrents," says Michael Niemira, chief economist and director of research for the International Council of Shopping Centers. "While higher gasoline prices hold many consumers back, an influx of tax refund money pushes others out to the stores."

Just how those crosscurrents will translate to the upfront remains to be seen. "One thing is for sure, when times are bad, advertising gets cut back without understanding its effect on sales," says John Engel, retail partner, Accenture Retail Practice. "And in good times, more gets spent. It's just a pattern they fall into."

With few exceptions, most retailers rely on direct mail and in-store advertising to drive sales. The biggest, however, such as giants Wal-Mart, Sears, J.C. Penney, Kohl's and Gap also do national broadcast campaigns, particularly during the key spring, fall and holiday seasons when competition for the consumer dollar is at its hottest.

Wal-Mart's latest TV effort to promote its everyday low prices, via Kansas City-based Bernstein-Rein, has its iconic yellow Smiley Face dressed up as a secret agent who uses spy gadgets to roll back prices. Though some may find him annoying, Smiley Face no doubt played a role in Wal-Mart's increase in sales last year, which were up almost $12 billion in 2003 over the previous year. So don't look for the company to retire him anytime soon.


GOING K'S WAY: Kmart's latest ads focus on exclusive brands.

Likewise, J.C. Penney's "It's all inside," campaign, via DDB Chicago, will continue. The retailer launched new commercials at this year's Academy Awards that are going forward with seasonal updates throughout the year. "We're trying to highlight fashion and value and the convenience of online shopping," says spokesperson Tim Lyons. "We're calling out the point of differences we have over our competition, and that will continue."

Kmart, via new agency Grey Global, is seeking to connect with consumers and emphasize its exclusive brands in a new campaign that also plays up the Kmart K. The big question for fall is whether Martha Stewart will reappear in ads. Even if she's not, no doubt the retailer will continue its Hispanic messaging.

Gap's Old Navy unit, celebrating its 10th anniversary in 2004 with a reunion spot starring celebs who have appeared in its ads over the years, will soon name a general market creative agency to complement its in-house team. Contenders have been asked to create a back-to-school campaign.—*Sandra O'Loughlin*

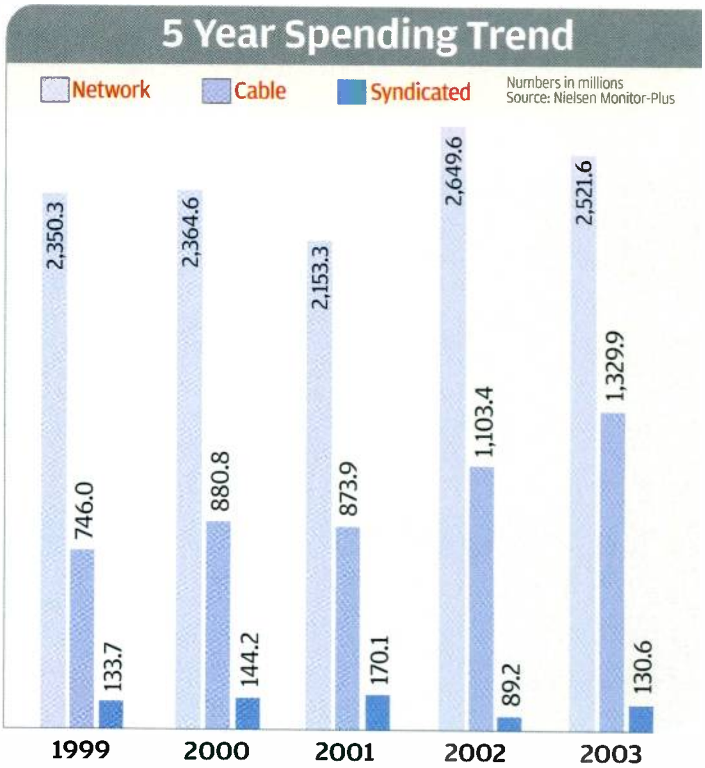
Sandra O'Loughlin is a reporter for Brandweek.

FOCUS ON

Lee Jeans, a unit of VF Corp., in June will announce its fall campaign for One True Fit, a new style and fit concept based on its popular five-pocket jean. One True Fit launched last fall with TV, print, POP, a new script icon and packaging, and online support around the "Find Your . . ." theme. Fallon, Minneapolis, is Lee's lead agency.

That launch was so successful, TV will definitely be part of the plan once again. "We had a creative execution that could break through the clutter and also tell a story and make an emotional connection with the consumer," explains Liz Cahill, director of advertising and public relations for Lee Jeans. "It was all about finding your voice, finding your soulmate, things that are important to our consumer and her life. It's not just talking about fashion. To really bring it to life, it had to be on broadcast. We went to where our target was watching, relationship shows like TLC and MTV's *The Newlyweds*, home improvement shows and E! Entertainment's fashion shows."

She says that TV will be part of the plan again because "We feel we've hit on something and haven't tapped its full potential yet. " 'Find Your....' can be expressed in so many ways. We will be expanding our targeted media. You can't just run a TV commercial anywhere. You have to understand who your target is, what their trigger points are and what they're watching. Broadcast is no longer just three channels. It's all of cable. You have to really understand it to make it cost-effective."



Automotive

Auto marketers are getting out the antacids in anticipation of another difficult upfront. "There's a lot of heartburn on that subject," says Fred Suckow, Nissan North America director of marketing. "No company builds in the inflationary spikes that have happened recently. But a sizable player would have to pull out for anything to change."

Across the board, auto marketers are sulking about increasing costs and increasing clutter. There are too many spots per program, they say, and with the huge number of channels and programs available, it's difficult to decide which one has more potential to best showcase a particular vehicle. But the marketplace itself is cluttered as well. There will be anywhere from 70 to 95 new or significantly updated vehicles introduced this year.

Last year, automakers spent $6.5 billion in total on all TV buys, according to Nielsen Monitor-Plus. More than $2.5 billion went to network TV and of that, about $1.7 billion was in prime time. Meanwhile, they laid out $2.5 billion on spot.

Nissan spent $249 million on network TV in 2003, according to Nielsen Monitor-Plus. Despite the fact that they are launching three all-new vehicles over the next year, "Our levels will be about the same or we may pull back slightly," says Suckow.

General Motors goes into the upfront with new marketing leadership: C.J. Fraleigh and Michael Browner are out; Roger Adams and Betsy Lazar are in. A GM spokesperson says that Lazar, who heads the media buying operation, is paying close attention to the dynamics of the marketplace. "We won't finalize our buying strategies until we get a better read on what the overall advertiser demand is going to be," says GM. "If the prices aren't favorable, there may be vendors we won't do business with on an upfront basis." The automaker spent $611 million on network TV in 2003, according to Nielsen Monitor-Plus.

At Ford Motor, network TV spending was up slightly in 2003 to $427 million. It's likely the automaker will maintain that level in 2004, since it's launching several key vehicles this year, including its new flagship sedan, the Ford Five Hundred.

David Rooney, Chrysler Group director of media operations and cross-brand marketing, says new model launches for the automaker this fall include the Jeep Liberty and Dodge Dakota, and that Chrysler will spend more on network accordingly. Chrysler Group parent DaimlerChrysler spent about $230 million on network in 2003 for the Chrysler Group and Mercedes, according to Nielsen Monitor-Plus.


GIVE ME LIBERTY: New model means more spending.

Nissan's Suckow says "program erosion" is a big concern. "A top-rated show now would not make it in the top 20 from just the recent past," he says. "We feel we have taken some chances and invested in programs that have become a success. Then, suddenly, that property ends up with more commercial time, your message gets diluted. That's the stuff that's frustrating."

While Kia had success last year with network placement of a branding campaign, the South Korean automaker says it's easier to reach its targets with cable TV. "We're pretty frustrated with the upfront," says Tom Smith, Kia director of marketing communications. "There are not too many other business models where you can deliver less and charge more. Cable networks really add a lot of exposure with no extra cost."—*Tanya Irwin*

Tanya Irwin is a freelance writer based in Detroit.

FOCUS ON

David Rooney is the Chrysler Group director of media operations and cross-brand marketing.

What's the upside to network programming? "The strength of television is that it provides a broad, very visual, active lifestyle showcase for our product. It is still sight, sound, motion; it has entertainment value as well educational value."

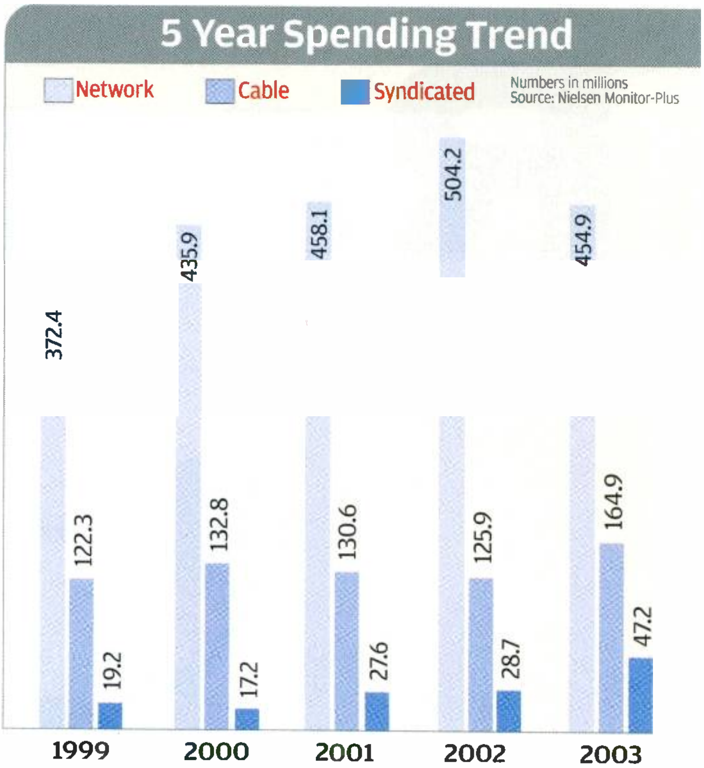
And the downside? "The issues with the upfront have to do with increasing costs and increasing clutter and lower individual ratings. The key here for us is programming. We are interested in quality, things that break through. But at the end of the day, we're looking for a fairly narrow mix of specific programs that fit our lifestyle targets."

Are there specific buys from last year that stand out as being outstanding choices? "[NBC's] *The Apprentice*. There's a new show, a new piece of programming, a new quasi-reality program that we were willing to take a risk on with the Chrysler brand. We thought it had an upscale feel to it, a premium appeal. And as it turns out, that one went very well."

Will Chrysler continue to look at reality programs or have they hit their peak? "We don't arbitrarily across the board say all reality is good or all reality is bad. All new shows have a high failure rate. There will be good reality shows that catch on. We look more at the individual programs rather than the category overall."—*T.I.*

Beer

The low-carb craze continues to breathe new life into the long-stagnant beer marketplace, which last year invested $454.8 million in network TV advertising, according to Nielsen Monitor-Plus. Those who watch the sector affirm that network TV will continue to be the favored marketing tool of beer makers heading into the fall TV season, and new low-carb product from Anheuser-Busch, Coors Brewing, Labatt USA and Miller Brewing is expected to continue to dominate much of that airtime. (Little wonder, since light-beer sales make up an estimated half of the $60 billion-plus domestic beer market.)



A-B is expected to spend $100 million this year to market Michelob Ultra alone, while Coors is expected to spend tens of millions on the soon-to-be-launched Aspen Edge. This, as industry stalwarts like Miller Brewing's Miller Lite and A-B's Bud Light tout their low-carb bona fides in TV spots. Low-carb is where it's at in the beer business, confirms Ben Steinman, editor of the industry newsletter *Beer Marketer's Insights*. Sales of Miller Lite, he says, are growing at a double-digit clip, in great part because of its new low-carb positioning.

The biggest spender so far this year on network prime time is A-B's Budweiser and Bud Light brands; the company laid out $24 million through February to promote those products, according to Nielsen. While network spending is expected to be strong this year, don't look for the hot low-carb trend to translate into marked spending increases in the sector, warns Eric Blankfein, vp/director of media planning for Horizon Media in New York: "Network will continue to take the lion's share again, but when you talk about light and ultra and low-carb, it's not necessarily incremental to spending. We will likely see a rotation, as opposed to more money going into the marketplace. You won't see spending double because of this new category."

It's not all about low-carb. Other niche beer categories expected to continue to feed network coffers include ice beers (Bud Ice, Labatt Ice) and so-called "malternatives." A-B is using network to promote its new Bacardi Silver Limón, the latest in its family of flavored malt beverages. Meanwhile, Miller is using network for its current "Anthem" campaign, promoting its Miller Lite and Miller Genuine Draft brands.

LOW DOWN: Low-carb beers grab air time.

Humor, as always, continues to distinguish network TV beer spots. A-B's current Bud Light campaign, poking fun at "over-the-top" carb counters, created by DDB Worldwide in Chicago, is just one example. The brand also airs "Institute Treadmill" and "Institute Toe Flex," created by Downtown Partners DDB in Toronto, to parody the low-carb phenomenon.

While beer makers remain devoted to network, the tone of their ads could be changing. A-B president August A. Busch IV told attendees at this month's American Association of Advertising Agencies gathering in Miami that, following the outcry over Janet Jackson's Super Bowl performance and less-than-glowing reviews of some of the racier beer spots during the telecast, his company was reevaluating its creative.

Observers predict the powerful mix of network TV and sports will continue to be a winning formula for beer makers looking to reach their core male market. As part of the current campaign "Miller . . . Good Call," Miller chose to launch its presidential-campaign parody "President of Beers" spot, created by Wieden & Kennedy in Portland, Ore., during this month's NCAA Final Four tournament broadcast on CBS.—*Tony Case*

Tony Case is a contributing editor to Mediaweek.

FOCUS ON

Todd Gordon, senior vp/manager of national broadcast at MediaCom, says the low-carb phenomenon "proves that brand extensions like that can really work and even be a phenomenal success." He thinks the trend "will inspire continuing innovation in the category. I think probably all the marketers in the category will look at their brands and say, maybe we can revitalize them in some way with a brand extension, or they'll find a different niche of the marketplace they can market to. There aren't a lot of successful new brands in the category recently." Gordon says in launching new brands like low-carb alternatives, beer makers will continue to find network prime time "most powerful." It's not a surprise to see beer makers buying time during male-skewing entertainment and sports programming—but the exec says expect the brewers to target female viewers more heavily amid this latest trend. "The low-carb message is appealing to both men and women," he explains. Beer makers' core target of young men, as a captive audience, remains as elusive as ever, Gordon notes. So, brewers have chased that consumer into cable and elsewhere. Still, "[network] TV overwhelmingly dominates," he says. "Nothing else comes close. For the foreseeable future, it will be the core media choice" of beer makers.—*T.C.*

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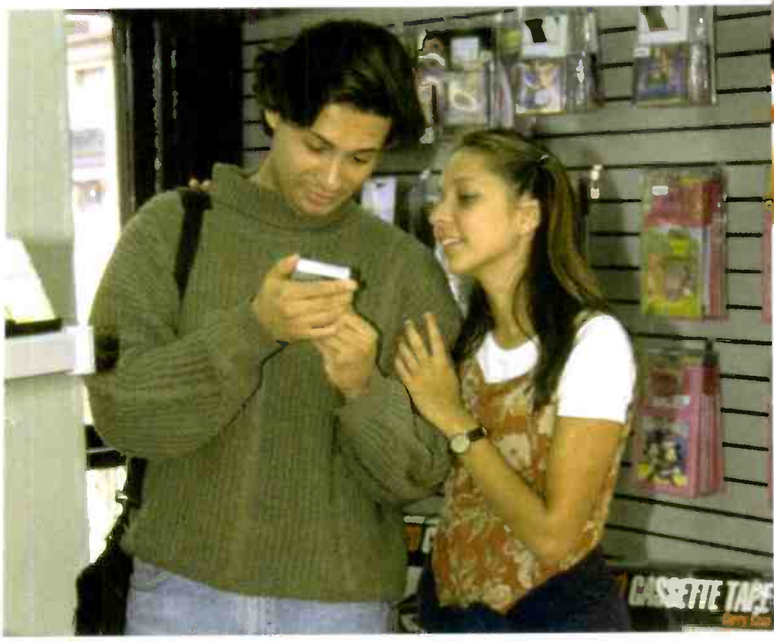
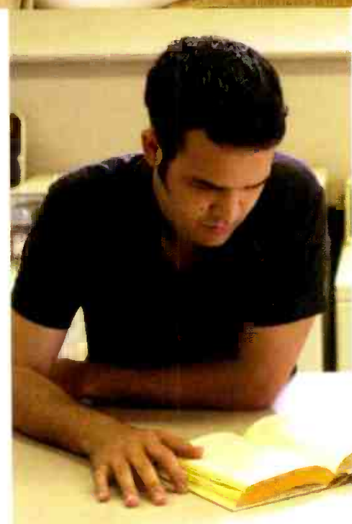
Association of Hispanic Advertising Agencies





The Latino Gap

By under-investing in America's fastest growing consumer segment, advertisers may actually be threatening future revenue growth, a new study says

America's largest advertisers spent more on marketing to Latinos last year than ever before, yet they continued to fall far short of amounts that would effectively target this large ethnic minority, according to a new report by the Association of Hispanic Advertising Agencies.

The report, which found that some ad categories do a much better job of reaching out to Hispanics than others, arrives amid growing evidence that a rapidly expanding Latino population will soon wield as much influence in American culture as has the World War II baby boom generation.

Last year, the third in which AHAA has measured Hispanic-targeted spending by the 500 largest advertisers, big marketers spent 5.2 percent of total outlays on reaching Latinos. This is up from 3.6 percent spent in 2000, and only 1 percent in 1997, the year AHAA held its first convention. "Back then, our very ambitious goal was to convince advertisers to spend 2 percent of their budgets on Hispanics," says AHAA president Aida Levitan, vice chairman and chief communications officer of Miami-based agency Bromley Communications.

"It's encouraging to see there's been an upward trend, and that the upward trend has been substantial."

Still, Levitan says, outlays fall far short of the 9 percent AHAA recommends for national advertisers and the 15-17 percent it suggests for those marketing at the spot or regional level. What's more, most of the spending that does occur comes from among the top 250 advertisers, Levitan says. This means those ranked 251 and below are devoting little if any of their spending to target Latinos.

AHAA's report, "Ad Budget Alignment: Maximizing Impact in the Hispanic Market," examined the spending habits of 671 advertisers that have ranked among the 500 largest in the U.S. between 2000 and 2003. Santiago Solutions Group conducted the study, using data from TNS Media Intelligence/CMR to compare how advertisers allocated their print and TV

spending for both Hispanics and the general market.

Among its most telling findings: Retailers and direct response marketers allocate significantly more of their resources-7.3 percent-to Hispanic marketing than do manufacturers and service providers, who designate 4.8 percent. "Retailers and direct marketers are on the front lines, measuring the impact of their media every day," Levitan says. "These are the advertisers that are shifting resources more quickly to Hispanic media because they have seen very direct results from the Hispanic market."

While retailers and direct response marketers are rapidly increasing their Hispanic spending, some manufacturers continue to allocate almost nothing to the market.

Pharmaceutical companies, for example, spent 0.9 percent of their TV and print budgets on reaching Latinos. "I'm very discouraged to see this," Levitan says, blaming the shortfall on what she calls myths about the market. "Some pharmaceutical companies believe that a majority of Hispanics lack health insurance or that those who have it have insurance provided by the government, which requires that people buy generics," Levitan says.

In a recent survey, the Pew Hispanic Center found that 65 percent of all U.S. Hispanics, and 75 percent of those born here, have health insurance.

