

PRIVATE DISHES

Heady growth seen, based on '84 sales gains/43

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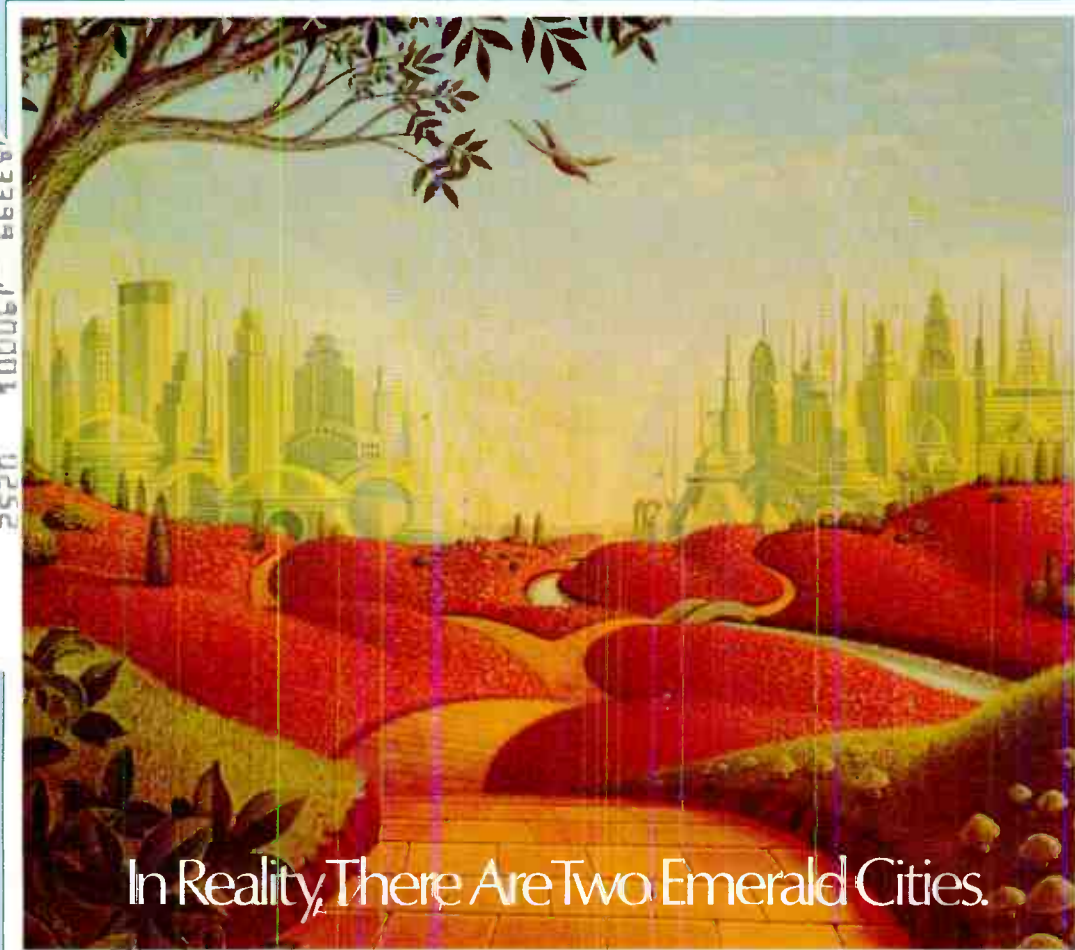
CLASSICAL RADIO

Stations cite ad gains, listener affluence/A-1

Television/Radio Age

Including CableAge

April 29, 1985 \$5.00



In Reality, There Are Two Emerald Cities.

Minneapolis and St. Paul. We've even got wizards—three of the five biggest computer firms are headquartered here. So are thirteen of Fortune's 500. If you're looking for people with brains (also courage, heart and lots of disposable income), look toward the Twin Cities. It's one fantastic market.

KSTP-TV 5
On top of one fantastic market

T
13555
DALLAS

DES
MOND
KIT
LANE
134
TX
75240

AUG
88
DIR

983399
10
186
990001
0252

REMINISCENCE ABOUT THE FUTURE.



Imagine that it's 1986 and you've just received the ratings from the latest sweeps.

Now imagine how happy you are with the performance of "Catch Phrase," the biggest hit of '85-'86, and the newest strip that you added to your station line-up.

You reminisce about the day that you bought "Catch Phrase." You knew that instant hits don't happen by accident. They happen when all of the elements that it takes to make a successful game show come together on one project.

And you had the insight to realize that "Catch Phrase" is one of those instant successes.

You review in your mind all of the reasons why you bought "Catch Phrase."

THE GAME WAS EASY TO WATCH

You played along with the pilot program and knew that your viewers would too. You noticed that the show isn't a complicated program, yet its appeal is undeniable.

THE PUZZLES WERE ADDICTIVE

As you watched the show, the "Catch Phrase" puzzles became addictive. Like eating peanuts, once you start watching, you just can't stop.

THE GAME WAS FOCUSED

You instantly realized that the catch phrases are the main focus of the show. They're the star of the program. There are no questions and answers slowing down the pace and turning off young viewers, just lightning-quick catch phrases to play along with.

**A FIRM "GO"
ALREADY BOUGHT BY
75 STATIONS!!**

catch PHRASE

GREG

JAN

Starring Art James

THE HOST WAS WELL KNOWN

You liked the host of the show. You knew that Art James is a proven master of ceremonies, having starred on such network shows as "Say When," "Temptation," "The Magnificent Marble Machine," "Who, What, Where," and the huge hit, "Concentration." And you realized that his 15 years of experience on the networks would pay off when "Catch Phrase" debuted.

THE PERFECT FINISH

And as you watched the pilot, you were captivated by the electrifying "Catch Phrase" bonus round, the fastest-paced climax on the air. A bonus round in which a contestant can win over \$10,000 in only 60-seconds.

Yes, you're glad that you decided to become a part of the biggest success of the new season.

You're proud that you made the decision to be the one station in your market that stepped up to buy the freshest, fastest and most addicting game show of the season.

catch PHRASE

Next year, don't be caught on the outside looking in. Join the growing "Catch Phrase" line-up right now.

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Volume XXXII, No. 21
April 29, 1985

Television/Radio Age

Industry sources claim the number of private earth stations that were sold last year doubled

Heady growth forecast for home dishes 43

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INTV drive against minimum rating point restrictions now receiving some 'qualified' support

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CLASSICAL MUSIC ON RADIO

Ad gains, affluent listeners keep stations prosperous A-1

Cable Age begins after page 90

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Television/Radio Age (ISSN # US0040277X) (USPS # 537160) is published every other Monday for \$50 per year by the Television Editorial Corp. Publication Office, 1270 Avenue of the Americas, New York, NY 10020. Second class postage paid at New York, NY and additional mailing offices. POSTMASTER: Send address changes to Television/Radio Age, 1270 Avenue of the Americas, New York, NY 10020.



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JIM DAVIS



DALE ROBERTSON

**130
COLOR
HALF-HOURS**

CATCH THE STARS!

Some of the many stars and surprises you'll rediscover in this award-winning and colorful series now returning to television include:

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LLOYD ("Dynasty") BOCHNER	JAMES ("Hawaii Five-O") MacARTHUR
RORY ("The Texan") CALHOUN	GAVIN ("Love Boat") McLEOD
DABNEY ("Buffalo Bill") COLEMAN	LEONARD ("Star Trek") NIMOY
JIM ("Dallas") DAVIS	RONALD REAGAN
JAMIE ("M*A*S*H") FARR	DALE ("Wells Fargo") ROBERTSON
ANNE ("Honey West") FRANCIS	MARION ("Happy Days") ROSS
GEORGE ("Hollywood Squares") GOBEL	ROBERT ("The Detectives") TAYLOR
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DEATH VALLEY DAYS



- "The most successful Western series in broadcasting history..."
...one of the top 3 syndicated shows on TV for over 7 years!" —UNITED PRESS INTERNATIONAL (UPI)
- "The shows are all true, carefully researched and documented." —SAN DIEGO UNION



BLAIR ENTERTAINMENT

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World Radio History

Here's what women like.



WOMEN 18-34

Hill Street Blues	16
Knots Landing	16
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Knight Rider	13
Remington Steele	13
Simon & Simon	13
St. Elsewhere	13
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Fall Guy	10
Matt Houston	7

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Fall Guy	11
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“Hill Street Blues,” in its 5th prime-time season, is the favorite of young adults across the board.

And young adults are the prized audience for which advertisers pay premium rates.

HILL

Here's what men like.



MEN 18-34

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A Team	13
Knight Rider	11
Magnum, P.I.	11
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Simon & Simon	11
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MEN 18-49

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A Team	14
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MEN 25-54

Hill Street Blues	18
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Cagney & Lacey	8
Scarecrow & King	8
Knots Landing	7
Matt Houston	7

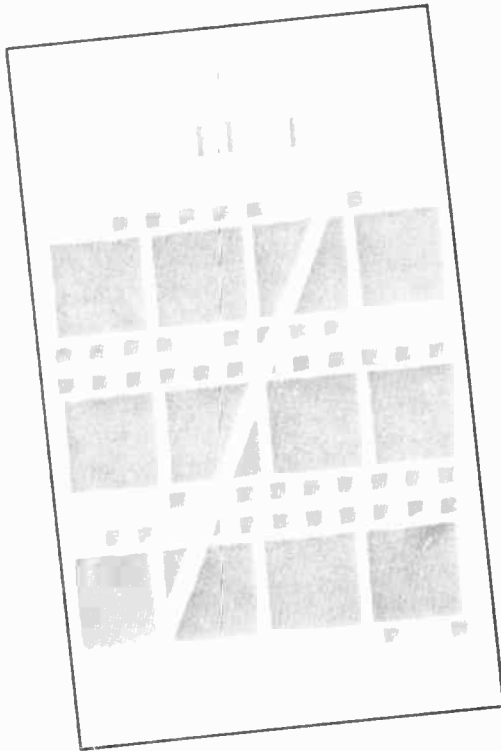
Don't settle for a series that's strong with only one sex or a few age groups if you can still get the unanimous young adult choice.

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Television/RadioAge

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1270 Avenue of the Americas
 New York, NY 10020
 Phone: 212-757-8400
 Telex: TELAGE 421833

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Member Business
 Publications Audit of
 Circulations, Inc.



TELEVISION/RADIO AGE is published every other Monday by the Television Editorial Corp. Sol. J. Paul, President; Lee C. Sheridan, Executive Vice President; Paul Blakemore, Vice President; Alfred Jaffe, Vice President. Editorial, advertising and circulation office: 1270 Avenue of the Americas, New York, N.Y. 10020. Phone: (212) 757-8400. Single copy: \$3.50. Yearly subscription in the U.S. and possessions: \$50; elsewhere: \$60 © Television Editorial Corp. 1985. The entire contents of TELEVISION/RADIO AGE are protected by copyright in the U.S. and in all countries signatory to the Bern Convention and the Pan-American Convention.

**SUDDENLY, 8 O'CLOCK
WASN'T FUNNY ANYMORE.**



**Three's Company became a crowd.
The Jeffersons were taken to the cleaners.
And Happy Days weren't here again.**

Publisher's Letter

In a few years, retail could become largest broadcast ad category

In the next few years, retail may well be the largest category of advertising on broadcast media—IF. If broadcast media go after the retail advertisers on a consistent basis . . . if broadcasters learn more about the problems of the retailers . . . if broadcasters go topside and talk about the values of the media to the heads of retail outlets and chain retailers.

As the story on page 46 points out, "The retailers are probably as open-minded as they have ever been about the use of broadcast advertising. They recognize television and radio's value as a positioning tool, a targeting vehicle, and a mover of consumers to special events." Because of the importance of retail advertising, TV/RADIO AGE recently started a column on retailing in the *Spot Report* section. Sandy Josephson, our editorial director, is a long-time observer of the retail scene. The column is written both from the perspective of the retailer, on one hand, and from the perspective of the broadcaster, on the other. It has generated a great deal of comment from both areas and has proved both educational and productive.

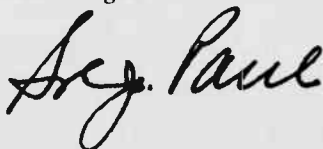
Retailers will converge in Orlando this week for the NRMA's (National Retail Merchants Association) annual Sales Promotion and Marketing Conference. Reportage of some of the sessions will appear in subsequent issues.

Servicing the retailer. There are some outstanding examples of stations that have done an outstanding job servicing the retailer. KOMO-TV Seattle-Tacoma has successfully and aggressively gone after retail business in the market. The effort has been under the direction of Phelps Fisher, who was formerly head of the Retail Development Board of Television Bureau of Advertising. The Outlet stations, formerly part of a retail combine, understand and work with the retailers in their station areas.

Donald Hurt, who is the local sales manager of WCPX-TV Orlando-Daytona Beach-Melbourne, is the current chairman of the TvB Retail Development Board. Group W and Cox also have retail sales development managers in each of their markets.

ABC study. One of the most creative efforts has been the study of consumer shopping behavior conducted by the ABC Owned Television Stations. It was originated in the fall of 1982 by KABC-TV Los Angeles, and later expanded to four other ABC markets—New York, Chicago, San Francisco, and Detroit. This study found that the loyalty factor had dropped among shoppers for apparel in these markets. Interestingly enough, the study found out that the Number 1 reason a person shops at a specific store is quality. The second major reason was price. As Keith Ritter, director of marketing for the ABC Owned Stations, reports, "When respondents were asked what kind of advertising motivated them to shop at a specific store, 70 per cent said newspapers and 40 per cent said television. People remember sales, but if only 7 per cent of shoppers are motivated by sales, and 20 per cent are motivated by quality, then the overall message that seems to be getting through is the need to be on television on a regular basis with image advertising . . . a television campaign should make people aware of the store on an ongoing basis."

Retailers have advised broadcasters not to compete frontally with newspapers. This challenges the judgment of the buyer. Rather, many retailers say, "Give us the facts; show us how the medium can be used most productively; tell us what the competition is doing on an ongoing basis." If this is done effectively, radio and television will achieve a higher percentage of the total budget.



**ONE WEDNESDAY MORNING,
CBS AND ABC DISCOVERED
THEY HAD LOST TUESDAY NIGHT.**



Letters

WDTN-TV purchase price

I read, with interest, your *Tele-Scope* article, "CapCities/ABC merger," but I ran into a figure I think is wrong, and I should know.