Hispanic agencies are hoping to see more myths about Hispanics and health care explode during the AHAA convention in Miami, where Telemundo plans to unveil a new study of Latinos' use of pharmaceuticals. The report found that Hispanics are on par or above par with the general market in the prevalence with which they suffer from a number of diseases, including diabetes, asthma and acid reflux, but they tend to have less information about their choices of medications for treating these maladies, according to Steve Mandala, Telemundo's executive vice president of network sales. "This is a consumer who wants information about how to treat these diseases," he says.

Along with pharmaceuticals, there are other manufacturing categories that allocate a puzzlingly low percentage of their ad spending to Hispanic media, according to Levitan. Credit card companies, for example, spent only 2 percent of their print and TV dollars on Hispanic media. "These companies have a tremendous opportunity due to the fact that there are so many Hispanics that don't yet have credit cards," Levitan says.

Another mystery lies in the extremely low expenditures by game, toy and hobby craft makers, which devoted only 0.6 percent of their TV and print outlays to Latinos last year. And worse, sporting goods manufacturers spent nothing at all on the market.

Both categories seem to be ignoring the fact that Hispanics tend to be significantly younger than the general market, Levitan says. "The average age of the Hispanic consumer is 10 years younger than that of the general-market consumer," she says.

Categories Vary Between Hispanic and General Market Allocations

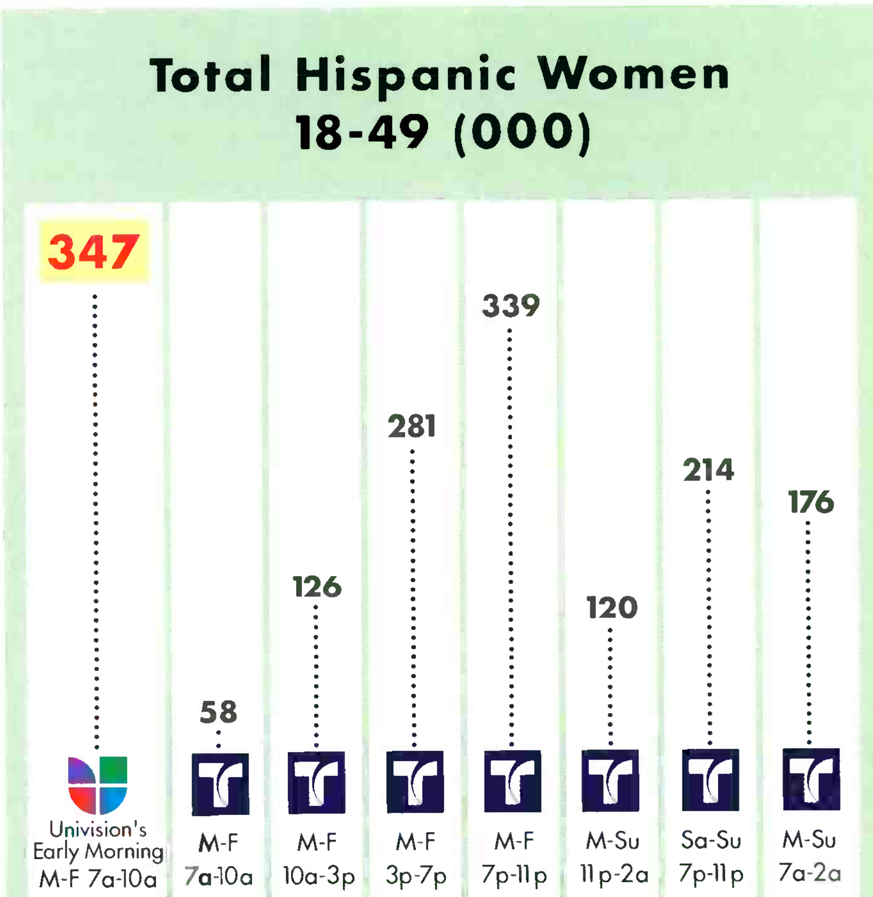
Reflects incongruent perception of market opportunity

ahaa

	2003 $ (000) SPENT IN TV AND PRINT						
	HISPANIC	H RANK	GM	GM RANK	TOTAL	% HISP	TOTAL RANK
Consumer Electronics Retailers	$309,050	3	$1,270,401	$\boxed{13}$	$1,579,454	19.6%	11
Food and Drug Retailers	$66,045	13	$543,216	16	$609,273	10.8%	1
Consumer Electronics Manufacturers	$179,741	7	$2,067,060	10	$2,246,808	8.0%	17
Telecommunications	$241,305	6	$2,885,801	6	$3,127,112	7.7%	4
Apparel Retailers	$140,657	8	$2,238,445	9	$2,379,109	5.9%	12
HH Furnishing/Appliances Retailers	$82,966	10	$1,447,435	12	$1,530,410	5.4%	3
CPG Manufacturers	$753,180	1	$13,219,966	1	$13,973,176	5.4%	7
Gas and Convenience Retailers	$8,170	17	$159,657	17	$167,844	4.9%	8
All Other Manufacturers	$261,253	5	$5,379,352	4	$5,640,609	4.6%	15
Automotive Manufacturers	$340,755	2	$7,494,923	2	$7,835,680	4.3%	10
Entertainment	$303,783	4	$6,720,212	3	$7,023,999	4.3%	9
Auto Dealers	$109,168	9	$2,543,441	8	$2,652,618	4.1%	5
All Other Retailers	$67,756	11	$2,000,851	11	$2,068,618	3.3%	13
HH Furnishing/Appliances Manufacturers	$19,036	15	$593,067	15	$612,118	3.1%	14
Financial Services	$67,479	$\boxed{12}$	$3,160,735	5	$3,228,225	2.1%	6
Apparel Manufacturers	$14,421	16	$1,151,084	14	$1,165,521	1.2%	2
Pharmaceutical Manufacturers	$23,603	$\boxed{14}$	$2,761,232	7	$2,784,849	0.8%	16

Note: 2003 $ based on expenditures from January–September 2003 annualized.

Our Primetime starts at 7am.



Source: NHTI (9/22/03-4/4/04), AA Women 18-49 (000) PAV'S. Subject to qualifications upon request.

Univision delivers more viewers in early morning than Telemundo does in any daypart...

...INCLUDING PRIME!

"Young families buy toys and young people buy sporting goods."

Manufacturers of office equipment and supplies are also among the lowest spenders uncovered in the AHAA study. Their 0.1 percent Latino-targeted spending flies in the face of the fact that Hispanics own a significant percentage of the micro-businesses, those employing 10 people or fewer, operating in the U.S. today, Levitan says. The Internal Revenue Service confirms this, reporting a 30 percent increase in Hispanic entrepreneurs since 1998.

Even packaged-foods manufacturers are way behind where they should be in spending to target Latinos, allocating only 3.7 percent of outlays last year, Levitan says. "We have large families and we over-index in most categories of packaged foods, yet this industry has actually decreased its spending since 2001, when they spent 3.9 percent of their budgets on Hispanics."

Pet food manufacturers spent nothing at all on Hispanic TV or print media last year or in 2002 and 2001.

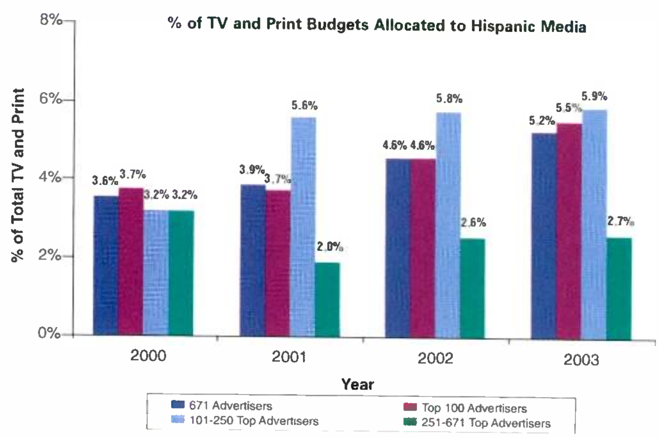
"Some of this data is shocking," Levitan says. "If you walk around big cities in the U.S., from New York to Dallas, to Los Angeles, to San Francisco, Chicago and Miami, you see who your consumers are and you realize that nationally and locally, advertisers should be thinking about how to spend appropriately to target Hispanics."

While many advertising categories continued to under-spend, some posted big gains in Hispanic media spending. Real estate companies, for example, jumped from 1.9 percent to 3 percent of budgets allocated. "The real estate market is so hot now," Levitan says, "and Hispanics are very conscious of the fact that owning a home is the beginning of their wealth in this country. Some real estate companies are starting to realize what a marvelous opportunity this is."

Other significant gains came from consumer electronics stores, which set aside 20 percent of their spending for Hispanics in 2003, compared to 13.1 percent the year before, and eyewear and medical equipment, which jumped from 0.2 percent to 2 percent of spending during 2003.

"Only about one-fifth of advertising categories invest near the correct levels in line with Hispanic consumption behavior in their specific categories," the AHAA report concludes. Categories allocating the most included consumer electronics retailers and manufacturers, food and drug retailers and telecommunications companies. Those setting aside the least included pharmaceutical companies, apparel manufacturers, financial services and entertainment companies.

Allocations Driven by Top 250 Advertisers



2003 percentage based on expenditures from January–September 2003

Fox Sports en Español is #1 in total delivery of Hispanic households for live sports programming in all of Spanish-Language cable television.

The top 3 telecasts and 6 of the top 10 are on Fox Sports en Español

PROGRAM	DATE	NETWORK	(000) HH
Copa Libertacores	01/28/2004	Fox Sports en Español	237
Interliga	01/14/2004	Fox Sports en Español	234
Copa Libertadores	02/11/2004	Fox Sports en Español	229
Futbol Champs Semi-Final(s) 1	12/10/2003	Galavision	224
Copa Libertadores	01/21/2004	Fox Sports en Español	221
Futbol-Domingo 2	03/14/2004	Galavision	217
Futbol-Miercoles	11/26/2003	Galavision	213
Futbol Champs Quarter-Final(s) 1	12/03/2003	Galavision	207
Interliga	01/14/2004	Fox Sports en Español	205
Copa Libertadores	03/17/2004	Fox Sports en Español	201

We have also achieved 5 of the top 10 Adults 18-49 total delivery for sports programming

PROGRAM	DATE	NETWORK	(000) A18-49
Futbol Champs Semi-Final1(s)	12/10/2003	Galavision	384
Futbol Champs Quarter-Final(s) 2	12/04/2003	Galavision	348
Copa Libertadores	01/28/2004	Fox Sports en Español	317
Futbol-Miercoles	11/26/2003	Galavision	317
Interliga	01/14/2004	Fox Sports en Español	305
Interliga	01/14/2004	Fox Sports en Español	267
Futbol Champs Quarter-Final(s) 1	12/03/2003	Galavision	252
Copa Libertadores	02/11/2004	Fox Sports en Español	244
Interliga	01/04/2004	Fox Sports en Español	244
Futbol-Sabado 2	10/04/2003	Galavision	240

Source Nielsen Media Research, NHHI Program Averages BY04 season to date 9/29/03-3/28/04
Subject to qualifications available upon request.

We are extremely proud of our accomplishments!

Thank you to the Hispanic media community, especially our sponsors, for your continued support. These are head to head program averages containing no fuzzy math. We stand by our research data.

FOX SPORTS en ESPAÑOL™

AHAA's 2004 report on Hispanic advertising comes amid a flood of statistics tracing the dramatic impact Latinos are having on American culture.

As of Jan. 1, there were 43.5 million Hispanics living in the U.S., according to the 2004 Hispanic Market Report from Synovate Diversity, a market research firm. At 14.4 percent of the total U.S. population, Hispanics are now the largest ethnic group living here and by far the population's fastest-growing segment.

The U.S. Census pegs growth of the Hispanic community at 3 percent a year, compared with 0.8 percent for the population at large. As the Census has historically underestimated the growth of the Hispanic population, most demographers familiar with Hispanic immigration and nativity trends forecast the growth rate to be as high as 4.7% per year throughout the next decade. Even at the rate forecast by the Census, by 2050, Hispanics will represent 25 percent of the U.S. workforce.

"Their numbers are so great that, like the postwar baby boomers before them, the Latino Generation is becoming a driving force in the economy, politics and culture," reported Time magazine in a recent cover story.

Hispanic buying power is also growing dramatically, according to the University of Georgia's Selig Center for Economic Growth, which found Latino spending jumped 29 percent since 2001, to $652 billion last year.

Advertisers who continue to underspend on Hispanics are leaving profits on the table, the AHAA report says. "While progress has been made, American corporations continue to show insufficient investments to spark sustained profitable revenue growth that is proportionate to the existing Hispanic purchasing power, fast rate of market and wealth growth, sophistication, personal and family need, interest for products and services, and desire to broaden brand options," the report concludes.

Corporations spent only about 5 percent of their advertising budgets on image campaigns targeted to Hispanics last year, the report found. "Longer-term investment by manufacturers of goods and headquarters of services have only taken baby steps at shifting allocations and still face a major Hispanic under-investment," the report said.

AHAA's study puts statistics to the issue of how much advertisers should be spending to effectively reach Hispanic consumers, Levitan says. "We are very encouraged by the substantial increases in Hispanic spending that we are seeing," she says, "but spending still hasn't come up to appropriate levels. We look forward to the day when it does."

Following the Viewers

One sign of Latinos' growing influence in the U.S. surfaced in the growth of spending on Spanish-language TV last year. The AHAA report found that advertisers' spending on Spanish-language TV jumped 57 percent, from 4.7 percent of TV budgets in 2000 to 7.4 percent last year.

"The evidence is in the ratings," Levitan says. "Univision and Telemundo beat general-market stations in some markets."

About 10 percent of total network-TV expenditures go to Spanish-language TV networks, the AHAA report found, while 9 percent of total spot TV spending go to reaching Hispanics.

Spanish-language cable networks lag behind, capturing less than 1 percent of all spending on cable networks and Spanish-language print media also lag, winning 1 percent of all print expenditures.

To most marketers, consumers die the minute they turn 50.
The way marketers treat Hispanic consumers over 50 is a crime. The long-held belief is that this group isn't willing to spend their money. But last year alone, they spent nearly $13 billion on things like cars, travel and fine dining. No one connects with this market better than AARP Segunda Juventud. With a circulation of 600,000 and growing, we're proof that this 50+ crowd is alive and kicking. Visit www.aarpmedia.org.
AARP Segunda Juventud
Don Miguel Ruiz
Cuatro acuerdos con nosotros mismos
Four Agreements to Live By

Hispanic Behavior Counters Macro Trends

BY MATT BELL

Staying on top of the ever-changing consumer landscape is a full-time job, but it's essential work for marketers. With Hispanics looming larger in the picture, ACNielsen monitors their buying behavior, among many macro trends the company tracks, to help clients understand and appeal to that market segment.

In Los Angeles, home to the largest Latino population in the country (17 percent of the U.S. Hispanic population lives in the four-country L.A. area), ACNielsen operates its Homescan LA Hispanic panel, 1,500 households equipped with in-home scanners that are used to record all UPC-coded products purchased. Using language primacy as a proxy for acculturation, the panel provides important insights into product preferences among three key sub-segments of the Hispanic population: Households in which Spanish is the preferred or only language spoken ("less acculturated"), bilingual households, and those in which English is the preferred or only language spoken ("more acculturated").

The households are balanced to represent the Hispanic population in Los Angeles, where the largest segment (55 percent) is less acculturated. Thirty-three percent of L.A. Hispanics are bilingual, and only 12 percent are more acculturated.

Using an analysis of the latest Homescan L.A. Hispanic panel data, here's a look at Hispanic product purchasing seen through the filter of some of the most important macro trends occurring in the United States.

Speed of life. Dual-income families, long commutes, and the "sandwich effect" of caring for children and parents simultaneously has left lots of people feeling time-pressured. So it's no wonder that the consumer packaged-goods industry has found great success with products that deliver on the promise of convenience. Yogurt and apple sauce in easy-to-carry tubes, candy that comes in car-friendly containers, shelf-stable and refrigerated entrees that need only to be heated, breakfast cereal bars, and other products that save time have all sold well.

But some people are more inclined than others to purchase such products. Breakfast bars, for example, sell especially well to wealthier households, which can afford the relatively high cost of convenience. The products also do well with households where the female head of household is 35-44-prime child-rearing (busy) ages.

But how are convenient meal solutions faring in the Hispanic market? In six of the seven convenience-food categories listed below, non-Hispanic household penetration exceeds that of Hispanic households. And, in all cases, purchasing of such products increases with acculturation, likely due to the growth in household income that accompanies acculturation.

CATEGORY	PERCENTAGE OF HOUSEHOLDS THAT PURCHASE THE CATEGORY					
	TOTAL L.A.	NON-HISPANIC	HISPANIC	HISPANIC SUB-SEGMENTS		
				SPANISH ONLY/PREF	BILINGUAL	ENGLISH ONLY/PREF
Entrees–Refrigerated	47	54	29	18	41	55
Shelf-Stable Entrees	22	28	8	2	12	23
Breakfast Bars	32	36	24	17	28	45
Granola & Yogurt Bars	49	55	35	25	44	58
Energy Bars	24	29	10	6	12	27
Frozen Waffles & Pancakes & French Toast	38	38	38	32	42	58
Dinners–Frozen	47	56	24	13	34	50

Source: ACNielsen Homescan LA Hispanic Panel, 2003

Health concerns. Obesity and diabetes have become global epidemics, but in the U.S. the problems are especially pronounced, where an estimated 31 percent of adults and 15 percent of children are overweight. Further research from ACNielsen found that L.A.-area Hispanics are more likely than non-Hispanics to report that someone in their household suffers from diabetes or a weight-control issue.

CATEGORY	PERCENTAGE OF HOUSEHOLDS IN WHICH SOMEONE SUFFERED FROM THE HEALTH-RELATED CONDITION OR AILMENT IN THE PAST 6 MONTHS					
	TOTAL L.A.	NON-HISPANIC	HISPANIC	HISPANIC SUB-SEGMENTS		
				SPANISH ONLY/PREF	BILINGUAL	ENGLISH ONLY/PREF
Diabetes - Insulin	4	3	9	12	6	2
Diabetes - Oral	8	7	10	8	12	13
Weight Control	14	10	23	25	22	14

Source: ACNielsen Homescan surveys, 9/02 and 1/03

However, as the chart below indicates, Hispanic households are less likely to purchase products designed to appeal to people with such conditions.

AILMENT	PERCENTAGE OF HOUSEHOLDS THAT PURCHASE THE CATEGORY					
	TOTAL L.A.	NON-HISPANIC	HISPANIC	HISPANIC SUB-SEGMENTS		
				SPANISH ONLY/PREF	BILINGUAL	ENGLISH ONLY/PREF
Dietetic Chocolate Candy	9	11	3	2	5	5
Dietetic Non-Chocolate Candy	10	12	6	5	5	14
Diet Aids	21	22	18	14	23	24
Blood/Urine/Stool Test Products	4	4	3	2	4	5

Source: ACNielsen Homescan LA Hispanic Panel, 2003

And what about the low-carbohydrate diet craze that's sweeping the country? Nationally, numerous inherently high-carb products have experienced sales declines while their low-carb counterparts are enjoying success.

The chart below shows a mixed picture for the Hispanic market's place within the low-carb trend. Hispanic households are less likely to purchase some high-carb products that are popular with non-Hispanics such as potatoes, although they are more likely to buy others such as bulk rice, a staple in many popular Hispanic dishes.

CATEGORY	PERCENTAGE OF HOUSEHOLDS THAT BUY PRODUCTS IN THE CATEGORY					
	TOTAL L.A.	NON-HISPANIC	HISPANIC	HISPANIC SUB-SEGMENTS		
				SPANISH ONLY/PREF	BILINGUAL	ENGLISH ONLY/PREF
Meat Snacks	20	24	11	5	15	28
Dinner Sausage	47	50	41	32	50	68
Diet Carbonated Soft Drinks	58	64	41	33	46	70
UPC-Coded Fresh Potatoes	58	60	52	46	57	74
Nuts	72	79	56	48	64	75
Eggs	88	90	84	79	88	94
Cookies	90	91	89	88	91	92
Bulk & Packaged Rice	42	35	59	58	59	63
Regular Carbonated Soft Drinks	92	90	95	96	95	94
Cereal	94	93	95	95	95	95

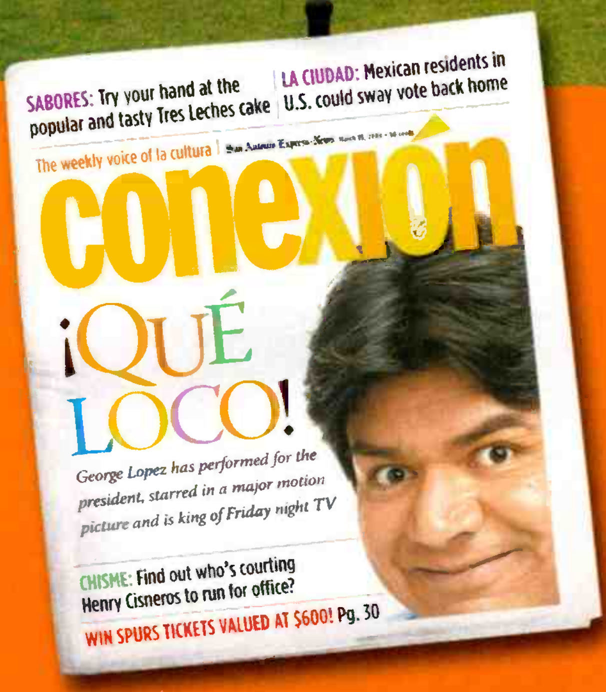
Source: ACNielsen Homescan LA Hispanic Panel, 2003

Technology. With ownership rates of computers, printers, CD and DVD players, and other personal electronics growing rapidly, mass merchandisers—and even drug and grocery stores—are seeing booming sales of printer ink cartridges, compact discs and more. However, the Hispanic market lags the general market in purchasing of such items, likely because lower household incomes make them less likely to own the latest technology. Again, purchasing of technology peripherals grows with acculturation.

CATEGORY	PERCENTAGE OF HOUSEHOLDS THAT PURCHASE THE CATEGORY					
	TOTAL L.A.	NON-HISPANIC	HISPANIC	HISPANIC SUB-SEGMENTS		
				SPANISH ONLY/PREF	BILINGUAL	ENGLISH ONLY/PREF
Blank Audio Product	7	7	6	5	6	10
Blank Video Product	28	31	21	15	27	37
Prerecorded Video Products	57	60	48	38	55	75
Computer Software	16	18	10	5	14	23
Floppy Disks & Diskettes	5	6	2	1	3	8
Ink Jet and Toner Cartridge	24	28	14	8	18	30
Recordable Compact Disc	13	14	11	6	17	20

Source: ACNielsen Homescan LA Hispanic Panel, 2003

Clearly, macro trends are driven by and impact different segments of the population differently. In areas with a large population of Hispanics, especially where the less-acculturated segment is dominant (as is the case in L.A.), it is important to note that product purchasing related to those trends often differs significantly from national purchasing trends.



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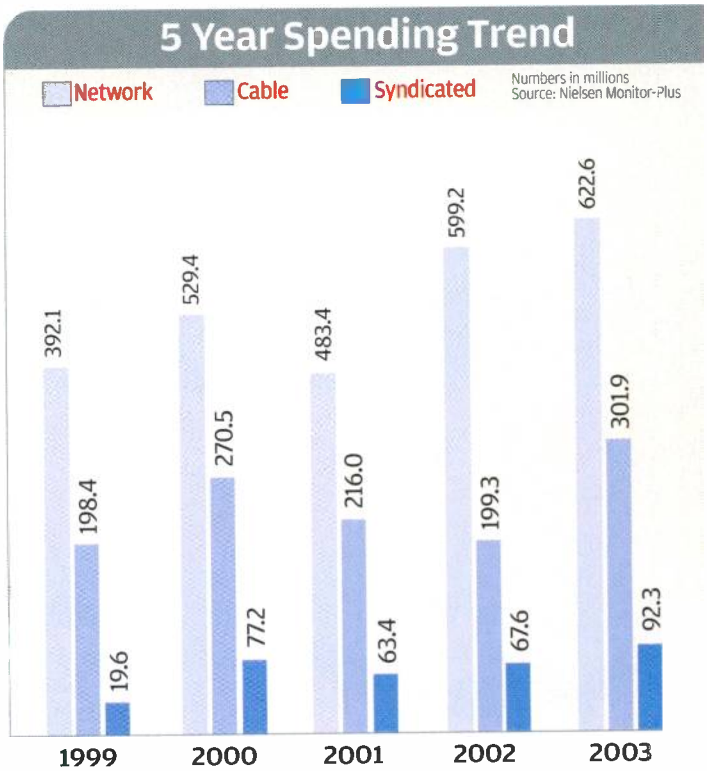
San Antonio Express-News

Credit Cards



As the war to be "top of wallet" intensifies, spending outlays among the big credit card players—MasterCard, Visa, Capital One and American Express—should keep them top of mind with network media buyers.

While MasterCard's overall spend jumped 23.6 percent last year and American Express's rose 1.7 percent, according to TNS/CMR, the other two biggies scaled back. Visa cut spending 5.9 percent while Capital One's declined 18 percent.

"Top of wallet" refers to the idea that advertising is less about trying to convince users to get a new card than to use their card more often. "If you have nine credit cards in your wallet, you're probably going to keep those nine," says Anthony Hegarty, vp-sales, financial account team for Baltimore-based marketing service firm Vertis. "The point is to get yours to be one that they use."

Marketers have addressed the issue with promotions like MasterCard's "Priceless" efforts, which reward users for tapping the card at restaurants and on vacations. But another key opportunity is "entanglements"—monthly billings charged to a card, which make it harder to break ties with a card issuer. Thus, credit card issuers are focusing on getting users to put their gym, utility and phone bills on the card.

Credit card companies have found network TV an effective vehicle for getting such messages out, but Hegarty noted that the overall trend, as in other industries, is toward a more customized message, whether it be targeted by demographic or attitude. "What they're all striving to do is create bigger needles and smaller haystacks," he said.

In 2003, firms in the category spent $623 million on network TV, $403 million of which went to prime time, a 19 percent jump over the previous year's $338 million on prime time, according to Nielsen Monitor-Plus.

What may threaten the spend is a demographic shift. As credit card marketers switch their sights from Gen X to Gen Y, there's a growing sense that they may need to shake up their marketing approaches. That sense is compounded by a mysteriously shrinking 18- to 34-year-old male viewership, an especially troubling development, since men are more likely to have more than one card. David Robertson, publisher of *The Nilson Report*, Oxnard, Calif., a credit card industry newsletter, expects that merchants will step up sponsorship activity to reach the demo. "They might go around [Major League Baseball] and buy sponsorships with individual teams," he says.

DYNAMIC DUO: Jerry Seinfeld and Superman team up for AmEx.

Therese Mulvey, vp-marketing research at Vertis, says the switching demo is causing some soul searching. "I think they're all looking at what they're doing," she says. "They've been doing a lot of the same stuff with direct mail for a while. They've got to be asking, 'Can creative be changed?' You can't just keep doing the same thing and get the same results."

Indeed, MasterCard's "Priceless" campaign is in its seventh year while American Express has used its "Official card of . . ." tagline for more than five years.—*Todd Wasserman*

FOCUS ON

If Jerry Seinfeld were writing this, he might ask, "Who wants to go on the Internet to watch a commercial? What's next? Turning on the TV to watch spam?"

Then again, if Seinfeld's material was that weak, he wouldn't be where he is today: at the center of an audacious effort from American Express to get people to watch a commercial via the Internet. Thousands of people so far have gone to americanexpress.com/jerry to see a "Webisode" featuring the star's adventures with an animated Superman, voiced by *Seinfeld* alum Patrick Warburton. The five-minute short is mostly bantering between Seinfeld and Superman, but includes a not-so-subtle plug for AmEx at the end. Judy Tenzer, a spokeswoman for the credit card firm, said there will likely be other such efforts.

"We're looking at a lot of different ways to reach cardmembers and prospective cardmembers," she says. "We're using a complement of marketing and media approaches and looking at a variety of things."

American Express' small business-focused Open card is also testing the synergy waters with product placement. The first effort, which drew some criticism for transparent hucksterism, was with *The Restaurant*, a reality show following celeb chef Rocco DiSpirito that ran on NBC last summer. The unit did not re-up for the second season, but will take part in *Blow Out*, another reality show, this time about the exploits of celebrity hairstylist Jonathan Antin.—*T.W.*

Todd Wasserman is news editor for Brandweek.

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:: Ambush Makeover

:: Yes, Dear

20TH T

:: The Practice

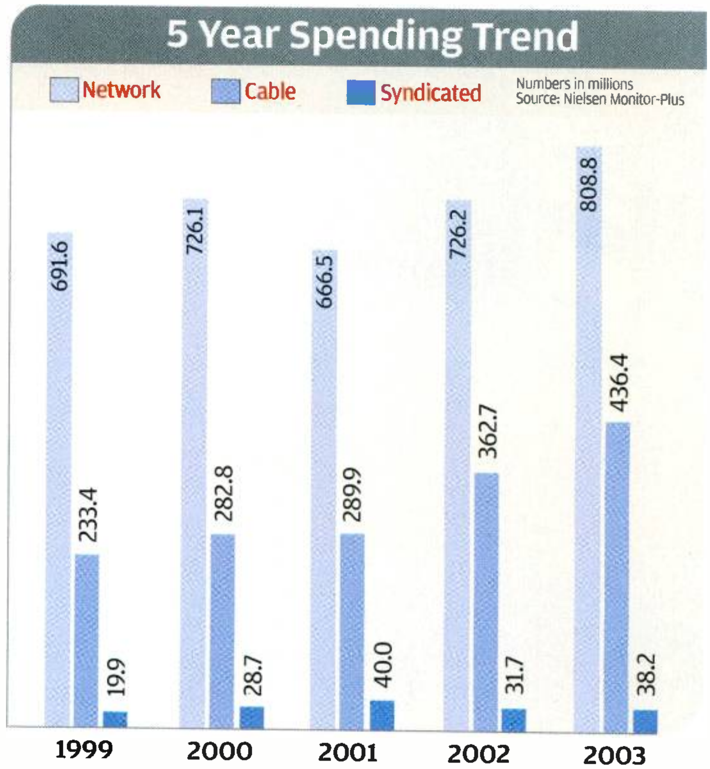
:: The X-Files

:: Cops

:: Good Day Live

:: Divorce Court

Fast Food



Media spending should be hot and heavy for the duration of the year as the nation's top fast feeders continue to try and reinvent themselves. Not coincidentally the three largest burger chains in the world also happen to be three of the biggest media spenders. McDonald's was the second largest media spender across all categories in 2003, weighing in at $547 million, per TNS/CMR. As the chain continues to try and make consumers love its "I'm Lovin' it" campaign, it will continue to dominate the airwaves with new product news and major sponsorships.

The Golden Arches had a golden sales resurgence last year thanks to new items like its premium salads, McGriddles and other items. This year it is focusing on its all white-meat Chicken McNuggets and other new items. This summer it is expected to nationally launch chicken breast strips named Big Dippers. It is also testing a flat bread deli sandwich. Partnerships with the Olympic games, which it extended through 2012, and ESPN's 25th anniversary will receive the spotlight this summer as well. A new french fries-focused campaign from DDB, Chicago, is currently airing with new Big Mac ads from Leo Burnett, Chicago, on their way as well.

Burger King has seen sales spiral into the abyss. Robert Nilsen resigned as president after 13 months on the job. And its game of ad agency musical chairs continues. In January it dropped Young & Rubicam, New York, after less than a year for Miami-based Crispin Porter + Bogusky (its fifth agency in four years). No wonder then, that despite being the 13th largest spender in media with $270 million, BK has struggled with its brand message. To help set consumers straight, it dusted off its old tagline, "Have it your way," and released an ad onslaught to drive the familiar slogan home. Recently it looked to its new TenderCrisp Chicken, a permanent addition nationwide, to draw interest. Another coming push will be behind its fire-grilled entrée salads. Its Angus beef steak burger is on the way as well. On the kids front, there's a lot of noise about its tie-in with the much-anticipated *Shrek 2.*

PLAYING CHICKEN: Burger King is heavily promoting its TenderCrisp Chicken.

Wendy's, which spent the 10th-most dollars on media with a $297 million budget, is also looking for a new voice, which is something it has been struggling with since founder Dave Thomas passed away. Its latest choice is Mr. Wendy, who is called the chain's "unofficial spokesman."

The largest fast food franchise in the world, Subway, also recently scrapped its new ad campaign. Consumers didn't get its tongue-in-cheek "It's OK, I had Subway" campaign, via Fallon, Minneapolis. It hopes its new round of "Split screen" ads will fair better. Subway spent $248 million on media last year.

Pizza Hut had one of the more successful new product rollouts this year. Its "4forAll" square pizzas launched with much fanfare during the Super Bowl with ads featuring Jessica Simpson and the Muppets. The Yum! Brands-owned chain spent $171 million on media last year. BBDO, New York, handles.—*Kenneth Hein*

Kenneth Hein is a senior editor for Brandweek.

FOCUS ON

Consumers will be hard-pressed to find an edible or drinkable product category that hasn't been altered by the fad-diet tidal wave. One channel that has been affected the most has been the fast-food chains and restaurants. Eateries have been scrambling to provide new options that will keep health-conscience consumers from going elsewhere.

McDonald's, for example, will discontinue its Super Size fries option by year's end. This change comes as it has been pushing its "healthy lifestyle initiative." Other alterations: bagels are now only an optional breakfast item, its 14-oz. yogurt parfait has been cut in half, 2 percent milk was eschewed in favor of 1 percent, and so on.

Forget "where's the beef?" Where's the bun? Burger King, Hardee's and Carl's Jr. introed low-carb burgers wrapped in lettuce instead of buns.

Subway is heavily touting its Atkins-friendly menu, which includes its low-carb wraps as well as its custom-made Garden Fresh salads. Competitor Blimpie's countered with its Carb Counter menu, which features Atkins Nutritionals' Cruncher Chips and sandwiches served on low-carb breads.

The trend is so far-reaching that Chipotle Mexican Grill's Burrito Bowl ditched the tortilla bowl as well as rice and beans. Chick-fil-A is testing a grilled chicken on a low-carb bun. And, T.G.I. Friday's offers salads without croutons, dips without chips and broccoli in place of french fries.—*K.H.*

WEARS CARGO PANTS FOR CLUBBING
NOT COMBAT.

Think you know the average History Channel viewer? Think again. With new high-tech originals like *The Tech Effect* and *Decisive Battles*, The History Channel is attracting a whole new breed of viewer. They're techies, gadget geeks and guys who simply care about nice pants. *WELCOME TO THE NEW GENERATION.*

The History Channel viewer is 49% more likely than the average male to spend $1000 or more on clothing each year.*

*Source: 2003 MRI DoubleBase. Base: Adults 18+.

If you're looking for a cost-effective, waste-free way to reach men as part of your adult buy, don't overlook The History Channel. Men don't.

FACT

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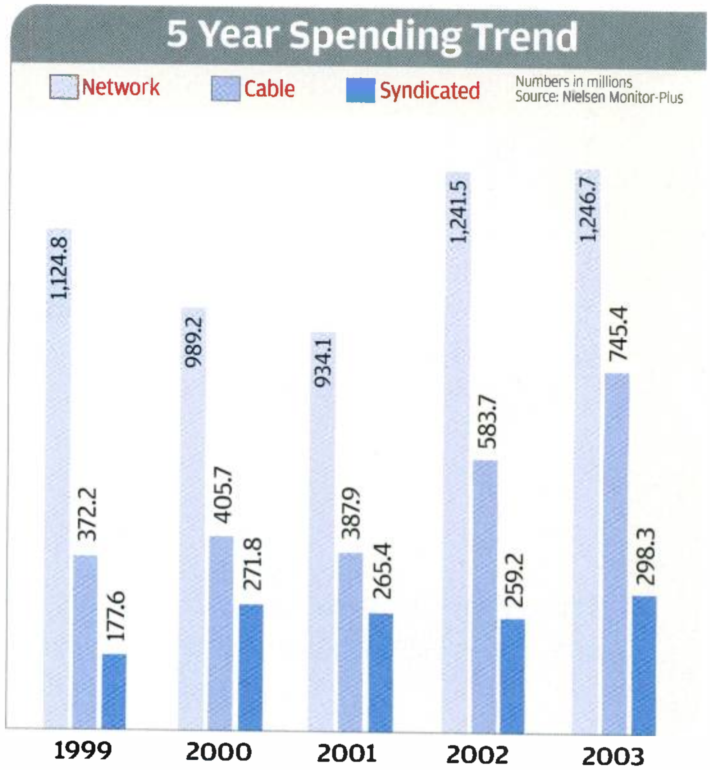
Health & Beauty



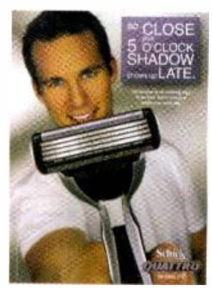
A slew of new dental-care products, a major ad campaign from Revlon and the ongoing "razor wars" all are expected to drive health/beauty business for the networks this year. The category spent less on network prime last year than the year previous, investing $802.3 million, a 4.3 percent decline from 2002, according to Nielsen Monitor-Plus. Meanwhile, the two biggest spenders in the sector—Procter & Gamble and Johnson & Johnson—both boosted their outlay by double digits compared to 2002.

P&G continues to spend big in prime time to promote Crest Whitestrips teeth whitener as well as the new Crest SpinBrush Pro Whitening battery-operated toothbrush and Crest Vivid White toothpaste. This, as P&G expects by June to have settled on an agency to handle its $2.5 billion North American media-planning account, now in review; incumbents Publicis Groupe's Starcom MediaVest Group and Grey Global Group's MediaCom are contenders, and the company this month was reported to be in talks with Aegis Group's Carat and Havas' MPG.

P&G's spending in prime jumped 16.2 percent to $152.9 million over 2002, due to spots for products like Crest Whitestrips and Olay Daily Facials. P&G currently is using network to promote its new Old Spice Red Zone men's antiperspirant/deodorant, targeting young men. P&G's Olay is promoting its new Olay Body Scrub and In-Shower Body Lotion, as well as Regenerist. And from P&G's Cover Girl comes the new Tru Blend.

Johnson & Johnson, the No. 2 spender, continues to invest major bucks in network prime to promote brands like Aveeno, Neutrogena and Carefree. Last year, it laid out $49.3 million on network prime.Unilever is investing heavily in network to promote its Axe men's antiperspirant/deodorant, last year laying out $8 million, a 123.2 percent jump over 2002.

L'Oréal spent less in prime time last year ($31.9 million, down 8.8 percent from 2002) but this year could be boosting its outlay due to a range of new products under Vive, Superior Preference and Feria haircare lines (including a new Vive for Men), as well as new lines like Alt.Studio.



LOOK SHARP: Razor war encourages ad spend.

Maybelline, whose network investment last year was flat, is looking at several new launches, including Colorama nail polish, Volum' Express Turbo Boost mascara and Forever Metallics lipstick.