You quoted, "Buffett, through the broker Howard Stark, bought WDTN-TV Dayton for the college for \$11.1 million in 1976." I was there and bid higher than \$11.1 million. I understood the Grinnell sale was \$12.9 million.

I know in this day of billions the difference of \$11.1 million and \$12.9 million is not very much, but it was enough that our group didn't get it.

DONALD L. DAHLMAN
Vice president,
Multimedia, Inc.
Cincinnati

Ed. note: Dahlman is correct

Broadcasting stocks

I've just finished reading the *Publisher's Letter* of April 1st (*CapCities-ABC aftermath proves broadcast stocks undervalued*), which comments on earnings growth and broadcasting stock. This was very interesting.

One of the things that has happened is that the various takeovers and attempts at takeovers have awakened the investor to the fact that communications stocks are growth stocks, and that they are well run combinations that will do all right.

ROY H. PARK
President,
Park Communications, Inc.,
Ithaca, N.Y.

Proper credit

While it's certainly true that Benton & Bowles has done many good things for our mutual client, Procter & Gamble, it is definitely not true that Benton & Bowles supervised our client's miniseries, *A.D.*, as stated on page 57 of your April 1 issue (*P&G 'forced' media diversification seen as plus for radio*).

Saatchi & Saatchi Compton program personnel have been working on that show for three years now. Our West Coast manager of programming, Shel Stuart, lived in Tunisia for the entire 10 months of principal photography. For a year before that and another year after that, S&SC people in programming, media and research worked with our client and NBC in developing and supervising all facets of the production and its attendant publicity.

With all the intellectual and physical sweat (it was 117 degrees in the Gabes desert) that went into this production, we'd appreciate it if you'd credit the right agency!

BRUCE B. COX
Senior vice president,
director of programming,
Saatchi & Saatchi Compton Inc.,
New York

Radio sales training

Regarding "RAB's Stakelin stresses need for sales training" article in your April 1st *One Seller's Opinion* column, it's about time that someone with Bill Stakelin's recognition and leadership stated the facts, as discouraging as they are, stressing the need for radio sales training. I found his comments enlightening and informative.

It is my hope that broadcasters will

open their eyes and minds and realize that the radio broadcasting profession is like any other highly skilled paying profession, which needs trained individuals.

Bill is to be commended on the outstanding job he is doing at the RAB and for writing a superb article.

RICHARD KAUFMAN
President,
Radio Advertising Dynamics,
Floral Park, N.Y.

Newsroom automation

I applaud your magazine's recent attention to newsroom automation (*Newsrooms finally moving toward computerization*, March 4; *Computers get hearty approval of news directors*, March 18). TV news directors for the past two years have universally expressed their great and growing need for automation. Radio newpeople are now beginning to cry out as well. Most commonly these needs remain unmet. A major reason has been the lack of insight by the rest of station management into the features and benefits of automation systems.

I also recognize the assiduous fairness your reporter has infused into these articles. Dispassionately covering an arena where the heat of competition is rising so quickly is difficult. He has presented the facts about competitive systems with balanced, clear detail. Thanks for doing your part in supporting the goal we automation vendors hold in common—improving TV and radio journalism.

ROBERT M. ANDERSON
Newsroom product manager,
Data Communications Corp.,
Memphis

New format

How do you make a great trade publication even greater? The new dress for the February 18 issue is one indication. I like your new format and typefaces.

Trade publications have come and gone. *Television/Radio Age* just gets better with age.

JOHN F. HURLBUT
President,
Walker Media & Management,
Holmes Beach, Fla.

I want to congratulate you on the new format. It's easy to read with good pictures, headlines and stories.

MICHAEL S. KIEVMAN
Senior executive vice president,
Cox Communications, Inc.,
Atlanta



It's Back

**ONCE A WEEK,
BETWEEN JUNE AND SEPTEMBER,
SUMMER COMES TO AN ABRUPT HALT.**



**The American Family goes indoors
to watch, of all things, a rerun.**

Sidelights

Passing the torch

"Organ transplants save thousands of lives yearly and people can make a difference if they are aware of the need," says Lawrence P. Fraiberg, president, Group W Television Station Group.

One of the more widely supported public service campaigns was launched in New York with much fanfare earlier this month.

Sponsored in general by the Group W stations, and in particular by KDKA-TV Pittsburgh, the campaign is called "Second Chance." Its purpose is to urge



"Second Chance" prime movers, l. to r., Margaret Heckler, Health and Human Services secretary; Lawrence Fraiberg, Group W television station group pres., and Carolyn Wean, v.p. and gen. mgr., KDKA-TV Pittsburgh.

the public to donate their organs posthumously, so that some terminally ill person might get a second chance to live.

Fraiberg says he is delighted at the strong industrywide support he has received thus far, with a total of 85 per cent of the TV markets throughout the

country already committed to airing the campaign.

According to a Group W spokeswoman, 108 stations will join the Group W stations in Pittsburgh (KDKA-TV), Baltimore (WJZ-TV), Boston (WBZ-TV), Philadelphia (KYW-TV) and San Francisco (KPIX) in running the entire Second Chance campaign package, which includes local and national PSAs, and in creating special local news series and features for talk and magazine format programs.

There is also a documentary on organ procurement and the positive effects it can have on the donor's family as well as that of the recipient, that will be ready in June.

The eight week outreach awareness campaign has already involved about 40 CBS affiliates, with participation of approximately 30 each from ABC and NBC.

Special days like Second Chance Day, organized by the Pittsburgh Pirates as the theme for one of their baseball games, is also an outgrowth of the campaign.

Further support will be provided through print ads and a national toll-free hot line, which participating television stations will make available to their viewers for securing more information on obtaining and filling out donor cards.

The press conference launching Second Chance (on April 17) was held in New York and beamed by Westar IV, transponder 10X.

Health and Human Services secretary Margaret Heckler, and two of the nation's foremost transplant physicians, Dr. Thomas Starzl and Dr. Oscar Salvatierra, introduced the organ transplant and donor education campaign. In Washington, Group W produced a 30-second spot in which President Ronald Reagan appeared.

"Second Chance," says Carolyn Wean, creator of the project and vice

president and general manager of KDKA-TV Pittsburgh, "is a classic example of how television can assume its proper role as a dynamic catalyst, galvanizing entire communities into purposeful activity, and providing the focal point around which a broad-based program of individual and community service can be built. It is a new dimension for our medium."

"There simply is no substitute for public awareness and education in this vital area," says Dr. Starzl of Presbyterian-University Hospital in Pittsburgh. "This is not only a patient problem," says Dr. Salvatierra of the University of California Medical Center in San Francisco, "it is a major public health problem."

"It does not just affect those waiting, but those giving. It affects every person and every hospital."

"The need for donors is acute," Wean notes. "It's estimated that there are as many as 20,000 patients from whom organs can be obtained for transplant each year, yet fewer than 2,500 organs were actually transplanted last year."

Participating stations will have the opportunity to coordinate their efforts on the local level with hospitals, organ transplant research centers and with civic and other support groups. Group W will conduct a consulting service on how to run local Second Chance public service campaigns. Climax of the drive is coordinated with release of an hour documentary narrated by actor William Devane.

Closer link with city

WHBI(FM) Newark, N.J., forged a closer link with the city recently by changing its call letters to WNWK(FM).

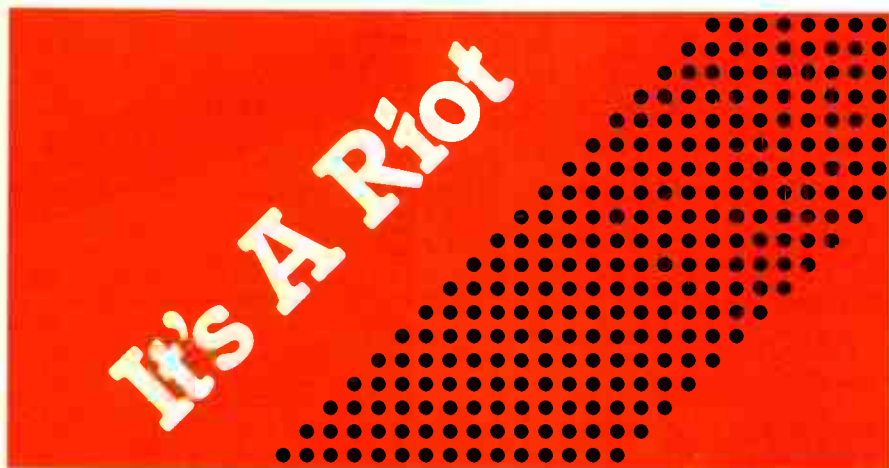
"Our call letters may be new," remarks veteran broadcaster Guy LeBow, chairman of the WNWK board of trustees, "but the station has been on the air since 1927."

The original call letters were the initials of the former owners, the Hoyt Bros. department store.

With studio facilities in Newark as well as across the Hudson in Manhattan, the full service outlet (news, music, sports) airs a full-day broadcast schedule in a variety of languages, from Spanish and Italian to Pakistani and Arabic, in the tri-state area, over 105.9 MHz.

As WHBI, the station has been operated with an interim commercial license from the Federal Communications Commission since September, 1983, by Global Broadcasting Group, Inc. of which LeBow is chairman.

Other officers of the independent commercial FM station include Emil
(continued on page 18)



IT'S HERE!
THE MOST EXCITING
ANIMATED DAILY SERIES EVER!

G.I. JOE

A REAL AMERICAN HERO



A
REAL
AMERICAN
HERO
TO KIDS!

A
REAL
AFTERNOON
HERO TO
STATIONS!

Think of the enormous impact these shows will have! It's like repeating the unprecedented success of the "G.I. Joe Mini Series" every day of the week, every week of the year! Every Monday through Friday kids will race home to catch the latest 1/2 hour episode— already cleared in over 100 markets for 88% U.S. coverage!

For program clearance, contact Cluster Television Productions, (301) 561-5500.

For advertiser sales, contact Tribune Entertainment in New York at (212) 557-7800 in Chicago at (312) 222-4412.

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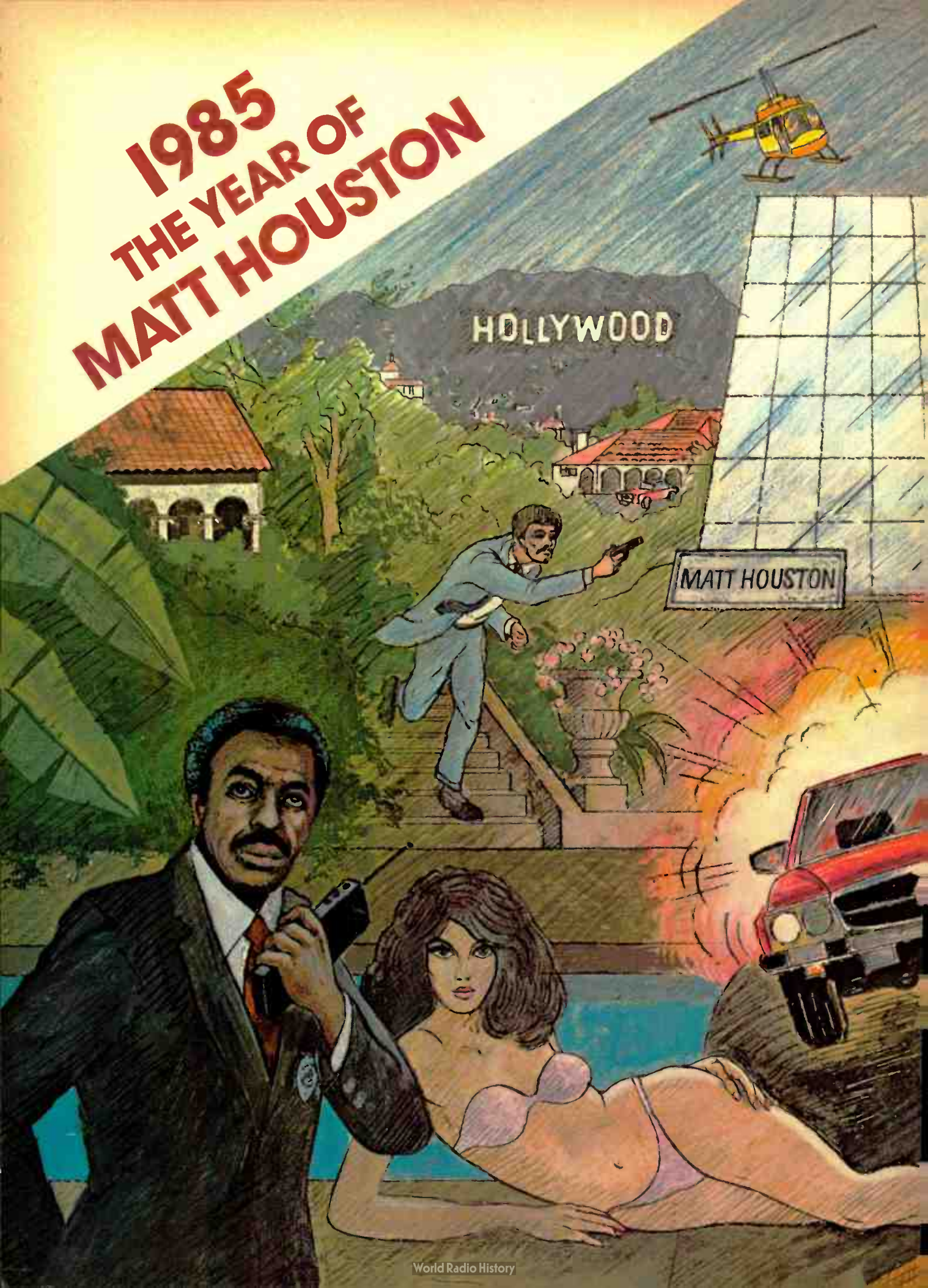
Cluster
TELEVISION PRODUCTIONS

TRIBUNE ENTERTAINMENT
Company

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World Radio History

1985 THE YEAR OF MATT HOUSTON





World Pacific Review

Warner Bros. Television Distribution
A Warner Communications Company



Sidelights *Continued*

Antonoff, a producer of ethnic radio programming, who is president, and Raul Alercon, Jr., a Latin American broadcaster and communicator, who is vice president.



Newark, N.J., mayor Kenneth A. Gibson accepts global clock at luncheon marking changing of the station call letters from *WHBI(FM)* to *WNWK(FM)*.