Gillette, one of the 10 biggest spenders in network prime last year, with a $31.5 million investment, is using network to promote new products such as its M3Power men's shaver, the Venus Divine women's razor, the hot Braun/Oral-B electric toothbrush, the just-launched Oral-B Hummingbird flossing system and the June launch of Oral-B Brush-Ups teeth wipes.

Meanwhile, Schick is also using heavy network prime to push its men's four-blade razor Quattro and women's shaver Intuition. Gillette announced last month that it was acquiring the Rembrandt brand of at-home and professional teeth-whitening products from Den-Mat Corp.

This month, Revlon—last year's eighth biggest spender on network prime, with $33.7 million—announced a major ad campaign with a reported $100 million price tag, featuring spokeswomen Halle Berry, Julianne Moore, Eva Mendes and Jaime King. The network portion of the multimedia appeal is quite innovative, having kicked off with a two-minute "mini movie" during the season premiere of ABC's *The Bachelor* on April 7.—*Tony Case*

FOCUS ON

Candace Corlett, partner with the New York-based marketing and retailing consultancy WSL Strategic Retail and a former consumer-products exec with Germain Monteil Cosmetiques/Revlon and Bristol-Myers Squibb, says that with the growing array of choices in everything from battery-operated toothbrushes to the latest, multiblade disposable razor, network TV will be ever crucial in nudging consumers to "trade up" to the latest, newfangled health/beauty product. "The cosmetics market has seen real declines in unit sales," she explains. "Shoppers are pushing back and saying, 'I have accumulated drawers full of eye shadow and makeup. What's a good reason for me to trade up to the next price point, or to buy another one?'"

Corlett points out that, while so much health/beauty marketing continues to target younger demos, more and more skincare and beauty products are, smartly, marketing to people over the age of 45. Procter & Gamble last year invested $38.2 million alone in network prime to promote older-targeted Oil of Olay products, from Olay Daily Facials skin cleaners to Olay Regenerist moisturizer, according to Nielsen Monitor-Plus. Meanwhile, actress Andie McDowell, at 46, is one of the marquee faces of L'Oréal's network spots. "You now have 38 percent of the adult population over 50," Corlett says. "It's much too big to ignore."—*T.C.*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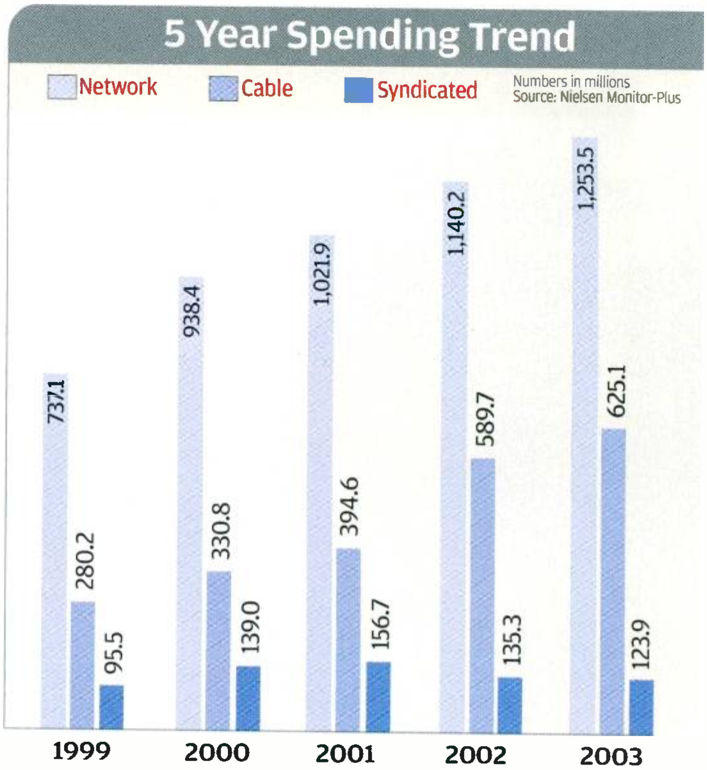
Chessmates is the heart-tugging, real-life story of a man who took a chance, changed his life, and in the course, changed the lives of hundreds of students. It's also part of our renewed commitment to great dramas, documentaries, Biography® programs and more.
The VISION is HERE

Movies



Much like the stock market, movie studios' spending on TV advertising—and marketing in general—has steadily soared, and it will continue to. But the incline has been über-steep in their home entertainment department, where marketing budgets have boomed right along with the DVD format's popularity. Last winter saw the release of several heavily hyped features, including *X2: X-Men United* (Fox), *The Hulk* (Universal), *The Matrix: Reloaded* (Warner Bros.) and *Finding Nemo* (Buena Vista). A special edition of the latter's *The Lion King* was unleashed with an estimated $200 million marketing budget, while Universal's glitzy big-budget ad campaign for the home video release of *Seabiscuit* resulted in industry insiders whispering that the studio had "bought" its Academy Award nominations with this hoopla.

But home entertainment is where the real action is in terms of spending increases. This past fall, the DVD household-penetration rate rose above the 50 percent mark, and consumers spent an estimated $4.5 billion on titles during the fourth quarter of 2003, according to *Video Store Magazine.*

New Line Cinema's DVD media budget has grown 65 percent to 70 percent since 2001, and that figure is far from an anomaly in entertainment circles. "Advertising spends have grown exponentially in the last three years with the growth in DVD players and software," says Jeff Platt, director of advertising and research at New Line's home entertainment division. "We're spending accordingly for those releases that demand it."

FOCUS ON On the heels of 2003 clunkers like *Paycheck* ($53.8 million in domestic box office), *The Hunted* ($34.3 million) and *Lara Croft Tomb Raider: The Cradle of Life* ($65.7 million), Paramount needs to ensure its customers—both the public and the nation's 35,774 movie theaters—that it means business: big business. So, the studio that slipped into seventh place last year threw a lavish party at the 2004 ShoWest convention in Las Vegas to convince theater owners that it's pulling out all the financial stops to support its upcoming releases, a move that will no doubt be followed by heavy TV advertising for each title.

At the alleged $4 million soiree, the studio showed off a slate of stars (Nicole, Jude, Jim, Denzel, Gwyneth, Samuel L. and Bette among them), gave the 2,500-plus attendees crystal paperweights etched with the Paramount arch and replaced the standard-issue rubber chicken with filet mignon. Once the celebs were on the dais—which was long enough to pass as the Last Supper with 24 or more disciples—theater owners were invited to ask publicist-written questions and watch the stars chew.

The studio then screened sneak peeks of the most-anticipated films on its 2004 roster, including *Sky Captain and the World of Tomorrow*, *The Stepford Wives*, *The Manchurian Candidate*, *SpongeBob Squarepants Movie* and *Lemony Snicket's A Series of Unfortunate Events*.—B.E.

Unlike most other consumer product categories, the advance timing of the selling season can be problematic for DVD marketers: With the exception of a few can't-lose properties, an individual film's ad budget is usually dictated by how it does at the box office, information that sometimes isn't available at the time of the upfront simply because the movie hasn't hit theaters yet.

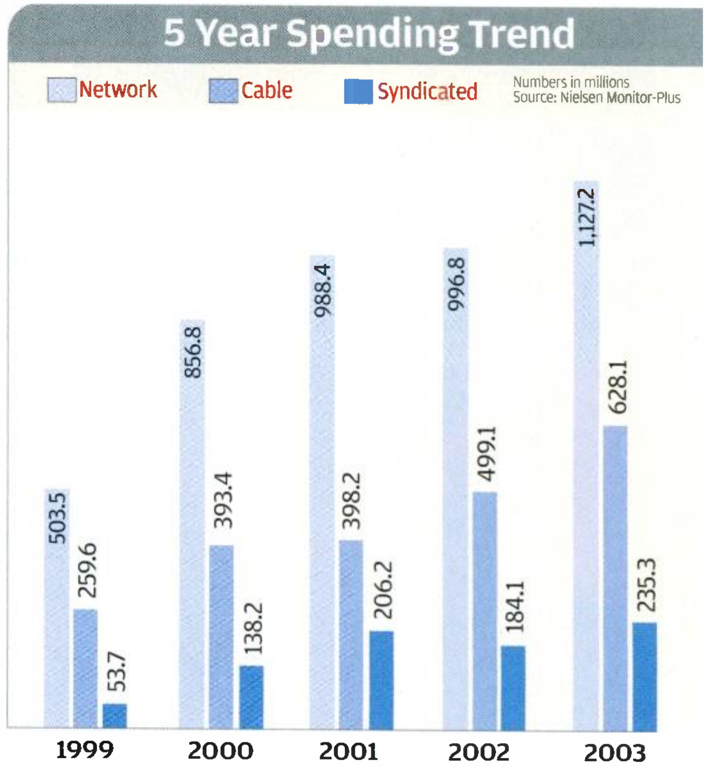
This issue forces Platt to buy some scatter, but he also participates aggressively in the upfront for a few reasons. Sometimes he has the luxury of a *Lord of the Rings*-type mega-hit with a long window and a predetermined DVD marketing budget (the third installment will be released in May, while an extended version bows in the fourth quarter). Also, his division can leverage the upfront by going in with the studio's theatrical unit and New Line's media agency, Carat, New York. This allows more flexibility for ad swapping if something falls through in Platt's marketing plans.

SUPER DUPER: Studio Buena Vista is expected to spend big on *The Incredibles.*

"Network TV is still the place to be and the No. 1 place for people to see your product," Platt says. "It may be getting bad press about losing viewership, but DVDs are selling, and network TV is certainly helping."

For their theatrical releases, studios will continue to back their big-budget titles. Expect to see heavy hits from Universal (*Thunderbirds, The Chronicles of Riddick*), Paramount (*The Stepford Wives, Lemony Snicket's A Series of Unfortunate Events*), MGM (*Sleepover*), Twentieth Century Fox (*I, Robot*), New Line Cinema (*Cellular, Son of Mask*), Warner Brothers (*Troy*), DreamWorks (*Surviving Christmas, Shark Tale*), Buena Vista (*Ladder 49, The Incredibles*) and Sony (*Anacondas: The Hunt for the Blood Orchid, The Forgotten*).—*Becky Ebenkamp*

Becky Ebenkamp is the West Coast bureau chief for Brandweek.



Prescription Drugs

Although the rapidly increasing media spending by drug companies had leveled off in 2002, last year's spending increased by double digits. Media outlays are expected to increase substantially again this year.

Prescription drug marketers boosted media outlays by 24 percent last year to $3.2 billion, according to Nielsen Monitor-Plus. Drug sales are up as well, with IMS Health reporting that prescription sales in the U.S. increased 11.5 percent to $216.4 billion in 2003.

Largely responsible for the increased spending is increased competition within sub-categories where there has been a rush of me-too products to hit the market. Medication for erectile disfunction is one example. Previously only represented in the United States with Pfizer's Viagra, competitor Levitra, jointly marketed by Bayer and GlaxoSmithKline, hit the market in August, while another competitor, Eli Lilly's Cialis, was approved for sale domestically in January. That segment alone is expected to generate a media spend of about $300 million or more this year. Last year, Pfizer spent $111 million on Viagra media, per Nielsen Monitor-Plus, while Bayer/GlaxoSmithKline spent $46 million on Levitra from August through the end of the year.

Another recent launch, Relpax, Pfizer's treatment for migraines, is expected to boost the media allocation of its main competitor this year, which is GlaxoSmithKline's Imitrex. (Glaxo spent $70 million on Imitrex last year, per TNS/CMR.)

New drug entries last year included AstraZeneca's cholesterol medication, Crestor, as well as a Eli Lilly's Strattera, a non-stimulating medication for attention deficit hyperactive disorder. AZ's spend on Crestor this year is expected to be in the $60 to $70 million range, while Lilly put $6 million into Strattera media through February of this year, and $63 million last year.

Despite the solid spending growth in the prescription drug area, the majority of the media outlay goes to cable and non-prime time network. With just a few exceptions (like allergy drugs and birth control), the target for many highly advertised drugs—such as arthritis, erectile disfunction, cholesterol, diabetes and high blood pressure medications—are people in their 50s (who are being pitched the drugs for themselves or aging parents), all the way up to seniors in their 90s.

HEAD TO HEAD: Prescription drugs are competing with OTC products.

These demos spend more time watching cable news network programming and talk shows such as CNN's *Larry King Live* in the evening, and perhaps CNBC during the day in addition to network soap operas and other syndicated daytime talk shows. The way network spending has figured in light of that: With a total prescription media outlay of $3.2 billion last year, $1.1 billion of that went toward network programming, while the network prime time allocation was $590 million—still, an increase of 19 percent from $498 million in 2002.

Marketers of newer prescription drug entries, however, such as Johnson & Johnson's Ortho Tri-Cylen Lo birth control pill, its Ortho Evra weekly birth control patch and Lilly's Strattera—which is marketed for adult ADHD—may find it equally, or perhaps more, important to be shown during network prime time programming versus daytime and cable news.—*Christine Bittar*

Christine Bittar is a reporter for Brandweek.

FOCUS ON

A new phenomenon that prescription drug makers are up against: Prescription medications are now increasingly competing with and marketing themselves against over-the-counter options. For OTC remedies, the network prime time media spend is much higher, with last year's number at $1.1 billion, up 18 percent from 2002.

The best example is in the allergy drug arena. With Schering-Plough's Claritin now available over the counter, ads for Aventis' Allegra not only compare the drug to its prescription rivals, but also to OTC options such as Claritin and even Pfizer's Benadryl. AstraZeneca's stomach-remedy Prilosec changed from prescription to over the counter at the end of last year, making that and Claritin the most significant Rx-to-OTC switches since J&J's Pepcid went over-the-counter over a decade ago.

To keep the dollars flowing, drug companies have been introducing what's referred to as next-generation drugs. Prior to Prilosec's OTC launch, AZ introduced its next-generation answer, Nexium. What that's meant for media outlets is a whopping total spend of $215 million last year, per TNS/CMR, while Procter & Gamble, which is handling Prilosec OTC marketing, spent $32 million on media for that drug from September through year-end. Meanwhile, TAP Pharmaceutical's prescription stomach medication Prevacid responded with a media outlay of $114 million last year, versus $82 million in 2002.

Similarly in allergy, S-P's next-generation Clarinex received $35 million in prime time media support alone in 2003, according to Nielsen Monitor-Plus.—*C.B.*

Spike TV
WE GET MEN
Time spent viewing is up 51 minutes.

Soft Drinks

The cola giants, like seemingly everyone else, are embracing the low-carb diet fad this year. Still plagued by declining sales of their flagship brands, Pepsi-Cola and Coca-Cola will look to new health-conscious mid-calorie products for a sales lift. Both companies are expected to spend heavily behind the product launches, which promise half the calories in Coke and Pepsi.

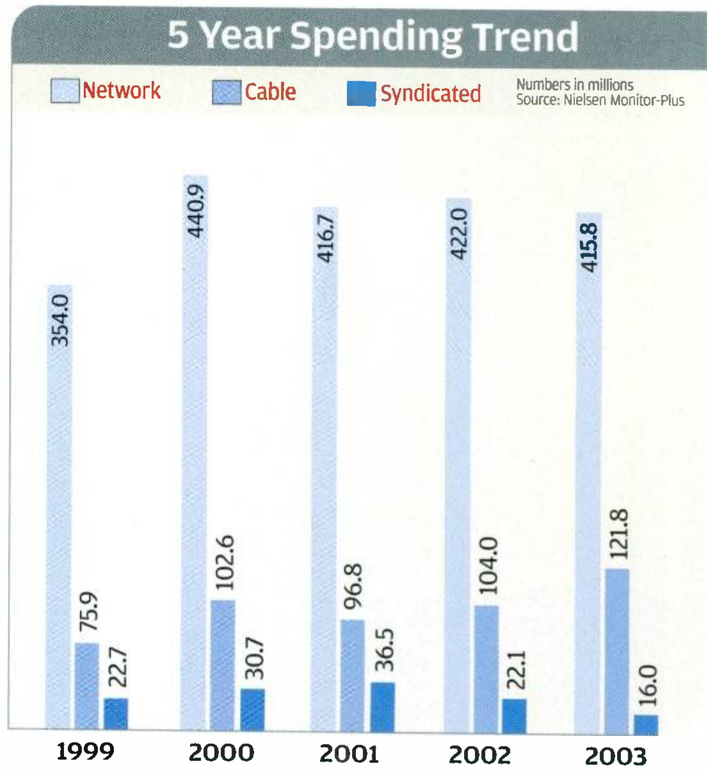
Pepsi Edge was the first offering announced. Slated for late summer, the No. 2 soft drink company is expected to position the product as low sugar versus low calorie. Pepsi equated the media spend with past new product launches. For example, it spent about $27 million to roll out Pepsi Vanilla.

Coca-Cola's mid-cal drink, believed to be named C2, will launch with a major ad campaign this summer estimated to be close to $50 million.

Cadbury Schweppes is considering a mid-cal Dr Pepper and 7 Up product. However the company's major reorganization of its North American beverage division may have thrown a wrench into the works.

Despite all of the hoopla surrounding these new items, the cola companies will also work to keep their campaigns for their core products in the spotlight. Coke's "Real" effort has been the first well-received creative for the master marketer in about a decade. This summer the company is expected to launch a major promotion using satellites to pick prize winners. Coke spent $108 million behind the brand in 2003, per TNS/CMR.

Pepsi retired the "Joy of cola" in favor of the more direct "It's the cola" campaign, via BBDO, New York, at the end of last year. The campaign positions the beverage as the perfect complement to food. Pepsi shelled out $90 million in 2003 for the brand. Both No. 1 Coke and No. 2 Pepsi saw their market share decline 0.7 percent, according to *Beverage Digest*, Bedford Hills, New York.



Diet Pepsi kicked off its new "It's the diet cola" campaign earlier this year and will continue to push the brand, which grew its share 0.3 percent last year. Diet Coke, up 0.4 percent, is expected to break a new campaign shortly via FCB, New York. Pepsi spent $24 million on its diet brand (the No. 6 soft drink brand) last year compared to No. 3 Diet Coke's $5 million.

On the flavor front, No. 4 Mountain Dew will continue to roll out new offerings. Earlier in the year it began its Dew U, six-month continuity program. This month it re-introduces its orange LiveWire extension. Later this year it may launch a limited-time black-colored soda likely to be named Pitch Black or Midnight. It received $59 million in support last year.

TO YOUR HEALTH: Low sugar offering.

Coke's Sprite (No. 5) kicked off a new campaign earlier this year starring LeBron James and a smart-mouthed puppet named Thirst. Its flavored Remix line bowed a berry line extension earlier in the year. And its diet brand will likely relaunch under the name Sprite Zero later in the year. The lemon-lime category leader spent $30 million on media.

Sierra Mist, Pepsi's answer to Sprite, is receiving a lot of support in its second year of national distribution. The No. 9 brand rolled out new "Yeah it's kind of like that" creative during the Super Bowl, with more to come. The drink will be a partner with this summer's *Shrek 2*. The new brand was up 0.7 percent last year.

The No. 7 Dr Pepper and No. 10 7 Up are keeping the course this year with its "Be you" and "Make 7 Up Yours" campaigns via Young & Rubicam, New York. Changes are likely in store as Cadbury's beverage division was realigned to have new marketing head Randy Gier handle all marketing for all beverage brands.—*Kenneth Hein*

FOCUS ON

Considering water actually falls from the sky and is available just about everywhere for free, it continues to amaze that the colorless, flavorless stuff sells like hotcakes. The category leaders Pepsi's No. 1 Aquafina (up 20.8 percent) and Coke's No. 2 Dasani (21.9 percent) are still experiencing strong double-digit volume growth with little signs of slowing.