The station is "commercial" in that it leases the bulk of its airtime to ethnic programmers and production companies, which in turn package foreign language programs in which spot announcements are sold. Under its FCC license, *WNWK* is mandated to use its profits for community productions, educational aid and other public-service works.

Among its current projects, according to LeBow, is a program of scholarship grants in communications to Essex Community College in Newark.

The station is also working closely with the National Urban League in its Newark operations with an on-air job availability program, and is now developing a supporting program of assistance in conjunction with the Newark

Department of Parks & Recreation concerning the 1985 U.S. Youth Games, which are due to be held near Newark at Montclair State College.

In a related development, the station presented to Mayor Kenneth A. Gibson a special award, a gold and crystal desk clock, which tells not only Eastern Time, but the time in major cities of the world.

Protter flying high

Hal Protter, the president and general managing partner at *WNOL-TV* New Orleans, whose station is doing well on the airwaves, is taking to the air himself. Protter will be the pilot, along with Theresa Gosse, general manager and chief flight instructor of Missile Aviation in Slidell, of "New Orleans 38," a turbo-powered single engine aircraft, in a multi-hop, transatlantic air competition by way of Greenland and Iceland. The rally, which begins June 14 in New York and ends on June 23 in Paris, will be the focus of a program about the rally to air on the station.

The Protter entry is the only one from Louisiana. Teams will compete in various categories for cash and prizes worth at least \$20,000.

The categories are accuracy landings, accuracy arrivals, accuracy overflights, precision navigation, predetermined speed, fuel consumption and a separate speed competition.

Protter and Gosse will conduct numerous test flights, over both land and water, to get ready for the rally. Protter, who owns the plane, began learning to fly in 1978, as a consequence of being marooned in North Dakota during an airline strike. The rally is his first in-flight competition; normally he flies only for business. As to Gosse, she sees her role in the competition, besides serving as back-up to Protter, as "constantly monitoring all the variables involved in each flight, both in terms of getting to

each destination and taking part in the competition."

WNOL-TV's Hal Protter began learning to fly in 1978 as result of being marooned in North Dakota during an airline strike.



Protter

The itinerary is as follows: New York, June 14; New York/Montreal, June 15; Montreal, June 16; Montreal/Frobisher, June 17; Frobisher/Gothaab, June 18; Gothaab, June 19; Gothaab/Reykjavik, June 20; Reykjavik, June 21; Reykjavik/London, June 22; and London/Paris, June 23.

Screens to be bigger

New television screen sizes will get larger and will be a major growth factor in the color television industry's drive to a record sales year of 16.5 million receivers in 1985. So says Jack K. Sauter, RCA group vice president. "The public is ready for a bigger TV picture that offers more than the traditional 19-inch set," he adds. And to confirm his statement, he points out that designers from across the nation who participated in the second "Designing for Video" competition, sponsored by RCA Consumer Electronics and *The Designer*, seem to agree.

Most entries in the competition, which produced six top winners, used large TV screens in settings which ranged from a video-oriented kitchen to a traditional living room where TV was the room's focal point. As to RCA itself, it will soon introduce a 20-inch (diagonal) receiver that is three inches shorter in depth than the 19-inch model it succeeds.

Also, RCA is developing 26-inch and 27-inch receivers with picture tubes that are squarer and flatter in overall appearance than present models, "providing designers with more design op-

(continued on page 22)

It's All First-Run

60% OF NATIONAL AVAILS ALREADY COMMITTED

Venture into the World of

JAYCE AND THE WHEELLED WARRIORS



- Daredevil action and unbeatable adventure in this epic space fantasy set to premiere September 16, '85. 65 animated first-run half-hours that will be stripped Monday-Friday in children's time periods.
 - A prestigious station line-up with clearance in over 70% of the nation, including the top 20 markets, and 30 out of the top 32—with stations from Metromedia, Capital Cities, Chris Craft, Cox, Gaylord, Meredith, Storer and TVX.
 - A superior children's programming vehicle, produced by DIC Audiovisual and ICC Television Productions, LTD., containing brilliant animation and outstanding story content. And the marketing expertise behind it that will make the series successful.
 - Massive consumer awareness campaign designed to reach a broad demographic group to introduce the series, insure national press coverage and generate solid ratings.
 - Backed by the highest level of station promotional support to maximize repeat tune-in and guarantee local market publicity.
 - UCLA Psychology Professor to serve as educational and psychological advisor for the series to insure positive program content for children, and thus gaining parents' acceptability.
- And More . . .
- Powerful product—Spectacular Station Line-up—And the right marketing mix to make the series fly—Join us in September '85 when Jayce and The Wheelie Warriors comes alive!
- For more information contact, John Doscher or Gary Montanus (212) 790-4880

ALREADY 70% CLEARED

- | | | |
|----------------|----------------|-----------------|
| New York | Baltimore | Fort |
| Los Angeles | Indianapolis | Little Rock |
| Chicago | Hartford | Mobile, MS |
| Philadelphia | Portland, OR | Mobile |
| San Francisco | San Diego | Knoxville |
| Boston | Cincinnati | Jacksonville |
| Detroit | Wash. DC | Green Bay |
| Washington, DC | Milwaukee | Champaign, IL |
| Dallas | O'Leary | Paducah, KY |
| Cleveland | New Orleans | Tucson |
| Houston | Colon Bus. OH | Funtsville |
| Pittsburgh | Oklahoma City | Springfield, MA |
| Miami | Raleigh, NC | Fargo |
| Minneapolis | Memphis | Yakima |
| Atlanta | Pompano | Tallahassee |
| Seattle | San Antonio | Odessa |
| Tampa | Harrisburg | Lake Charles |
| St. Louis | Meriden | Albany |
| Denver | Wichita, KS | Honolulu |
| Sacramento | Greensboro, NC | Mt. Vernon, IL |
| Fresno | Tulsa | Greenville |
| Madison | Richmond | Spartan |

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“The answer is ...”



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World Radio History

NEW YORK	WPIX	TAMPA	WFTS	SPOKANE	KHQ-TV
LOS ANGELES	KTLA	DENVER	KDVR	JOHNSTOWN	WTAJ-TV
CHICAGO	WGN-TV	SACRAMENTO	KCRA-TV	TUCSON	KZAZ
PHILADELPHIA	WPHL-TV	HARTFORD	WHCT-TV	LAS VEGAS	KVVU-TV
SAN FRANCISCO	KTVU	PHOENIX	KUTP-TV	BINGHAMTON	WBNG-TV
BOSTON	WLVI-TV	PORTLAND, OR	KPTV-TV	YAKIMA	KIMA-TV
WASHINGTON, D.C.	WDCA-TV	ORLANDO	WMOD-TV	WILMINGTON	WJKA
DALLAS	KTVT	RALEIGH	WPTF-TV	RENO	KAME-TV
CLEVELAND	WUAB	SALT LAKE CITY	KSTU	BOISE	KTRV
HOUSTON	KTXH	HARRISBURG	WLYH-TV	MACON	WMGT
MIAMI	WCIX	GREENSBORO	WGGT	FORT SMITH	KHBS
MINNEAPOLIS	KMSP-TV	ALBUQUERQUE	KGSW	LAKE CHARLES	KVHP
ATLANTA	WATL-TV	FRESNO	KSEE	MANCHESTER	WGOT-TV
SEATTLE	KCPQ	JACKSONVILLE	WJXT	FAYETTEVILLE	WFCT
		OMAHA	TBA		

The question ... Who's got Carson's Comedy Classics?

CARSON'S
★ **COMEDY** ★
CLASSICS

A St. Cloud Corporation Production
distributed by



Sidelights *Continued*

tions in creating a centerpiece of video entertainment in the home."

Stereo soundings

According to a recent survey taken by *Television Digest*, there are at least 33 stations across the U.S. broadcasting in stereo.

What is the audience reaction?

Has stereo sound stimulated sales of stereo receivers?

Bob Hess, chief engineer at KOVA-TV, ABC affiliate in Sacramento-Stockton, says the response in his market has been very positive. "Receiver retailers tell me stereo speakers are selling like hotcakes. The TV dealers are kissing our feet. Zenith has given us stereo TV sets to give away as prizes.

"We program 18 hours of stereo a week. We're on 24 hours a day, seven days a week. The 18 hours consists of a rock video musical show we run after midnight from Sunday through Wednesday.

"We feature a syndicated rock show, *New York Hot Tracks*, for one hour on Thursday." Hess reveals other touches that the station uses to enhance the video sound. "Each newscast that we air, all the music, that opens, that closes, the bumpers, the theme, are all broadcast in stereo. I believe it adds another dimension to our show.

"When we have a two shot (two newscasters) or a three shot (three newscasters) on camera, we make the person on the left sound as if his voice is coming out of the left speaker; the person in the center comes out of the center speaker, and so on.

"When people ask dealers what TV stereo sounds like, they usually recommend to them that they tune into our 5 pm newscast," Hess concludes.

Doug Crall is a staff engineer at



Helping celebrate new station *KTZZ-TV*'s debut this month in Seattle are, front row from l., Joel Kaufmann, director of local broadcast at Foote, Cone & Belding; Teddi Tsaousis, vice president, director of local broadcast at Saatchi & Saatchi Compton; Dean Woodring, vice president, general manager, *KTZZ-TV*; and Pat Baltrusaitis, senior buyer for Ogilvy & Mather. Top row, from l., are Terri Williams, station manager of *KTZZ-TV*; William S. Hansel, associate director of local spot television at *BBDQ*; Victoria Ward, Tradewell Industries of America, Inc.; and Larry Schneiderman, vice president, director of local broadcast at Wunderman, Ricotta & Kline.

KTZO-TV, a San Francisco independent station that broadcasts everything in stereo. "If the show doesn't come in stereo we run it through a synthesizer. The process helps clear the sound track, and even if it wasn't produced in stereo, a *Perry Mason*, for example, sounds better on the synthesizer."

The station began broadcasting in stereo in February, and Crall says public reaction thus far has been "very good. We're pleased with the public reaction. We have been deluged with calls from TV retailers, who ask different questions. Listeners call to ask about the speakers they need. There has been no negative comment." Crall says, "Some people insist that the sounds they are getting on their monaural sets is better than that received before the station was broadcasting in stereo.

Lon Lee, vice president and program manager, *KCNC-TV* Denver says that

"our station went stereo in March. The first event we televised in stereo was the Colorado High School Basketball championship.

"We did it for our own experience. We wanted to get accustomed to how to do it. Providing the stereo sound feed is a little more complicated than providing the monaural.

"We're also running the syndicated rock video show, *New York Hot Tracks* on Sunday night at 11 p.m. Beginning July 1, we'll be running *Friday Night Videos* and *The Johnny Carson Show*, which will be done in stereo.

"We also plan to do three pre-season Denver Bronco games in stereo," Lee says, believing that sound at a sports event, adds another dimension for the viewer.

Retail ad awards

Both the Television Bureau of Advertising, and the Radio Advertising Bureau, in conjunction with the National Retail Merchants Association, will be presenting awards to retailers for the best commercials of 1984 at the NRMA Sales Promotion and Marketing Conference, which opens Wednesday in Orlando (see retail story on page 46).

TvB/NRMA awards for best commercial will be presented to the following department and specialty stores: Carson, Pirie Scott, Chicago, and Barbara Moss, Secaucus, N.J. (New York) for ADIS 1-20; Joske's, San Antonio, ADIS 21-50; H. C. Prange, Green Bay, Wisc., and American Denim 'Hack 'n Sack', Honolulu, ADIS 51-100; and Magrams, Burlington, Vt., and Prairie Jewelers, (continued on page 26)

**It's Dynamite
With Young
Adults**

Already cleared!

- WUHQ GRAND RAPIDS
- WUHQ MEMPHIS
- WUHQ LOUISVILLE
- WUHQ PROVIDENCE
- WUHQ SAN ANTONIO
- WUHQ CHARLESTON/HUNTINGTON
- WUHQ BARRIE-SHRANTON
- WUHQ DIXON
- WUHQ ALBANY NY
- WUHQ GREENSBORO
- WUHQ SYRACUSE
- WUHQ RICHMOND
- WUHQ PETERSBURG
- WUHQ TOLEDO
- WUHQ MOBILE
- WUHQ ALBUQUERQUE
- WUHQ FARMINGTON
- WUHQ BRESNO
- WUHQ JACKSONVILLE
- WUHQ DES MOINES
- WUHQ COCHESTER
- WUHQ OMAHA
- WUHQ PORTLAND, ME
- WUHQ DUMFRIES
- WUHQ CEDAR RAPIDS
- WUHQ INDIANAPOLIS
- WUHQ CHATTANOOGA
- WUHQ BRISTOL KINGSPOORT
- WUHQ JOHNSON CITY
- WUHQ GRAND RAPIDS
- WUHQ MEMPHIS
- WUHQ LOUISVILLE
- WUHQ PROVIDENCE
- WUHQ SAN ANTONIO
- WUHQ CHARLESTON/HUNTINGTON
- WUHQ BARRIE-SHRANTON
- WUHQ DIXON
- WUHQ ALBANY NY
- WUHQ GREENSBORO
- WUHQ SYRACUSE
- WUHQ RICHMOND
- WUHQ PETERSBURG
- WUHQ TOLEDO
- WUHQ MOBILE
- WUHQ ALBUQUERQUE
- WUHQ FARMINGTON
- WUHQ BRESNO
- WUHQ JACKSONVILLE
- WUHQ DES MOINES
- WUHQ COCHESTER
- WUHQ OMAHA
- WUHQ PORTLAND, ME
- WUHQ DUMFRIES
- WUHQ CEDAR RAPIDS
- WUHQ INDIANAPOLIS
- WUHQ CHATTANOOGA
- WUHQ BRISTOL KINGSPOORT
- WUHQ JOHNSON CITY

- KZLZ TUCSON
- WPTZ GAITHERSBURG
- WPTZ LAS VEGAS
- KTVB FORT MYERS
- WUHQ FARGO/HELIETT CITY
- KDNL COLORADO SPRINGS
- KADN LAKE CHARLES
- KETV SANTA BARBARA
- WUHQ COLUMBUS GA
- WUHQ WILMINGTON
- KZLZ ELIZABETH
- WVSS COLUMBUS/TUPERO
- KGET BAKERSFIELD
- WTVS ALBANY GA
- WUHQ COITMAN
- KLZY ALEXANDRIA, LA
- KTVU BILLINGS
- KTVU LAKE CHARLES
- KTVB MERRIMAN
- KPAL MISSOULA
- KALF BUTTE

BE A WINNER!