Aquafina is preparing a new brand campaign with new agency BBDO, New York. The effort is slated for the summer. PepsiCo spent $24 million on the brand last year. Dasani is rerunning its "Can't live without it" ad campaign from Berlin. Coke spent $19 million on the brand.

Nestlé Waters continues to see across the board growth for all of its regional brands with Arrowhead (up 27.2 percent), Poland Springs (up 11.7 percent) and Deer Park (up 24.8%). Nestlé spent $7 million on its portfolio last year.

On the enhanced water front, Gatorade's Propel recently launched new executions of its "Drip" campaign. The water, which is flavored and enhanced with vitamins and minerals, grew 61.8 percent last year. Its media budget was $34 million.—*K.H.*

Watch Virginia Madsen and Lindsey Haun in the April Original Movie BRAVE NEW GIRL.

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four consecutive quarters of growth in Prime (A18-49)*.

And in '05, we'll have a new original family movie every month.
Movies, Hits, Holidays, Originals –
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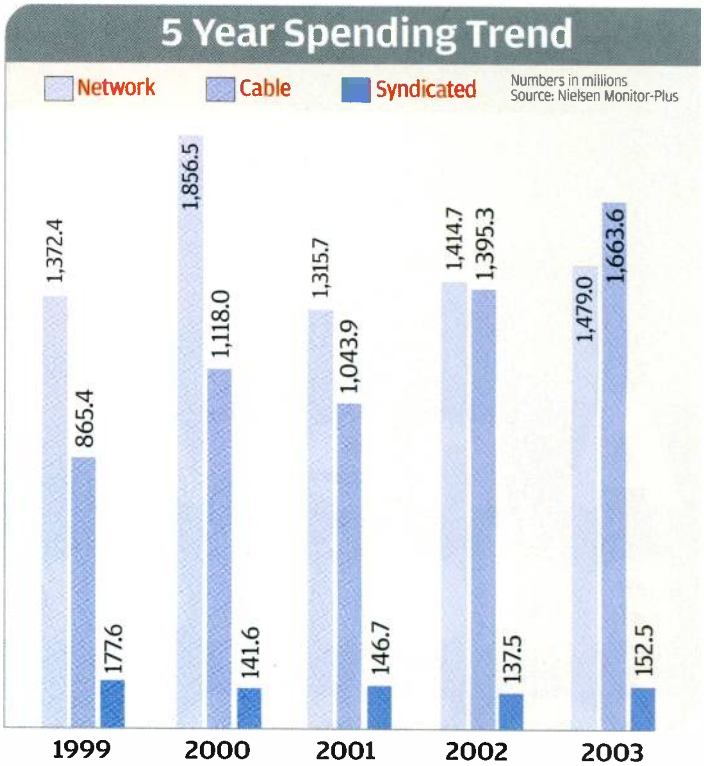
You have to. It's

abc family

Contact Laura Nathanson at (212) 782-0649.

Source: Nielsen Media Research; AA (000s) (originator data).
*1Q03 through 1Q04 M-Su 8P-11P.

Technology



Throughout last year, marketers for wireless carriers geared up for the Big Event: the day in November when subscribers could switch carriers and keep the same phone number. Ultimately, local number portability didn't cause the massive churn many expected, but experts still expect 30 million people to switch carriers this year, which means stiff competition for subscribers and even more ad spend.

Market leader Verizon Wireless—which spent $209 million in prime-time network advertising last year (per Nielsen Monitor Plus)—has already upped the ante in 2004, aligning itself with the NBC hit *The Apprentice*. A McCann Erickson TV spot features The Donald reprising his *Apprentice* host role, making the phrase "you minute-hoarding clock watcher" almost as ubiquitous as "You're fired!"

Verizon's competitors can only hope for such a knockout. Alignment with TV, entertainment, music and sports is a must for cellular growth, say analysts, because as customer acquisition growth slows, the all-important youth market can be served in those categories. Look for carriers to chase the 10-19 age group with a variety of promotions in the coming months.

One landscape-changing wireless development is Cingular's recent acquisition of AT&T Wireless for $41 billion in cash. Once completed, the merger will give Cingular about 8 million more subscribers than Verizon Wireless.

In the meantime, AT&T will likely increase its ad spend for all the wrong reasons, said Roger Entner, director of wireless/mobile services for the Yankee Group, Boston. "They are under a lot of pressure because they're losing a significant number of customers, and they don't want to be seen as hemorrhaging subscribers, so they have to be very aggressive on the customer acquisition side," says Entner, who added that Verizon might have something to worry about in 2005 when a Cingular/AT&T combined ad spend will kick in.

As for the rest of tech, after a gloomy stretch a sense of cautious optimism reigns. While Microsoft seems stuck in low gear (*see box*), other companies are capitalizing on the convergence of the PC and consumer electronics devices. The big winner there is Apple Computer, whose iPods have delivered record earnings. Apple spent more than $25 million in prime time last year (per Nielsen Monitor-Plus), much of it on the eye-catching iPod spots. Expect more spend from Apple and its many MP3 handheld competitors through 2004.

HE'S GOT THEIR NUMBER: Verizon teams with *Apprentice*.

Speaking of desktops and laptops, both have seen increased sales in 2004, with Dell taking the lead in worldwide PC sales from HP. Despite just an 8 percent increase in media spend from 2002 to 2003 (per TNS/CMR), the wizards from Round Rock showed double-digit growth in all of its divisions. Dell should spend more this year touting new gear like handhelds and printers.

Two other tech stalwarts, HP and Intel, will continue their $300 million campaigns that rolled out last year. According to HP, its new "Change + HP" effort is the largest ever campaign targeted at business customers. Meanwhile, analysts agree that Intel's Centrino campaign has given Wi-Fi a big shot in the arm.

It's the kind of shot that all of tech could use.—*Scott Van Camp*

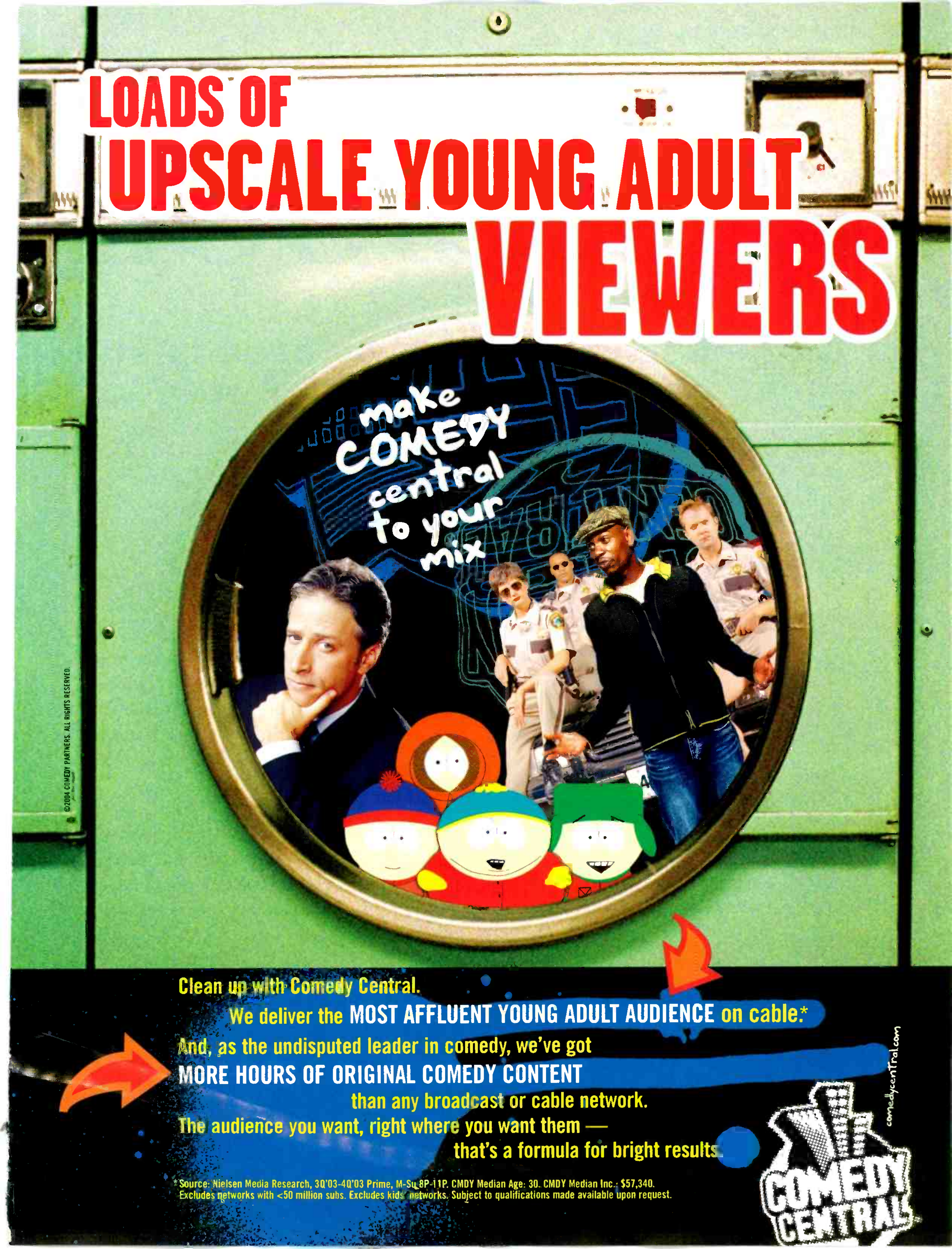
Scott Van Camp is senior editor at Brandweek.

FOCUS ON

Is Microsoft stuck in a rut? That's what much of the business press has been saying lately. With a $279 billion market cap, the Redmond, Wash.-based company will not go bust any time soon, but it has lost some luster thanks to the growing threat of the Linux operating system, an antitrust fight with the European Union and, important to the marketing side, delays of a new operating system.

Microsoft hasn't had a blockbuster product launch since Windows XP debuted in 2001. Its successor, called Longhorn, should have been out by now, but thanks to well-publicized technical glitches, is now expected to debut in 2006. By no means has Microsoft's advertising machine ground to a halt. Last year the company spent $456 million on media, an increase of 49 percent over 2002, per TNS/CMR. However, no big campaigns are expected until the end of the year, says Matt Rosoff, analyst at research firm Directions on Microsoft in Kirkland, Wash., when the company will launch an effort touting Windows XP as a digital media and home entertainment enhancement. It's important that Microsoft keeps sales of Windows XP rolling while waiting for Longhorn's release. "Most consumers are still on Windows 9.x," says Rosoff. "So they want to grow that market in a major way."

Microsoft will also get into the convergence mode near the holidays, says Rosoff, with a tie-in between the MSN Music Store—to launch later this year—and Microsoft's new Portable Media Center devices. —*SVC*



LOADS OF
UPSCALE YOUNG ADULT
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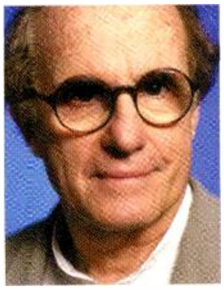
BRAD WILSON

THE BLUNT PENCIL
ERWIN EPHRON

The Long Goodbye

Are we already living the death of TV?

FORGET THAT COUGH, CAMILLE. Television holds the record for the longest death scene. Were you there for its 650-page swan song in *Three Blind Mice*, Ken Auletta's 1980s tour de force obituary of CBS, NBC and ABC?

All three survived.

Did you hear the requiem bell again when cable surged in the 1990s and multichannel competition cut network ratings down by half?

But the beast proved hard to kill.

Were you present at the great debates of the late 1990s with intelligent speakers who spoke years too soon? Resolved, "Mass media [a.k.a., television] are dead." But consumer-relationship marketing, mass customization, viral media and even the Internet haven't touched it yet.

Wishful Thinking

Yes, television remains very much alive. For the last 20 years, despite all predictions, TV revenue has increased virtually year by year, bringing us to the $9.3 billion shocker of the 2003-'04 broadcast season. Negotiated, I might add, in a year of recession.

Yet that's all wishful thinking. The waning of television is irreversible and there is a masochistic fascination in waiting for the final count. Advertisers and agencies have scores to settle with the networks but dread the day when they're dispossessed and need to learn another trade.

Use magazines instead? What's the lead in? Who's the star? What's the rating?

Another Nail

There's no question PVRs like TiVo are a threat to TV advertising as we know it. But how serious and how soon? One place to go for a surgical analysis is to Wall Street, which makes a living dissecting questions just like this.

Most analysts predict a significant loss of advertising income through lower commercial ratings (if Nielsen ever reports commercial ratings). And they are concerned about the pressure this will put on cash-flow growth at a time when the networks will need those dollars for programming and promotion to remain competitive. Few analysts see product-placement dollars filling the gap.

Must-See TV?

I have a more cheerful view. Why anticipate doom when it's here already? We just don't recognize it. Viewers are already dissing the commercials in droves. And they're using low-tech remotes, not TiVo. Today, dial switching is the program of choice.

How much has TV changed? You have just to turn on the set. Remember the last time you surfed, looking for a good movie? I will bet hard-earned dollars that three things happened:

1. You couldn't tell what was on because commercials were running on most of the channels.
2. The movies you found you knew by title because they'd been running for the past week.
3. Most of the shows you tuned through were created for someone younger, older or of a different ethnic stock or sexual inclination than you are.

That's the state of TV today. Too many commercials, too many repeats and too many programs you don't want to see. But we're living with these infirmities already.

The Coup de Grace?

Is Tivo the coup de grace? Will it sever TV from the life support of too many commercials and do the networks in? Many think so, but I still wonder.

Against the background of volatile viewing behavior I've sketched earlier, the growth of TiVo and interactive program guides may, in some ways, help TV advertising.

When there are finally too many channels to surf, many viewers will use these new gadgets to keep their surfing manageable. The 30 channels I like rather than the 300 I don't.

At that point, TV will target better and the low ratings will have more-attentive audiences. But will they be watching commercials? Some won't, but many will.

Here's a straw to cling to. I don't think the average TV viewer wants to program his own network. It's a lot of work, even for the driven. And there's something to be said for the hunt. Surfing has surprises and it keeps you in touch with that increasingly strange world out there.

As for time shifting and skipping commercials, that may not be for everyone or every program. There are certain critical channels that you don't want to time shift: news, weather, the stock market.

Perhaps the idea that most viewers will cut and paste television to create their own world underestimates the role of television in the real one. It is the ultimate escapist medium, but with a catch. We know that if anything really terrible happens, a crawl will appear at the bottom of the screen to let us know that North Korea is at it again and we've just lost most of Asia...

Missed it? You were watching the last two weeks of *General Hospital*? How embarrassing. But that's all right, Camille. The networks will understand. ■

Erwin Ephron is a partner of Ephron, Papazian & Ephron, which has numerous clients in the media industry. He can be reached at ephronny@aol.com or at www.ephronmedia.com.

OPINION

JAMES T. MEDICK

Focus Group Flaw

'Normative data' should either be updated or thrown out

AS A MARKET RESEARCH services provider for the entertainment community, I had a swift reaction to the WB's decision to no longer test pilots: I couldn't agree more.

No one should pay for research that doesn't deliver reliable findings. And the reason much of today's entertainment research misses the reliability mark is due to a little devil known as "normative data." Not a day goes by that someone doesn't bring up the term. It's always been that research methodologies for testing television pilots, movie concepts and promotional collateral are given the nod or the boot by the majority of the research community based on benchmark data collected as far back as 15 years ago, and in some instances 20 years ago. "Our normative data goes back to the very beginning!" is often heard in our hallways. And that's the problem. Because if a new drama doesn't hit the same intend-to-watch percentage range, as declared by the normative data, it gets the boot.

The world in which *Friends* (top) is a hit shares little with the world that put *The Cosby Show* atop the ratings in the '80s.

Still, when the normative data position is challenged, they protect their stance by responding, "How can you measure something if you don't compare it to what you know works?"

As a company, while we understand the import of normative data, we cannot understand its weight in the decision-making process. And now, it would appear, neither does someone else. A WB executive said, "The television landscape, littered with poor-performing shows that were heavily tested, proves that testing does not work."

We agree, halfway, in that it's not the research, it's the old-school research methodologies that have bound and gagged projectability by holding desperately to outdated standards of past years. It's like applying *Happy Days* benchmarks to measure the potential success of *Seinfeld*, *Will & Grace* or *Friends*. Those decades-old measurements are worthless today. Richie Cunningham lived at home, everyone was straight in his family, no one used four-letter words, and the producers pushed the envelope with a rebel named The Fonz.

Sitcoms aren't like that any more, to say the least. In fact, *Happy Days*, the top-rated show for the 1976-'77 season (31.5 rating), doesn't make the top 20 syndicated shows for last year.

Here's more proof of normative data's shortfall: The top-rated show of 1985 was *The Cosby Show* (33.8 rating) while last year's top-rated show was *Friends* (15.3 rating). While *Friends* reaches 200,000 more TV-owning homes than *Cosby*, I think we can all agree that the storylines are quite different.

And why? As Henry David Thoreau said, "Things do not change; we change." Between 1985 and today, cigarette smoking has dropped from 43.4 percent of the population to 24.9 percent and cell phone ownership has gone from 340,000 people to over 126 million. Back in 1985, hip-hop music didn't exist; 37 million homes had cable, versus 56 million today; and there was no 9/11 or national debate over gay marriage.

In 1990, network television held 55 percent of the viewing audience, versus 21 percent for basic-cable television. Today, cable TV is the percentage king, with 49 percent of the viewing audience, versus 42 percent for broadcast networks—opening up a brave new world for programmers and viewers alike. Though HBO is seen in only about 40 percent of the U.S. homes with cable, the season premiere of *The Sopranos* in 2002 was the most-watched non-sports program on cable TV, attracting 13.4 millions viewers.

Yet researchers continue to defend the fatefully flawed normative data. Well, I say they are about to fall on their collective normative sword! I contend that the use of outdated benchmarks and data-collecting methodologies, including samples that are too small to accurately capture today's multifragmented lifestyles, will meet an overdue end. In 2004, an 18-49 demographic holds far too many subsets to be captured in a 48-respondent theater test or a six-city focus-group swing with results measured against "norms" of yesteryear.

From my vantage point of interviewing America daily from our Las Vegas Preview Studios at The Venetian, I clearly see that today's normal has nothing at all to do with "normative." Just look at today's "up-and-coming single"—she is an independent woman wearing Juicy Sweats, driving an SUV and anxiously waiting for the next American Idol to be named! We know this because we operate in the real world and in real time, reflecting the new generation of intelligence gathering.

Clearly, it is time to fully understand and embrace the cultural shifting of America that has and continues to take place. Next time someone tells you a focus group or theater test indicates the show is a hit compared to "the normative data," do what The Donald does—tell 'em: "You're Fired!" ■

James T. Medick is the founder and CEO of MRCGroup Research Institute in Las Vegas, a leading market research firm.

COSBY: CAROL BERNSON/BLACK STAR PUBLISHING/PICTUREQUEST; *FRIENDS*: WARNER BROS PHOTO

Media Agencies Spread the Wealth

Without a runaway success story last year, the top shops enjoyed the recovery together

Buyers, sellers and prognosticators weren't kidding when they said a recovery was well under way in 2003. Clients were spending again, although the trend took a while to show itself.

None of the Top 10 shops saw revenue decrease in 2003, while one did in 2002 and two did in 2001. Six of the Top 10 increased revenue by more than 10 percent last year, compared with five the year before and only four in 2001.

The year for media agencies began with a whisper, as new business started out slow. But it went out with an emphatic bang, as $1 billion in big-name accounts, including Coca-Cola, AOL and Masterfoods, went into play in the last four months of the year.