- KRTV GREAT FALLS
- KYCU CHESTER
- KGAS ARDEN
- KXCN GLENVIEW
- KTVU MONROE
- KIMD JACKSONVILLE
- KESD PALM SPRINGS
- WUHQ CONCORD
- WCEC MITT YERSON
- KCWT WEAVERVILLE WA
- KDLT GEORGETOWN UT
- KFTY SANTA ROSA



The Crystal Light NATIONAL AEROBIC CHAMPIONSHIP



Hosted by **SUSAN ANTON**



Hosted by General Hospital's **TRISTAN ROGERS**

The aerobic fitness craze has hit the big time! It's America's newest competitive sport, a combination of Olympian stamina and Hollywood showmanship. And for the first time ever, this dazzling new sport has its own special arena—the Crystal Light National Aerobic Championship! Spotlighted in this exhilarating one-hour special are the

nation's top aerobic athletes—who fought their way to regional glory. Now they're going for the ultimate title: #1 Aerobic Athlete in the Nation. It's the sensational final round of what's surely the sexiest sport of all! Featuring **Bess Motta**, ("20 Minute Workout") and **Marine Jahan**, ("Flashdance") plus many other surprises!



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1 Hour Special Available Now!

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FLAMINGO

**THE STEAMY,
SIZZLING
SUMMERTIME
SOLUTION!**



39 Episodes

2 Runs

LORIMAR®

Road



Sidelights *Continued*

Sun Prairie, Wisc. (Madison) ADIs 101-plus.

Awards for best campaign will be given to: Powers, Minneapolis and Thrifty Drug, Los Angeles, ADIs 1-20; Kohl's, Milwaukee, ADIs, 21-50; Prange's and L. L. Bean, Freeport, Me. (Portland-Poland Spring) ADIs, 51-100;

Carson, Pirie, Scott in Chicago is winner of TvB/NRMA award for best commercial in ADIs 1-20



Carson's spot

and Magrams, ADIs 101-plus.

RAB/NRMA awards will go to: Jordan Marsh, Miami, single co-op ad; G. C. Murphy, McKeesport, Pa., co-op campaign; Cardoos, Hyannis, Mass., single item ad; The Broadway, Los Angeles, item campaign; Stop & Shop, Boston, single image ad; Lazarus, Columbus, Ohio, image campaign; K-mart, Detroit, single promotion ad; Kohl's, Milwaukee, promotional campaign.

TvB will also present a special award for community involvement to Hills Department Stores, Canton, Mass.

The Retail Development Board of TvB will hold a co-op and vendor support workshop for TV station personnel on Wednesday (May 1) in Orlando, prior to the opening of the conference.

According to Wally Westphal, TvB

director of retail marketing, at least 70 attendees are expected. Presentations, he says, will be given by both retailers and broadcasters.

Among topics to be addressed: "Why Co-op Should Play a Major Role With the Sales Force"; "What Exactly is Retail Marketing Research?"; "Targeting and Qualifying Vendor Support Prospects"; and "Opportunities in Special Programming."

Looking ahead

Movies as commercial vehicles and the "afterboomers," those in the 15-24 age bracket, are two of the subjects being looked at by Saatchi & Saatchi Compton. In recent memos to his media staff, Stephen Fajen, senior vice president, media director, says that the 30-year-old core consumers for most goods and services in 1995 "are 20 now." Fajen calls them "afterboomers" because they are not part of the Baby Boom Generation—"the third of our population that has been setting the pace in our culture for years now."

He sees the afterboomers as more conservative, authoritative and high-tech fluent and asks what's likely to happen as they mature "and converge with the maturity of new video technologies."

Fajen answers his own question by suggesting that the afterboomers, "if they maintain their present values," will "probably begin to affect our culture and set a few new styles within a few short years." And he warns that it will "undoubtedly become more difficult to communicate with large masses of them, since media will become even more demassified." Fajen notes that the agency has already begun some "secondary research" on the afterboomers, adding that it's "probably worth considering this phenomenon as we develop plans in the near future." And he suggests starting to become better acquainted

with the habits of today's older teens "to get a handle on how things will trend"—trends which he warns could have a long-term effect "on the media we purchase, the markets we develop and the executions we create."

A second Fajen memo on movies observes that more advertisers these days are integrating their products into theatrical features and television shows. By

Saatchi & Saatchi Compton's Stephen Fajen believes 'afterboomers' will 'probably begin to affect our culture within a few short years.'



Fajen

way of illustration, he points to *Rocky III*, in which Sylvester Stallone is seen "convincing his son to eat Wheaties, the Breakfast of Champions," and that later in the film Stallone shoots an American Express commercial. Fajen reports that test scores among 1,200 movie goers in both Chicago and Los Angeles indicated that over 45 per cent of the adults recalled both products.

In addition to Wheaties and American Express, Fajen says other advertisers taking advantage of such exposure include Anheuser-Busch, Dow Chemical, General Mills, General Motors, Procter & Gamble, Nestle, Quaker Oats, MasterCard, Panasonic, Ralston Purina, Rolex and Tylenol. And he reports that these advertisers do it through Associated Film Promotions, a firm that screens scripts, selects appropriate vehicles, works with the production crew, helps develop the creative product, oversees the shoot on the set, and prescreens the result, at a cost of roughly \$50,000.

The object, says Fajen, "is to have the product endorsed by a star, in a sympathetic environment, to cause the audience to emulate the action in the marketplace. In many cases it works."

**It's Available
Now For Fall '85**



6 NIGHTS ARE BETTER THAN 5!

You've seen them roll right over the competition, Monday thru Friday! Now experience the success of America's two top first-run syndicated shows "WHEEL OF FORTUNE" and "JEOPARDY!" on Saturday! In February, both shows were successfully tested throughout the country! Just look at the results:

SATURDAY WHEEL OF FORTUNE

*Source Feb '85 NSI

#1 SAN FRANCISCO	KRON	7 PM	14/26	#1 GREEN BAY	WFRV	6:30 PM	19/39
#1 COLUMBUS, OH	WBNS	7 PM	17/32	#1 TUCSON	KGUN	6:00 PM	12/25
#1 OKLAHOMA CITY	KWTV	6:30 PM	18/35	#2 ALBUQUERQUE	KOB +	6:30 PM	13/26
#1 ATLANTA	WXIA	7 PM	15/30				
#1 TAMPA	WTSP	7 PM	13/27				

SATURDAY JEOPARDY!

*Source Feb '85 NSI

#1 SAN FRANCISCO	KRON	7:30 PM	13/24
#1 TUCSON	KGUN	6:30 PM	13/28
#1 COLUMBUS, OH	WBNS	7:30 PM	14/27



WHY SATURDAY?

- **ADDED REVENUE:** Your station retains all commercial time!
- Strengthen your access rotation by adding a sixth night of "WHEEL" and/or "JEOPARDY!"

- Introduce new viewers to each series by giving the shows additional exposure on the weekend!
- Build additional consistency into your program schedule!
- Save promotional dollars and on-air GRP's by cross-promoting your weeknights with your weekends!

ACT NOW! "WHEEL OF FORTUNE" and "JEOPARDY!" are now both available for weekend airplay in the Fall of '85. If you just can't wait, we understand! You can begin immediately.* There's no reason to wait! Call your King World representative now for details!

*Stations licensed to air either "WHEEL" or "JEOPARDY!" qualify. Stations desiring to air one or both shows immediately must be current licensees. Rates and additional qualifications available upon request.