In 2002, when advertisers were still skittish about spending, a total of $4.2 billion in media billings shifted shops, according to *Adweek* data. Last year, an estimated $5.6 billion in media business went into play in one way or another. The movement was evenly split between business either going to another shop or staying with the incumbent after a pitch and business reassigned without a review. That's close to the heady record high of $6 billion, set in 2000.

The playing field was further leveled by a lack of dramatic restructuring in 2003. With the first unbundled media shops nearing their second decade, and with two years since the last big acquisition—WPP Group's purchase of CIA owner Tempus Group—all of the Top 10 now offer both planning and buying and can field resources in emerging areas of client concern, such as branded entertainment, econometric marketing and communications-channel planning.

Consequently, there was no runaway success story in 2003, unlike the previous three years, when Starcom, Zenith Media and Universal McCann lapped the field, in that order.

WPP's MindShare, *Adweek*'s 2003 Agency of the Year, won big reviews ($150 million Nextel) and wooed big names (Initiative local broadcast leader Kathy Crawford, who joined in June).

Omnicom Group's OMD celebrated Christmas in style, taking McDonald's global $1 billion buying and planning account in a consolidation without a review, adding $500 million in new billings from the fast-food giant.

Publicis Groupe's agencies teamed up to compete as SMG Group and came up big, winning Coca-Cola's $350 million consolidation review in November. MediaVest's momentum carried over into 2004, when it won Masterfoods' $350 million U.S. media consolidation in February.

Interpublic Group's Initiative rode a similar curve, successfully defending its $300 million AOL account the same month.

Incumbents, in fact, seemed to have the upper hand in 2003, as few reviews opened to nonroster agencies among the major advertisers. Aegis Group's Carat managed to get into three as a U.S. non-roster contender—Coke, AOL and Masterfoods—but did not prevail in any of them. With spending on the rise and the economy in comeback mode, advertisers once again ventured into the marketplace to see what the landscape looked like, as they had in 2000. Few saw greener grass on the other side of the hill.

Another stark contrast to 2002 was the almost complete lack of churn at the top of the management ranks. Half of the Top 10 installed new leaders in 2002, but only one changed captains in 2003, when Laura Desmond took over as CEO of MediaVest—at 38, the youngest leader of any media agency in the Top 10.

As always, our revenue figures are based on whether relationships are buying-based or mostly full-service (planning and buying). For buying-only shops, revenue is estimated based on a 1.2-2.5 percent commission on billings. Revenue from full-service assignments is estimated at 2.5-4.5 percent of billings.

This year, our financials for the Top 10 are based on data from 12 agencies. MPG and PHD, too small for inclusion this year, were included in the grading matrix to provide a broader universe and, hence, a more representative picture of how the Top 10 fared. Using that process, the average revenue gain among industry leaders in 2003 was 11 percent. —JACK FEUER

CARAT

NUMBERS D+

Billings and revenue rose 6% to $4.8 billion and $216 million, respectively. Wins led by $165 million Pharmacia business, consolidated following client's acquisition by Pfizer. Also added $40 million Marriott, $25 million Good Guys, $10 million Coke outdoor business. Adidas cut spending 20% to $45 million; New Line Cinema was off 15% to $196 million. Lost $35 million combined from XM Radio, Boost Mobile, Perkins Restaurant and General Auto.

PLANNING B

A dependably solid part of Aegis Group shop's game (and a legacy strength) under director of planning Bruce Dennler and researcher Joanne Burke, director of Carat Insights. Launched Carat Sponsorship Solutions, providing audit, evaluation and strategy research.

BUYING B

Carat, now among Top 5 buyers of spot and national broadcast, is capable, sometimes innovative buyer. Managed to break off small piece of Coke business, even though it failed to prevail in consolidation preview.

MANAGEMENT C+

Unlike last year, when participation in reviews was infrequent, shop was nonroster invitee in some of the biggest of the year—including AOL, Masterfoods and Coca-Cola—but came up short in all major contests. To boost competitiveness, worldwide CEO David Verklin and U.S. CEO Charlie Rutman focused on adding resource tools. Shop was reorganized into three business units: media planning and buying (led by Rutman), market analysis and consulting (incorporating acquisition of market consultancy Copernicus) and diversified marketing services (below-the-line and interactive units). New unit Carat Affiliates, created to work in partnership with small and midsize creative shops, paid off through alliance with boutique McGarry Bowen, leading to Marriott win. In April, acquired entertainment-media-buying specialist IMS. In May, added San Francisco interactive shop Freestyle.

COMMENTS

Having reached top tier, Carat has plateaued. Shop's always-a-bridesmaid status in reviews against top shops demonstrates it cannot yet match their resources—thus Verklin and Rutman's dedication to expanding offerings.

C+

INITIATIVE

NUMBERS C-

Billings, revenue up 9% to $11.2 billion and $353 million, respectively. Won $250 million combined, led by Pennzoil ($60 million), Quiznos ($40 million), plus Levitra, Sepracor, Goody's Family Clothing, Nikon, Hardee's, ConocoPhillips. Lost $90 million combined from Yahoo!, Gateway and Leapfrog. Losses of Six Flags ($90 million), Nextel ($53 million) won't be reflected until '04.

PLANNING B

Long considered a buying behemoth, shop won as often with planning prowess as with negotiation clout in '03, as all but one of five new-business wins included both planning and buying. Strategic research continued to be source of strength, acknowledged by April promotions of top two researchers, David Ernst and Stacey Lynn Koerner, to director of futures and technologies and director of global research integration, respectively.

BUYING A-

Director of national broadcast Tim Spengler showed shop had brains as well as brawn, creating and negotiating AOL "Running Man" in-game sponsorships (running home, laying down the first-down line) for World Series and NFL. Imaginative ideas on how to maximize adspend was perhaps the pivotal factor in successful defense of AOL account.

MANAGEMENT B

Worldwide CEO Alec Gerster's key goal in '03 was to make IPG network competitive again, and the shop that saw declining or flat revenue the past two years has come a long way. Got to the final round of $350 million American Express and, in a review concluded in early '04, successfully defended its $300 million AOL business, after not prevailing in any major media-only contests in 2002. In symbolic move, shop dropped "Media" from its name in April, responding to Top 10 media agencies' need for differentiation and evolution beyond buying and planning traditional media. Big personnel loss in June, when longtime spot chief Kathy Crawford left for MindShare, but shop replaced her quickly from within when No. 2 spot-buying executive Sue Johenning was named director of local broadcast.

COMMENTS

Guided by Gerster's understated but steady hand for two years, Initiative has recovered nicely from rocky period in which it had three leaders in five years (Michael Kassan, Lou Schultz were the other two), lost longtime accounts such as 15-year client Disney and fought to move beyond buying-only heritage of L.A.-based predecessor Western International Media.

B-

MEDIACOM

NUMBERS B

Billings, revenue rose 13% to $4.1 billion and $184 million, respectively. Added Kmart ($270 million), Veritas ($20 million), PBS Kids ($5 million). Won ConAgra ($185 million) in June consolidation, and client—one of top five on roster—boosted spend 13% as well. Lost Brown & Williamson ($50 million).

PLANNING B

Addition of ConAgra planning a good win for a solid department. Also expanded proprietary planning and buying tools, MediaCom Pulse and Media Compass, to get deeper into effective models.

BUYING B+

Unlike '02, when controversial tactics such as creating unwired cable network for liquor client Diageo made news, management shifts dominated buying side in '03. Big loss when director of local and national broadcast Donna Speciale, looking to get out of Jon Mandel's shadow, left (with his approval) in December to be president of U.S. broadcast at MediaVest. Replaced by director of national broadcast Peter Olsen and director of local broadcast Anne Elkins, a former national broadcast buyer.

MANAGEMENT B

Grey Global Group shop took good look at its global operation and turned to U.S. talent to improve its position. Worldwide CEO Alexander Schmidt-Vogel promoted top two U.S. execs in October. U.S. co-CEO and chief buying officer Jon Mandel took new position of global buying officer to do worldwide what he'd done domestically—use his savvy, experienced negotiation skills to maximize clout. Co-CEO Dene Callas became president of MediaCom U.S., also a new position, a recognition of his success at keeping day-to-day U.S. operation humming. As such, Callas, who'd been content to let Mandel be the shop's public face, took more visible role. Agency implicitly recognized need for awareness when director of client services Jim Porcarelli was named first CMO in January '04.

COMMENTS

The Little Big Man of the Top 10—smallest in revenue but always competitive, even in the biggest reviews. Part of the reason for leverage is that it has big clients, but shop is also run well by a duo whose strengths complement each other. Mandel, Callas have a good thing going.

B

MEDIAEDGE:CIA

NUMBERS C+

Billings, revenue up 11% to $5 billion and $191 million, respectively. Added combined $300 million, led by Cadbury Schweppes' Adams ($220 million), the Scotts Co. ($75 million), plus Star Alliance, United Airlines, DHL. Global consolidation of Interbrew business added $50 million in U.S. billings. Also saw organic growth among top three clients: No. 1 AT&T upped adspend 20% to $800 million; No. 3 Lincoln Mercury up 42% to $400 million. No losses.

PLANNING B

Capable, Top 10-quality but relatively unheralded planning operation deepened ability in hot area of media strategy in May, when shop brought its well-respected British marketing consultancy and econometrics-modeling unit, OHAL, to U.S. OHAL links advertising directly to sales and offers models across all communications channels.

BUYING B

In June, direct response WPP sibling Wunderman merged its media buying and planning business into Mediaedge:cia, giving shop added clout in fast-growing area of media business. Official foray into branded entertainment came in July, when agency acquired 20% stake in event-marketing firm The Leverage Group—a different approach than buying talent or product-placement companies outright, as most competitors have done.

MANAGEMENT B-

Agency's leaders stayed the course in '03. Worldwide CEO Charles Courtier assumed direct responsibility for North America following May departure of North America CEO Steve Lanzano to be worldwide media services director at WPP sibling MindShare. (Four months later, Lanzano shifted to Havas' MPG as director of U.S. operations.) Shop also saw organizational alterations, including April creation of WPP umbrella media-network holding company GroupM, formalizing the way agency approaches the marketplace and offering the ability to negotiate on equal footing against rival holding-company units such as IPG's Magna. June brought re-relocation of Lincoln Mercury staff from Irvine, Calif., back to Detroit.

COMMENTS

Good at keeping core clients happy, but shop is still overshadowed somewhat by MindShare and was not the review competitor it should have been last year, given its client roster, size and resources.

B-


Ever See A Magazine
Expose A Star's Alias?
PARADE
It all looked easy for actress Jennifer Garner —true love, marriage, overnight success as a TV star in *Alias*— until life forced her to remember...
"You Have To Work For Happiness"
An Interview by Dotson Rader
Plus... Colorectal Cancer • All-America Girls Basketball Team • Clay Aiken On Youth Service
Photographs of Jennifer Garner for PARADE by Art Streiber

2003 AGENCY REPORT CARDS

MEDIAVEST

NUMBERS — A
Billings and revenue up 20% to $6.3 billion and $240 million, respectively. Added more than $400 million in incremental revenue from clients Procter & Gamble, which consolidated planning (shop previously had about half of P&G's planning); Kraft, with new Internet and multicultural assignment; and UBS, in $65 million-plus consolidation. Won $30 million-plus from Priceline and Ruby Tuesday's. Added $10 million Bravo network from existing client NBC. For third year in a row, numbers bolstered by organic growth from top clients, especially the biggest, P&G, which increased broadcast spend by 27% to $1.85 billion; No. 3 Masterfoods, also a broadcast-buying client, was up 25% to $310 million. First full-year impact of November 2002 loss of Burger King.

PLANNING — A
A strength under CEO Laura Desmond, a planner, and COO Renee Milliaressis, as evidenced by P&G planning reassignment (the culmination of two years of client's planning migration from Saatchi & Saatchi to MediaVest). Desmond made good on goal of turning strategy into competitive weapon, ramping up to five "consumer context planners" to demonstrate leadership in all-channel planning.

BUYING — B
Shop named third U.S. broadcast leader in almost three years when Donna Speciale, MediaCom director of national and local broadcast, joined in December. She replaced Mel Berning, who left for A&E barely a year after ascending to what had been Rino Scanzoni's job.

MANAGEMENT — A-
Desmond, at 39 the youngest leader of a Top 10 media shop, did remarkable job pulling this lower-tier major into the spotlight. What had been Publicis agency's biggest weakness—winning new business—was emphatically addressed with triumphs in high-profile Coca-Cola consolidation in November (as part of SMG Group with Starcom) and Masterfoods consolidation in early '04. Desmond, a high-energy chief adept at motivation, ably steered ship through rough emotional waters with June death of predecessor Donna Salvatore and first full year without a creative sister, following close of D'Arcy Masius Benton & Bowles.

COMMENTS
MediaVest came of age in 2003. But one great year is just that—only consistency over time will cement peer status with other top-tier shops.

A-

MINDSHARE

NUMBERS — A
Billings, revenue up 17% to $10.9 billion and $415 million, respectively. Snared a combined $800 million-plus in new business from Burger King, Nextel, DuPont, Boost Mobile, Yahoo!, American Chemistry. Lost $35 million AIG, $4 million Maglite. No. 2 client Novartis boosted spending 70% to $390 million; No. 3 American Express was up 24% to $357 million. But biggest client, Unilever, cut spending 21% to $550 million.

PLANNING — A-
2-year-old econometric-modeling unit got new leader, Initiative svp Steve Simpson, who joined in September as research director. Showed media creativity via programming/content alliance with former CBS president Peter Tortorici, branded-entertainment deal with ABC, and promotions with BK and *American Idol.*

BUYING — A
Though Marc Goldstein now has North American leadership and Irwin Gotlieb has stepped back from buying, both remain involved enough to keep agency tops in national broadcast. Arrival of Initiative local broadcast maven Kathy Crawford boosted that discipline to same top-notch level.

MANAGEMENT — A
Gotlieb, 54, worldwide CEO during MindShare's first three years, rose in April to CEO of WPP media umbrella company GroupM in year four, leaving marketplace reins in capable hands of North American president Goldstein, 58. With J. Walter Thompson and Ogilvy & Mather, shop is among most favored media networks in potential flow of new business from holding company sisters; network wasted no time introducing itself to a relative newcomer, parlaying familial link to Berlin Cameron/Red Cell into Boost Mobile win. *Adweek*'s Media Agency of the Year scored its biggest wins in partnership with third sibling Young & Rubicam (BK); for Nextel, won media on its own after JWT was knocked out. Scored personnel coup with addition of Crawford as president of local broadcast in June.

COMMENTS
Last year in this section, it was noted that shop had no major weaknesses. That was before it added BK and Nextel, and Crawford. Unfortunately for its rivals, this powerhouse has grown even stronger.

A

OMD

NUMBERS — C
Billings up 11% to $8.4 billion; revenue up 11% to $348 million, based on restated '02 figures. Won $25 million Siemens, $50 million Cialis. In December, won $100 million Office Depot. Lost $10 million Heinz frozen foods. Second full year after Omnicom gave OMD responsibility for planning as well as buying for BBDO, DDB and TBWA, shop saw organic growth from top three clients: Nissan (up 39% to $760 million), PepsiCo (up 9% to $780 million), Cingular (up 23% to $625 million).

PLANNING — B+
A busy year in the proprietary-tool laboratory: Half of clients now use OMD Checkmate for strategic planning. In first quarter '03, introduced "Intrical," channel-neutral tools to track brand performance. Integrated Sony PlayStation 2 into entertainment, industry events, blurring line between gaming, entertainment.

BUYING — A
No $1 billion Disney cross-platform deal like last year, but Uva, Warren and head of entertainment marketing Guy McCarter kept shop wheeling and dealing. Highlights: multi-element, multimedia Pepsi Smash $1 billion giveaway game; product-placement pact with Universal Television Networks that gives clients including General Electric, Nissan and Dell exclusive ad and product-placement opportunities on Sci-Fi's *Five Days to Midnight*; and $250 million deal with MTV Networks that includes built-in rate protection, promotional extensions. Cingular Wireless got buzz in New York when brand was integrated widely around city.

MANAGEMENT — B+
Year's highlight was December win, as U.S. incumbent, in McDonald's global consolidation, which will add $500 million in global billings. It came after 10-month pursuit by worldwide CEO Joe Uva and team, who convinced client that OMD has communications-channel chops to take on the work. Top management bench was strengthened: Former Raycom Sports CEO Ray Warren joined in January as managing director to run broadcast; Initiative's director of marketing, Jill Botway, arrived in February as managing director for OMD East; Jack Hanrahan, former CMO for Prime Point Media, named director of strategic print communications in November.

COMMENTS
Despite impressive accomplishments and an energetic, competitive leader, OMD still fails in big reviews more often than it should (coming up short in '03 Masterfoods, AOL contests). It's shoring up ability in that area by focusing on adding resources and talent.

B

EAST

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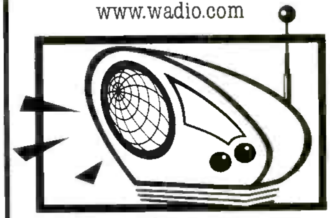

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Position includes substantial administrative duties, including management of the MTA advertising budget, group budgeting, and coordinating placement of MTA and external materials in-system.

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We offer an excellent salary and a comprehensive benefits package. Please send your cover letter (including Job Title and Posting #04048) and resume to: **Metropolitan Transportation Authority, Human Resources Division, 347 Madison Avenue, New York, NY, 10017; E-mail: mtahr@mtahq.org. (Please indicate posting #04048 in subject line)**

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EMPLOYMENT

Vice President, Media Relations

The Media Relations Department of **Newspaper National Network**, located in New York City, is seeking a Vice President to be responsible for the day -to -day operations of the department, which includes working with the sales staff and Marketing Department to identify strategies to best achieve client's advertising objectives and help identify incremental business opportunities.

Duties for this position include, but are not limited to, providing realistic timelines for completion of projects, developing creative media plans that substitute newspapers for other media, providing competitive pricing; handling internal and external problem solving; and developing the planning and communication skills of the staff in order to help further their growth.

Qualifications for this position require knowledge and understanding of local and national newspaper advertising with 5 years minimum media planning background and relevant experience. B.S. degree in marketing/sales is preferred. Strong negotiation and interpersonal skills, as well as, strong computer skills are essential. Knowledge of ABC audits, SRDS, Neilsen research and Microsoft Suite is desirable. NNN offers a competitive salary and benefits and is an *EOE*. If you are interested in applying for this job, please send your cover letter and resume with salary history and references to:

jobs@naa.org or fax to (703) 902 1949, ATTN: HR-VPMEDIA

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seeks an **Account Executive** in the **New York sales office** to maximize sales and effectively service our clients. This position will handle television stations and advertising agencies in the **Northeast** and **Mid-Atlantic** regions and national/regional agencies.

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ACCOUNT SUPERVISOR

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Candidates must possess 7-10 years of agency experience and have proven ability to develop and implement marketing strategies, campaigns and promotions. Excellent organization skills, ability to manage multiple tasks and keen attention to detail and follow through are mandatory. Previous experience working on cable / satellite or telecom a plus. Forward resume to:

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177 Post Street, Suite 650
San Francisco, CA 94108

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Gemstar - TV Guide International currently has the following position available:

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Your qualifications should include at least 7 years' experience in strategic marketing; experience with brand development, including management of the development and implementation of a brand book and style guide and the development of materials, including advertising, video, and print collateral; and experience managing projects with cross-functional teams. You should possess excellent strategic marketing skills, the ability to build productive relationships and build a consensus around strong ideas; an excellent sense of judgment; the ability to operate independently and manage a variety of projects; and excellent communication skills. Your commitment of energy and enthusiasm should be exceptional. BA/BS degree required.

Gemstar - TV Guide International offers competitive compensation and benefits. Qualified candidates, please e-mail your resume (include Job Title information) to jobs01@tvguide.com. EOE.

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Adweek Magazines is currently looking for qualified candidates to fill the following **New York City** based positions:

Senior Editor (Position code **SEAW-AW**) to supervise editorial coverage for Adweek Magazines of Hispanic/Latino advertising, marketing and media in the United States.Qualifications include: must be bilingual (fluent in English and Spanish), Bachelors Degree, 7 years experience as business reporter required, editorial management experience preferred.

Managing Editor (Position code **MEAW-AW**) - Supervise editorial production, including copy editing and proofreading, of print and digital daily news service covering Hispanic/Latino advertising, marketing and media in the United States. Qualifications include:must be bilingual (fluent in English and Spanish), Bachelors Degree, 5 years experience at a newspaper or magazine, news reporting experience preferred.

Photography Director (Position code **PDAW-AW**) Supervise assigning and editing of original and stock photography for editorial group composed of six business newsweeklies and monthlies and multiple web sites. Manage five full-time photo editors.

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Seeking dynamic experienced advertising account manager. Candidate must have solid ad agency experience (5 years preferred) working with field/grassroots and national/local advertising strategies. Candidate must be capable of autonomously managing diverse client assignments, a strategic thinker, highly organized, proactive, have strong writing skills and be ready to assume a leadership role. Prior experience managing consumer and B2B clients preferred.

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Culture Trends

NIELSEN MEDIA RESEARCH

AD SPENDING - HOUSEHOLD GOODS

Household goods ad spending by media industry.

January-December 2003

Medium	*$(000)*
Cable TV	548,552,306
FSI Coupon	30,551,771
Hispanic Network TV	41,480,610
Local Magazines	3,487,651
Local Newspapers	11,565,018
Local Sunday Supplement	774,723
National Magazines	633,784,717
National Newspapers	5,046,004
National Sunday Supplement	14,229,461
National Radio	19,373,001
Network TV	444,008,366
Outdoor	3,211,487
Spot Radio	12,663,115
Spot TV	159,584,962
Syndicated TV	109,763,902
TOTAL	2,038,077,094

SOURCE: *Nielsen Monitor Plus*

THE HOLLYWOOD REPORTER'S BOX OFFICE

THIS WEEK	LAST WEEK	PICTURE	WEEKEND GROSS	DAYS IN RELEASE	TOTAL GROSS
1	NEW	***KILL BILL, VOL 2***	25,104,949	3	25,104,949
2	NEW	***THE PUNISHER***	13,834,527	3	13,834,527
3	3	***JOHNSON FAMILY VACATION***	5,950,280	12	20,977,918
4	2	***HELLBOY***	5,652,030	17	50,308,617
5	6	***HOME ON THE RANGE***	5,507,064	17	37,782,081
6	7	***SCOOBY-DOO 2***	5,227,232	24	72,307,969
7	5	***WALKING TALL***	4,601,007	17	36,634,257
8	9	***ELLA ENCHANTED***	4,241,089	10	13,579,980
9	4	***THE ALAMO***	4,138,571	10	16,402,427
10	1	***THE PASSION OF THE CHRIST***	4,051,112	54	360,761,619

For week ending April 18, 2004

Source: *Hollywood Reporter*

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2004 THE ADWEEK DIRECTORIES

STARCOM

NUMBERS C+

Billings, revenue rose 10% to $6.4 billion and $245 million, respectively. Won $160 million-plus from Gateway, Sun Microsystems. Added buying to Sara Lee planning in consolidation. December loss of McDonald's in global consolidation won't be felt until '04, but numbers negatively affected by General Mills planning loss in late '02. Top three clients boosted spend by at least 20%: Procter & Gamble print buying up 20% to $665 million; Walt Disney up 23% to $557 million; Kellogg up 31% to $219 million.

PLANNING A

Strategy is how shop defines itself and what it uses to compete, and it's rushing to the forefront of media-neutral, communications-channel planning. Like Publicis Groupe sibling MediaVest, agency has adopted media-neutral planner job called "consumer context planner," developed by GM Planworks. (The resource paid off this year when SMG Group was invited to P&G's $2.5 billion communications-channel review.)

BUYING A-

John Muszynski, Starcom chief broadcast investment officer, and team always excel, but lion's share of headlines were made by SMG Entertainment, led by by 2003 *Mediaweek* All-Star Laura Caraccioli-Davis. Among standout branded-entertainment campaigns: second year that Kellogg's Pop Tarts sponsored *American Idol*'s tour; introduction of Lego's Clikits brand, targeting girls 6-11, which bypassed TV to partner with Sony Music and Swedish girl group Play.

MANAGEMENT B+

Another year of "steady as she goes" for CEO Renetta McCann, who kept most buttoned-down shop in the Top 10 running smoothly, albeit unspectacularly. One big exception: Coke win in November as part of SMG Group (along with MediaVest) was one of year's most competitive and closely watched contests; McCann and Muszynski were both instrumental in that win.

COMMENTS

Although only Top 10 shop not based in New York likes to protest that it doesn't get its due from press or competitors because of its Midwestern roots, Coke win demonstrates Starcom not only belongs in top tier, it's very comfortable there. It's increasingly bundled with MediaVest in SMG Group pitches, a savvy holding company play that once again steals a march on the competition.

B+

UNIVERSAL McCANN

NUMBERS A-

Billings, revenue up 15% to $9.2 billion and $413 million, respectively. Won Hotwire.com ($40 million), Taco Cabana ($9 million). Lost TGI Friday's ($65 million). Lost Black & Decker, resigned Berlex ($30 million combined). Big win was from existing client Johnson & Johnson: $180 million McNeil division; also added $50 million in additional L'Oréal business (Plenitude brands). Biggest client Sony raised adspend 9% to $820 million; third largest, Microsoft, up 49% to $455 million; No. 2 Nestlé flat at $470 million. Loss of Coca-Cola ($350 million) in consolidation in December will be reflected in '04 numbers, as will win of Brown-Forman ($160 million), loss of Marriott ($90 million) in November.

PLANNING A

Hire of Fallon's New York media director, Mary Gerzema, who joined as managing director of planning in March, was another emphatic statement that shop's planning chops are second to none. Won three *Mediaweek* Plan of the Year awards in 2003, more than any other shop, for Internet work, out-of-home ideas and campaign for Sony Pictures' *Spider-Man*.

BUYING B

Not the high-profile area for shop that planning is, but has the clout to get job done nationally, especially given association with IPG's monster global negotiation unit, Magna. Did acknowledge one of its stars in '03, elevating national broadcast buying head Donna Wolfe to evp, chief negotiation officer in September. Local broadcast, run by Jean Pool, is big player, courtesy of $1 billion in General Motors spot billings.

MANAGEMENT B

Loss of Coke a devastating blow to last year's *Adweek* Media Agency of the Year. While shop did not come close to reprising its boffo 2002 in reviews, more assignments from existing clients kept numbers looking good. CEO Robin Kent's communal approach to leadership kept top management stable, and shop's dedication to pushing boundaries of media strategy continued to attract top talent. In Los Angeles, Saatchi & Saatchi integrated communications director Bonnie Chan joined as managing director in October.

COMMENTS

As other Top 10 shops brag about how much of their business is independent of creative siblings, Universal McCann continues to highlight close ties to McCann Erickson. That's not the Achilles heel its rivals say it is, as shop used organic growth to keep humming despite slower new-business pace.

B+

ZENITH MEDIA

NUMBERS D

Billings, revenue up 5% to $6.3 billion and $200 million, respectively. Biggest win was $180 million Miramax planning and buying in April, shop's first studio account. Top client Toyota increased adspend 7% to $1.3 billion, and No. 2 Verizon Communications was up 9% to $1.1 billion. No losses.

PLANNING B

Fruits of past two years of growing discipline under director of communications services Neil Ascher continued to ripen, as shop added planning for Wyeth Laboratories, additional assignments from AstraZeneca. Canny buzz-marketing effort for Toyota Scion featured moving billboards, wild postings and other tactics of urban-marketing warfare.

BUYING B

More clever ideas had Verizon's Test Man show up in content, interstitials and other unlikely places. Addition of Miramax gave shop hyper-retail experience to add to its automotive, pharmaceutical, packaged-goods and telecommunications clout in marketplace.

MANAGEMENT C-

For first time in two years, CEO Rich Hamilton's team didn't show up on shortlist of every major review and failed to get invited to the mostly roster-shop-only media reviews of consequence last year. Organic growth also so-so, considering last year's more than robust $770 million increase. But Miramax—introduced to shop by Maurice Lévy, CEO of Publicis Groupe, which works with the studio in France—was realization of big goal for Zenith, which had been unsuccessful in Sony Pictures and Disney reviews.

COMMENTS

Even without being judged by stratospheric standards of its performance during previous two years, shop's '03 was average compared with that of its peers. Hamilton's group devoted time and attention to growing existing clients, digesting growth of previous 24 months. Shop once considered too dependent on sibling Saatchi & Saatchi now boasts 90% of billings under direct contract with clients; is least dependent on creative agencies of any in Top 10.

C

Speed Channel Puts Singles in Hot Seat

Speed Channel is setting up some single drivers for its new reality dating show, currently titled *I Wanna Date a Race Car Driver*. The first installment will run on June 9 with Nascar Craftsman Truck Series driver Jon Wood, AMA Superbike racers Eric and Ben Bostrom, and newcomer Leilani Munter as the race car drivers looking for a little romance. Scott Lasky, a veteran of E! programs including *Search Party*, *Celebrity Adventures* and *Wild On*, will serve as host. Speed Channel plans to produce three more one-hour episodes.

GSN Lets Viewers Play Via Remote

GSN, the network for games, has partnered with Hawaii's Oceanic Time Warner Cable system to bring one-screen interactivity to more than 388,000 households in the market it serves. The service is effective immediately. GSN has offered two-screen interactivity to its 54 million subscribers, which allows viewers to play along with its interactive programming using their PCs, but this marks the first time viewers can play along with the game on-air using their remote control. For example, GSN viewers can match wits with contestants on *Who Wants to Be a Millionaire* by a touch of the remote. Others series with one-screen interactivity built-in include *Matchgame*, *Family Feud*, *World Series of Blackjack*, *The Mole* and *Fake-A-Date*.

Belo, TV Groups Offer Pols Free Time

For the fifth consecutive election season, Belo, owner of 19 TV stations, will provide free airtime for congressional and gubernatorial candidates through the company's "It's Your Time" program. Candidates who participate receive five minutes of free airtime, which includes one minute to answer a question specific to the candidate's race. The Dallas-based TV group also said it would expand its political coverage at its news-producing stations by televising at least one hour of coverage each week during the six weeks prior to the general election on Nov. 2. During the last election in 2002, Belo sponsored 30 congressional and gubernatorial debates. Belo was the first TV group to offer free airtime for political candidates in 1996. Several other groups also intend to offer free airtime, including Granite Broadcasting, which began offering free airtime to candidates in its markets in 1998.

NatGeo Channel Returns to the Titanic

On June 7, National Geographic Channel will broadcast the one-hour special *Return to the Titanic*, which will include the first-ever live telecast from the legendary doomed cruise ship, which lies 12,000 feet below the surface of the Atlantic Ocean. The special features National Geographic explorer in residence Dr. Robert Ballard, who, two decades after discovering the wreck, is returning to the ship to examine the forces that will eventually cause it to collapse completely and sink into the ocean floor.

Friedel Heads Fox Networks' New Ops Unit

Fox Networks Group has created a new division called Fox Networks Engineering & Operations that will oversee those areas for Fox, its cable networks and Fox Sports. Richard M. Friedel, executive vp/general manager of the new group, will supervise all broadcast and transmission operations, production and post-production, field operations, engineering and facility-service activities within the new unit. He will report to Andrew G. Setos, president of engineering for the Fox Group. Friedel was most recently senior vp of engineering and operations for Fox Digital.

WPIX Brings Back *Help Me, Howard*

After an eight-month hiatus, WPIX, Tribune Broadcasting's WB affiliate in New York, is bringing back "Help Me, Howard" as a twice-weekly feature on *The WB11 News at Ten* beginning April 29. Hosted by reporter Howard Thompson since 1995, the show assists people who feel powerless to solve a problem, whether because of government inertia, consumer fraud, harassment or other reasons. The station had tried to trade on


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Calendar

American Business Media will host its **spring meeting,** themed "Ride the Next Wave," May 2-5 at the Hotel del Coronado in Coronado, Calif. Speakers will include business futurist Jim Taylor and Bob Callahan, CEO of Ziff Davis Media. Visit www.americanbusinessmedia.com or call 212-661-6360, ext. 3320.

Adweek Magazines, *The Hollywood Reporter*, *Billboard*, *Sporting Goods Business* and Nielsen Media Research will host **The Next Big Idea: The Future of Branded Entertainment conference** in association with the NYU Stern School of Business, May 7 at the Sheraton New York Hotel & Towers. David Stern, commissioner of the National Basketball Association, will keynote. Contact: 888-536-8536.

The **New Generation Latino Consortium** will host its inaugural **NGLC Media, Marketing & Entertainment Conference** May 26 at the Harvard Club in New York. The conference's exclusive focus will be the New Generation Latino audience and its impact in the fields of media, marketing and entertainment. Keynote address will be delivered by Herb Scannell, MTV Networks Group president and Nickelodeon Networks president. Contact: David Chitel at 212-967-8267.

Magazine Publishers of America's Independent Magazine Advisory Group will host the first **Magazine Leadership Forum for Independent Publishers**, addressing the business issues of specific concern to this group, June 21-23 at Northwestern University in Chicago. Open to MPA members and non-members. Visit www.magazine.org/independent_publishers.

Interep will host a radio information conference entitled **"Mid-Year 2004 Radio Symposium: Solving New Industry Variables"** June 22 at the Grand Hyatt in New York. Topics will include radio advertising's return-on-investment and growth opportunities, major business trends, pacing, pricing and inventory, ED, and indecency rulings. Visit www.radiosymposium.com beginning May 3.

inside media

Thompson's success by having him host another, similar feature called "Inside Look," but "the ["Help Me"] phones never stopped ringing," said Thompson. Besides assisting consumers with problems through Thompson's efforts, the returning show will offer tips on how to avoid such situations and how to get out of them.

WTVJ Anchor Adds Radio Show

José Diaz-Balart, co-anchor of the 5:30 p.m. local news on WTVJ, NBC's Telemundo station in Miami, and host of Telemundo's national morning program, *Hoy en el Mundo*, has added a national radio show to his credits. On April 19, he premiered as host of *JD Balart's American Radio Journal*, a daily two-hour talk show targeting bilingual Hispanics. The show, syndicated by Liberty Broadcasting Network (formerly known as Talk America Radio Networks), covers a wide range of topics, from politics to entertainment, and includes guest interviews and discussions with listeners. It launched in four markets, including Washington, D.C.

Shannon Hosts New ABC Oldies Format

Scott Shannon, co-host of *Scott and Todd in the Morning* on WPLJ-FM, ABC Radio's Hot Adult Contemporary station in New York, is the host of ABC Radio Networks' newest 24/7 music format, True Oldies Channel. The channel, which launched last week, is dedicated to the rock-and-roll music that started it all, with selections from 1958 to 1964. Shannon also serves as program director of True Oldies.

Nielsen to Measure Sports Sponsorship

Nielsen Sports, a new unit of Nielsen Media Research, plans a July 1 launch for a new service that measures televised sports sponsorship media such as in-stadium signage, live broadcast promotions and audio mentions. Called Sponsorship Scorecard, the new service is the first developed by Nielsen Ventures, established last year. Nielsen, owned by *Mediaweek* parent VNU, will roll out the new Web-delivered service with a limited number of clients, leading to a full launch with the 2004 sports season. In a separate announcement, Nielsen announced an agreement with Gemstar-TV Guide International to launch a consumer research trial to determine how consumers use interactive programming guides and what impact IPGs have on TV viewing and advertising. To conduct the trial, Nielsen will install 300 Gemstar-TV Guide set-top boxes in homes that were recent participants in Nielsen studies and don't currently have an IPG in the home. Results of the study are expected later this quarter.

OAAA Names Media Plan, Obie Winners

The Outdoor Advertising Association of America last week honored the best work in out of home at its 2004 Obie awards event, held at the Fairmont Scottsdale Princess Hotel in Phoenix. Starcom MediaVest Group won for best national media plan award for its Altoids Strips campaign. The plan, which used traditional out of home, also used nontraditional advertising, including bar coasters and coffee sleeves. In the local-plan category, Outdoor Services and Jelly Belly Candy Co. won for their outdoor campaign to support the launch of JBz. A series of billboards for retailer Ikea showing a giant price tag with actual items hanging from the board won best of show. The boards were created by Crispin Porter & Bogusky of Miami, which won a second Obie in the automobile category for its Mini Cooper campaign. Other Obie winners include Arnold Worldwide, which won for its Volkswagen cutaway billboard; Leo Burnett, for its ComEd and Altoids outdoor work; and Young & Rubicam, for The Campbell Soup Co.

In Touch Ups Circ Again

In Touch magazine, published by Bauer Publishing, will raise its rate base to 650,000 from 500,000 beginning July 1. This is the third increase in circulation since the celebrity weekly's launch in October 2002.

Scarborough Adds Program Genre Info

Scarborough Research, a consumer market research firm, will begin including TV program genre data in its service at the end of April, with the first release of its 2004 database. The new data will provide qualitative information about consumers who watch different types of TV programs, including reality, game shows, documentaries and local news, cross-referenced against consumer lifestyle, shopping and other media habits. The company, a joint venture between *Mediaweek* parent VNU and Arbitron, has also added new qualitative measures for the insurance, sports, retail, Internet and lifestyle categories. ■

Movers

MAGAZINES

David Watt, most recently director of marketing integration at *People*, has been named publisher of Time Inc. sibling *Sports Illustrated For Kids*...**Gary Walther**, formerly editor in chief of the defunct *Expedia Travels* and of American Express Publishing's *Departures*, has been named editor of *Spa Finder Magazine*, a spa lifestyle title.

NEWSPAPERS

Paul C. Atkinson has been named vp, business development for the Newspaper National Network. Atkinson had been with Dow Jones & Co. for 24 years, most recently as senior vp of advertising for *The Wall Street Journal*.

RADIO

At Westwood One, **Bart Tessler** was upped to senior vp of network news and Talk programming, from vp of news programming; and **Kevin Delany** was promoted to director of network news and Talk programming, from director of production...**J.D. Gonzalez** was named vp and manager for Univision Radio's stations in Houston. He was vp of programming for the company's Hip-Hop and Tejano formats.

TV

Among appointments at Fox Television: **Kevin Hale** was named vp and general manager of KTTV and KCOP, Fox's duopoly in Los Angeles. Hale was most recently vp and gm of KSAZ, the Fox O&O in Phoenix. **Pat Nevin** was named vp and gm of KSAZ and KUTP, Fox's duopoly in Phoenix, and the regional sports net. Most recently vp and director of sales for the Phoenix duopoly, he was replaced by **Mellynda Hartel**, who was named vp and director of sales for the duopoly and the regional sports net. Hartel was most recently vp and general sales manager. **Andy Alexander** was upped from vp of research to programming and research for KDFW, Fox's O&O in Dallas-Fort Worth, and the regional sports net. **Debbie Carpenter** was named vp and general manager of WFLD and WPWR, the company's Fox and UPN stations in Chicago. She was senior vp for Fox station sales in New York.

media elite

EDITED BY ANNE TORPEY-KEMPH

Quicktakes

MARYANNE RUSSELL PHOTOGRAPHY INC

Matrix award winner Nelson (l.) noted that presenter Swank gave her some words to live bravely by.

THERE WAS HARDLY A DRY EYE in the house at the recent Matrix Awards at the Waldorf, where New York Women in Communications honored some of the leading ladies of the communications industry. **Deb Shriver**, Hearst Corp. vp, chief communications officer, who won the Matrix for public relations, got teary-eyed when she thanked her mother (just one of Shriver's crying entourage) and remarked that she came from "a family of criers." Susan Peterson Kennedy, president of Penguin Group USA, who received the award for books, cried while thanking her son for forgiving her for sending her assistant to his parent-teacher conference. Other honorees waxed emotional about some of the stops along their career path. *Wall Street Journal* senior editor **Alix Freedman** recalled her early days at the paper, when the few female employees were cordoned into an area called "the valley of the dolls" by male coworkers. And *People* managing editor **Martha Nelson** talked about how far she'd come (from a small town in South Dakota) and about risks that paid off. Recalling the launch of *In Style* 10 years ago, she said: "We didn't even have a name [yet] when we called Annette Bening and asked her to be on the cover. I'll never figure out who took the bigger risk—me or Annette." Nelson received her award from friend and actress Hilary Swank, who turned her on to what has become one of her life mottos: "Brave on the Rocks."...Radio executives are pulling their hair out over the FCC's war against indecency, even to the point of questioning the advertising that pays the bills. **Joel Hollander**, COO of Infinity Broadcasting, for one, says he recently found himself wondering whether or not to accept a half million dollars in advertising from clothing company FCUK (French Connection U.K.). In the end, Infinity decided to take the chance and take the FCUKers' money...In related news, ***60 Minutes*** is on Fred Thompson's s--- list. The Florida attorney, who has filed numerous complaints with the FCC over Howard Stern's radio antics, last week filed one against the veteran CBS newsmagazine for the four-letter word uttered by rapper Mary J. Blige during an interview with Ed Bradley on the April 18 installment...Do prime-time series hit viewers where they live? Not Southerners, according to **Rob Frydlewicz**, Carat Insight's vp, research director, who recently mapped the settings of the 144 regularly scheduled prime-time broadcast series. Considering that almost one-third of the U.S. population lives there, the South is surprisingly underrepresented on the small screen, its states among the 22 that didn't show up in Frydlewicz's study. California is by far the most popular backdrop, with 35 shows taking place in the Golden State. Second was New York, with 20 series, followed by Washington, D.C., and Chicago, with 7 each...The **National Rifle Association** has its sights set on media exposure, and it's starting with programming on the Internet. The pro-gun lobby recently launched NRA News (www.nranews.com), "Freedom's Last Channel," featuring twice-daily news updates and a talk show hosted by Cam Edwards, former host of *Oklahoma's First News* on KTOK-AM in Oklahoma City. The NRA is shopping for radio stations to broadcast to its potential audience of 16 million licensed hunters and 80 million gun owners. ■

LAURA FARR/ZUMA PRESS

CBS let Blige's four-letter word slide in prime.

Time For Change

Time Inc.'s Moore eliminates president positions at *People* and *SI* in an effort to streamline operations

TIME INC. CHAIRMAN/CEO ANN MOORE SHUFFLED HER MANAGEMENT TEAM LAST WEEK, including the elimination of president positions at two of the company's most lucrative brands, *People* and *Sports Illustrated*. Insiders say the changes were an effort to streamline operations and to strengthen management for an upcoming launch. The changes also signal a long-term objective of Moore to phase out the company's magazine presidents when the opportunities arise, according to a Time Inc. insider. The bulk of the company's titles, including *Entertainment Weekly*, *Time* and *Parenting*, have presidents.

Moore says she "wanted to use the extra head count on the new launches," adding that "organizations should be fluid."

People president Peter Bauer, who moved up from publisher in September 2002, will be joining the *Life* development team. Bauer has not yet been given a title, but he will report to Andy Blau, *Time* magazine's general manager, who is overseeing the *Life* project.

MICHAEL O'NEILL PHOTOGRAPHY

Moore is setting the stage to revive *Life*.

Time Inc. is currently attempting to revive the defunct *Life* as a weekly newspaper supplement and is likely to do so by the end of the year. Talks are underway with the Tribune Co., Mort Zuckerman's New York *Daily News* and other publishers. A page in the newspaper supplement could run as high as $200,000, so Moore's rationale is to bring in an experienced executive with a sales background, says the insider. Execs hope the new *Life* can reach a circulation of at least 10 million.

Bauer's position at *People* will not be filled. Nora McAniff, who previously was president of the People Group (which has remained under her aegis), will once again assume direct responsibility for *People* and continue to oversee a variety of properties that include Essence Communications, the Parenting Group and *In Style*.

People's paid circulation was flat at 3.6 million in last year's second half compared to the year prior, according to the Audit Bureau of Circulations. Newsstand sales grew 1.6 percent to 1.5 million. Through its April 26 issue, *People*'s ad pages were down 6.3 percent to 1,046.

Meanwhile, Bruce Hallett, who joined *Sports Illustrated* as president in December 2001 from *Time*, will leave after having worked at Time Inc. for the past 24 years. In an internal memo sent by Moore last week to Time Inc. staff, she says it was Hallett's decision to leave; he wanted to finish writing a novel about Vermont, from where he commutes to New York each week. He will not be replaced.

The change at *SI* comes on the eve of the Summer Olympic Games in Greece, of which *Sports Illustrated* is a top sponsor. Executive vp John Squires, who has overseen *Entertainment Weekly*, as well as consumer marketing, Time Inc. Interactive and retail distribution, will trade *EW* to executive vp Mike Klingensmith for *SI*. The move will allow Squires "a hands-on role" at *SI*, Moore explains in her memo. Klingensmith, the founding publisher and president of *EW*, will continue to oversee *Time*, American Express Publishing, Time4 Media

Mediaweek Magazine Monitor

WEEKLIES APRIL 26, 2004

	ISSUE DATE	CURRENT PAGES	ISSUE DATE LAST YEAR	PAGES LAST YEAR	PERCENT CHANGE	YTD PAGES	YTD LAST YEAR	PERCENT CHANGE
NEWS/BUSINESS								
BusinessWeek@	26-Apr	60.45	28-Apr	52.90	14.27%	876.66	838.89	4.50%
The Economist	17-Apr	55.00	19-Apr	33.00	66.67%	684.00	645.00	6.05%
NewsweekE	26-Apr	37.06	28-Apr	45.24	-18.08%	659.64	614.23	7.39%
The New Republic@	26-Apr	5.17	NO ISSUE		N.A.	74.24	89.03	-16.61%
TimeE	26-Apr	48.38	28-Apr	46.40	4.27%	743.14	698.47	6.40%
U.S. News & World Report	26-Apr	35.66	28-Apr	17.16	107.81%	501.38	406.07	23.47%
The Weekly Standard	NO ISSUE		21-Apr	6.50	N.A.	88.09	95.97	-8.21%
Category Total		**241.72**		**201.20**	**20.14%**	**3,627.15**	**3,387.66**	**7.07%**
SPORTS/ENTERTAINMENT/LEISURE								
AutoWeek	26-Apr	24.75	28-Apr	22.18	11.59%	360.70	376.00	-4.07%
Entertainment Weekly	23-Apr	31.17	18-Apr	25.33	23.06%	484.28	503.98	-3.91%
Golf World	23-Apr	22.78	25-Apr	21.28	7.05%	405.47	386.78	4.83%
New York	26-Apr	58.90	28-Apr	59.50	-1.01%	809.85	743.62	8.91%
People	26-Apr	46.68	28-Apr	67.50	-30.84%	1,045.91	1,116.66	-6.34%
Sporting News	26-Apr	18.75	28-Apr	11.83	58.50%	267.42	228.91	16.82%
Sports Illustrated	26-Apr	55.59	28-Apr	27.95	98.89%	759.80	744.89	2.00%
The New Yorker	NO ISSUE					625.62	650.49	-3.82%
Time Out New York	21-Apr	59.83	16-Apr	81.44	-26.53%	957.97	1,028.46	-6.85%
TV Guide	25-Apr	30.67	26-Apr	39.04	-21.44%	784.61	816.85	-3.95%
Us Weekly	26-Apr	34.50	28-Apr	20.62	67.31%	452.97	412.95	9.69%
Category Total		**383.62**		**376.67**	**1.85%**	**6,954.60**	**7,009.59**	**-0.78%**
SUNDAY MAGAZINES								
American Profile	25-Apr	8.80	27-Apr	9.00	-2.22%	159.50	151.75	5.11%
Parade	25-Apr	14.63	27-Apr	20.44	-28.42%	220.99	237.16	-6.82%
USA Weekend	25-Apr	14.46	27-Apr	14.85	-2.63%	206.20	210.50	-2.04%
Category Total		**37.89**		**44.29**	**-14.45%**	**586.69**	**599.41**	**-2.12%**
TOTALS		**663.23**		**622.16**	**6.60%**	**11,168.44**	**10,996.66**	**1.56%**

E=estimated page counts; @=one fewer issue in 2004 than in 2003

CHART COMPILED BY AIMEE DEEKEN

and Time Inc.'s legal department.

Paid circulation at *Sports Illustrated* fell 1.1 percent to 3.2 million in last year's second half. Newsstand sales dropped 9 percent to 81,878. *Sports Illustrated's* ad pages grew 2 percent to 760. *—LG*

Hare Today...

New post for *Playboy* editor

James Kaminsky, the former *Maxim* editor who in 2002 was brought in to replace longtime *Playboy* editorial director Arthur Kretchmer and was charged with reviving the men's monthly, left his top post last week. Kaminsky will assume the new role of vp, special projects for Playboy Enterprises. Also, Kaminsky's No. 2, Steven Russell, will be leaving the company.

Sources familiar with the situation say that despite Kaminsky's efforts to rejuvenate the 50-year-old magazine, his hands were tied from the start by founding editor in chief Hugh Hefner. "There's one editor, and that's Hef," said the source. "There should be no illusion that he has a death grip on that magazine."

A search for Kaminsky's replacement is now underway. Until then, a troika of editors—executive editors Christopher Napolitano and Stephen Randall and assistant managing editor Leopold Froehlich—will report to Hef. Kaminsky, who did not respond to calls, will stay on at *Playboy* as a contributing editor and will explore spin-offs into magazines, TV and film.

During his tenure, Kaminsky attempted to transform *Playboy* into a hipper, more youthful magazine that could better compete against the new wave of men's magazines that include Dennis Publishing's *Maxim* and Emap USA's *FHM*. Kaminsky moved the editorial staff from *Playboy's* Chicago headquarters to New York; revamped the front of the book, making the section more topical and humorous; and updated the visuals. He is also credited with bringing in a better collection of celebrities. Still, some say the magazine did not change enough to turn itself around. "I think he did a fine job. I think they should have given him more time," says George Janson, Mediaedge:cia's director of print. "It's going to take a few years for a redesign to take hold with advertisers, as well as with syndicated research."

Playboy's paid circulation fell 5.2 percent to 3 million in last year's second half, missing its 3.15 million rate base, according to the Audit Bureau of Circulations. Newsstand sales, however, grew 4.2 percent to 369,229. Ad pages through May have grown 35.1 percent to 261, reports the *Mediaweek* Monitor.

In other men's magazine news, Chris Mitchell, associate publisher of Condé Nast's *The New Yorker* since 2001, was named vp, publisher of Fairchild Publications' *Details* and spin-off *Vitals*, coming in September. Mitchell succeeds Bill Wackermann, who was named vp/publisher of CN's *Glamour*. *—LG*

mr. television

BY MARC BERMAN

On the Fence

IT'S THAT TIME OF YEAR AGAIN WHEN NETWORK EXECUTIVES DESIGN THEIR FALL schedules—a nerve-racking period when anyone from a ratings-challenged series avoids getting the mail for fear a pink slip might be in it. With that in mind, this week's column is dedicated to the shows—freshman and established—that are "on the fence" for next season.

Although NBC has a definite shortage of returning comedies (only *Will & Grace* and *Scrubs* are confirmed to join upcoming *Friends* spin-off *Joey* next fall), you would think it might consider renewing either *Whoopi* or *Happy Family*, the Tuesday-night chucklers that premiered last fall. With *Happy Family* ranked at No. 82 season-to-date among adults 18-49 (2.8 rating/7 share) and *Whoopi* even worse at No. 97 (a paltry 2.6/7), according to Nielsen Media Research, don't expect either sitcom to be back next season. This means NBC will open 2004-'05 with the fewest established comedies on its schedule since 1980, when the only returning shows were *Diff'rent Strokes* and *The Facts of Life*. Times obviously have changed for NBC, and not necessarily for the better.

Currently missing in action on the Peacock net, and not expected back, are *Miss Match*, *The Tracy Morgan Show*, *Good Morning, Miami* and veteran 4-year-old dramedy *Ed*, which concluded on an obvious note in February after Ed (Tom Cavanagh) and Carol (Julie Bowen) finally said, "I do."

At troubled ABC, which has problems every night of the week, recently introduced dramas *Line Of Fire*, *The D.A.* and *Stephen King's Kingdom Hospital* have as much chance of coming back as my winning the lottery. And freshman sitcoms *It's All Relative*, *I'm With Her*, *Married to the Kellys* and *The Big House*—all mediocre, "B"-level shows—are the last thing ABC needs. Instead of high-profile dramatics and silly sitcoms, the priority should be on shows we can actually relate to and laugh at. I wish the new executive team well.

Even CBS, which has the fewest troubled time periods of any network, has a few potholes to fill after a tough winter. Since the legal drama *Century City* sputtered as a replacement for modest Tuesday drama *The Guardian*, it looks like the latter could get a reprieve. And if CBS replaces Saturday scripted programming with a movie, as rumored, *Hack* is a goner and veteran *The District* will only land a renewal if *The Guardian* is not picked up or CBS finds something better for the Friday 10 p.m. hour (*CSI: New York*, perhaps).

Trekkies across the country are losing sleep over the status of UPN's declining *Star Trek: Enterprise*.

Sadly, CBS was the only network offering original scripted programming on Saturdays. If it does bail on the night, the broadcasters have pretty much thrown in the towel. What a shame.

Although critics would be pleased to bid adieu to *Yes, Dear*, CBS' lowest-rated Monday comedy, its debut in syndication this fall means that the network is likely to give it a thumbs up. If anything, CBS' priority will be to find a companion sitcom for *King Of Queens* on Wednesday.

On reality-drenched Fox, which recently lowered the boom on scripted series *Cracking Up* and one-note drama *Wonderfalls*, the biggest question mark is if Sunday Ron Howard comedy *Arrested Development* is returning for year two. Like last season's critical darling, NBC's *Boomtown*, there is every reason to believe *AD* will receive a pickup, despite my belief that viewers en masse will never find this comedy. Also not expected back: *Oliver Beene*, which will burn off its 10 remaining telecasts this summer, or reality hours *Forever Eden* and *Playing It Straight*. Although the new grotesque reality entrant *The Swan* has beaten the odds and found an audience, Fox would do well to avoid sleazy relationship reality. More often than not, it just doesn't work.

UPN already has made some decisions about the fall: it green-lighted freshman comedies *All Of Us* and *Eve*, axed *The Parkers* and is ready to officially can *Rock Me Baby* and *Game Over*. But Trekkies across the country are losing sleep over the status of the declining *Star Trek: Enterprise*. If *Enterprise* does not get picked up (my guess is that the network will order it for midseason), this will be the first time in 17 years that there won't be a weekly, first-run *Star Trek* series on the air.

And then there's the WB, which has had a rough season. The folks behind *What I Like About You*, *Run of the House*, *Like Family*, *Steve Harvey's Big Time* and *The Help*, not to mention the veteran *Jamie Kennedy Experiment*, should all be sitting on pins and needles—and rightly so. No wonder the network's ratings have plummeted this season. ■

Do you agree, or disagree, with Mr. TV? Please e-mail mberman@mediaweek.com and let him know if you would like your response published in an upcoming issue.

GLEN HANSON

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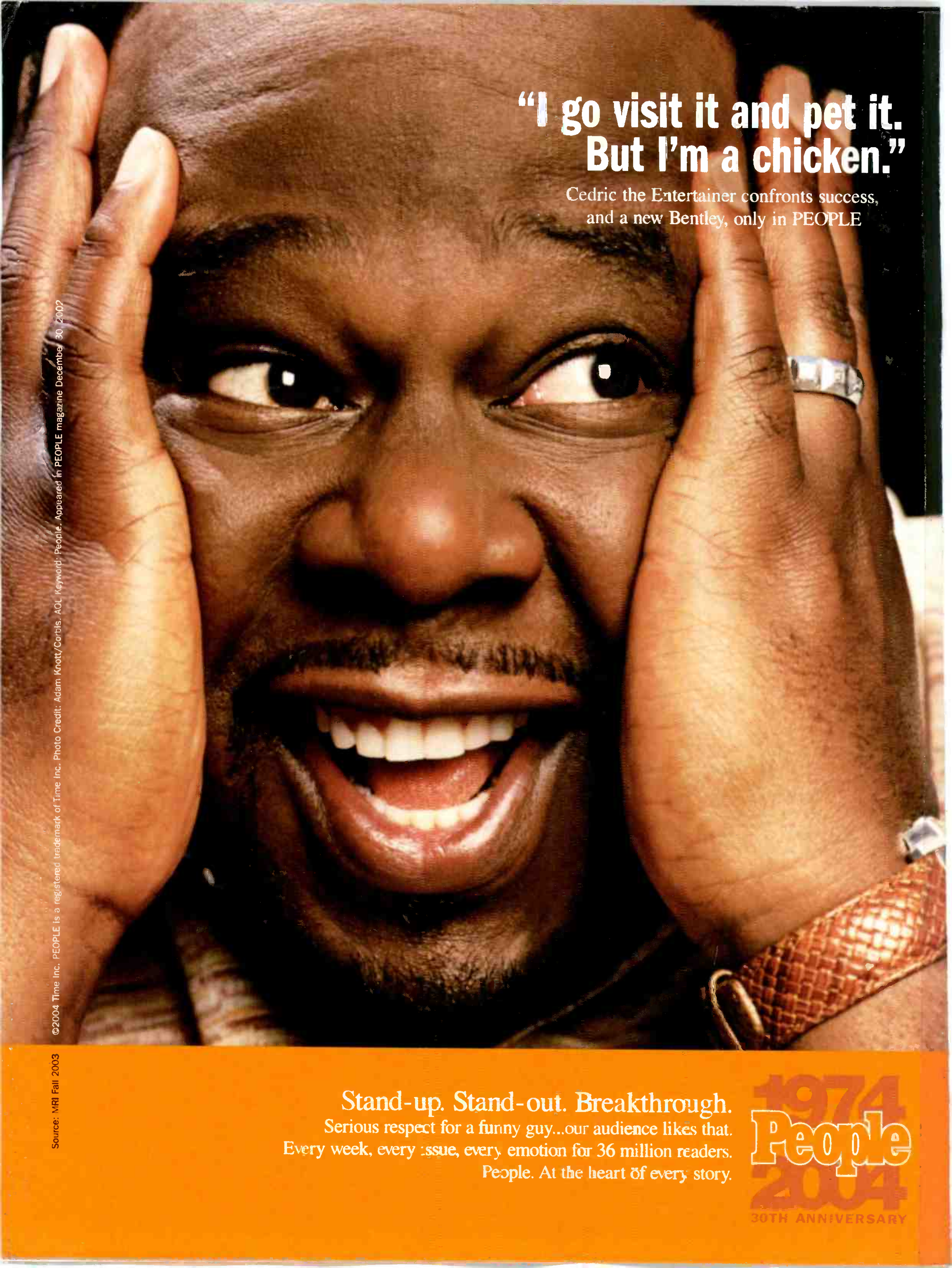

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