PRODUCED BY



DISTRIBUTED BY



MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS 1985*

May 5-8	ABC-TV Affiliates Meeting, New York Hilton April 29, 1985 Issue
May 8-15	The Golden Rose of Montreux International Program Contest, Montreux April 29, 1985 issue
May 12-15	NBC-TV Affiliates Meeting, Century-Plaza, Los Angeles May 13, 1985 Issue
May 12-15	Broadcast Financial Management Conference, Chicago May 13, 1985 Issue
May 19-22	CBS-TV Affiliates Meeting, Fairmont Hotel, San Francisco May 13, 1985 Issue
June 2-5	National Cable Television Association, Las Vegas Convention Center May 27, 1985 Issue
June 2-8	Banff Television Festival, Banff, Alberta, Canada May 27, 1985 Issue
June 6-9	Broadcaster Promotion & Marketing Executives Association, Hyatt Regency, Chicago May 27, 1985 Issue
Aug. 4-7	CTAM Annual Convention, Fairmont Hotel, San Francisco August 5, 1985 Issue
Sept. 11-14	National Radio Broadcasters Association and National Association of Broadcasters Radio & Programming Conference, Dallas Convention Center September 2, 1985 Issue
Sept. 11-14	Radio Television News Directors Association, Nashville Opryland September 2, 1985 Issue
Sept. 30-Oct. 4	The London Market, Gloucester Hotel, London Television/Radio Age International October Issue
October	MIFED, Milan Television/Radio Age International October Issue
Oct. 7-11	MIPCOM, Cannes Television/Radio Age International October Issue
October 16-18	Music Video Festival of Saint Tropez Television/Radio Age International October Issue
Nov. 20-22	Television Bureau of Advertising, Hyatt Regency, Dallas November 11, 1985 Issue
Nov. 22-26	New York World TV Festival, New York November 25, 1985 Issue
Dec. 5-7	Western Cable Show, Anaheim, Calif. November 25, 1985 Issue

* Television/Radio Age will have coverage and bonus distribution at these meetings.

MORRIE ROIZMAN

1912–1985

*A special man
who has touched the hearts
and minds of people
everywhere and whose unique
contributions to the film industry
will surface
time and time again.*

TIME...MARCHES ON

SFM Media Corporation
1180 Avenue of the Americas • New York, N.Y. 10036

Tele-scope

NAB broadcast equipment show shines in many areas

There was much that was new at the NAB's equipment exhibition in Las Vegas but no one technology stood out. Digital graphics, multi-channel TV sound (MTS), multicassette machines for TV stations, (plus automation in general), the solid-state camera, high-definition TV, satellite reception and transmission (especially Ku-band), new developments in half-inch video tape, not to mention radio station equipment—all competed for attention.

In the graphics area, practically all the big names and a number of little ones, had something new or improved: Ampex, Aurora (now under the Harris banner), Bosch, Chyron, ColorGraphics, Dubner, MCI/Quantel, 3M (Artronics), NEC, Thomson-CSF, to name some of the better-known companies.

The Las Vegas displays were a reminder that MTS conversion by a TV station involves more than just buying a stereo generator. MTS means an extra channel or two of audio has to be steered through routing switchers, pumped through production switchers and processed by appropriate equipment. If the station's models in use are not new enough for retrofitting, new equipment must be purchased. And there was a lot of it around at the Nevada show.

High capacity. Heating up the video multicassette recorder competition was RCA with its new TCR-500, which employs the M format, plumps for high-capacity with its 280-cassette storage and was developed under the code name of Silverlake. If capacity were the key criterion, then Asaca with its ACL-6000B, with ability to hold up to 600 carts, would be the winner. But concern by stations about the reliability of mechanical systems to carry carts from storage bins to transport and back may give leverage to such manufacturers as Matsushita (Panasonic) and Lake Systems with their a-transport-with-every-cassette strategy.

NEC challenged the RCA solid state CCD (charge-coupled device) camera with a new CCD chip ("interline frame transfer"), said to be 100 times better in handling light overload compared to NEC's previous model. Listing at \$17,900, the camera, designated SP3A, is deliverable in 30 to 60 days and handles Beta, "M" and Lineplex formats. Meanwhile, RCA's CCD camera appeared at the show in production guise, with nine models on hand, each earmarked for a customer. RCA is promising further deliveries by July. The company introduced a CCD sports model for slo-mo and stop-action.

New format. Panasonic added another format to the half-inch broadcast VCR battlefield, but gave the equipment a "universal" application by equipping it with interfaces to input and output both existing half-inch component formats (M and Beta) as well as

NTSC. The format is designated M-II and the recorder AU-600. Using metal powder tape, the system employs component recording (color and black-and-white on separate channels) and uses time division multiplexing for the color channel. Why another format? For quality recording and post-production, with multi-generation dubs, in a studio environment, answers Panasonic.

Satellite newsgathering (SNG) on the Ku-band came to the fore in Las Vegas as Dalsat showed its transportable uplink system, now being used by the Florida News Network, the recently established four-station regional web. The system provides two TV channels on one transponder, a capability aided by the wide (72 MHz) bandwidth of some of the GTE Spacenet Corp. transponders, being used by FNN. Also in the Ku-band realm, British-based GEC McMichael exhibited its "NewsHawk" flyaway system, small enough to be transported in a light private aircraft or on scheduled air services. It comes in two configurations: an FM full bandwidth signal and a compressed digital signal with a bit stream ranging from 1.5 to 8.0 Megabits per second.

It was pointed out at a GTE Spacenet "symposium" that 128 Ku-band transponders are scheduled to be in orbit on U.S. birds by the end of '85. About 40 per cent of these will be provided by GTE Spacenet, according to the company.

'Son of MIP' battle looms as daddy sees lots of action

The high priest of television marketeering, Bernard Chevy, head of MIP-TV, knows a good thing. In spite of complaints about venue, timing and cost, the world's leading sellers and buyers of television programs come home to Cannes every April. Why not twice a year?

Predicting a large American participation, Chevy has reiterated plans for a fall market, this time an all-media one, MIP-COM, from October 8-12. He was, he said, acceding to a "unanimous request by the professionals."

That it immediately follows the London Market certainly does not seem to deter Chevy, who, while he was at it, announced two other meetings for Cannes during April next year, making April "International Communications Month."

While it still is too early to forecast the eventual success of MIP-COM, the London Market people are just as determined to resist this "infringement" on their territory. It is known that a number of the British independent companies, which are extremely influential at MIP-TV, will fly the flag at the London Market and not cross the Channel.

Although many of the regulars said MIP attendance was down, the official figures say otherwise. According to Chevy, there were 6,000 visitors from 115 countries this year, up over 1984. Those present included 1,500 producers, distributors and television company executives.

It's a Living

ALL NEW
SERIES!



They're back!
That fabulously funny corps of waitresses—in a posh restaurant.

Crises in the kitchen. Hassies with the hostess. Disasters in the dining room. Laughs in the lounge.

Starring Ann Jillian, Marian Mercer, Gail Edwards, Crystal Bernard, Paul Kreppel, and Barrie Youngfellow as Jan.

A winner for ABC, topping every other top-ranked network sitcom in Young Women and Young Men audience composition. (NTI 1980-81)

As a summer test in syndication, it produced a higher Women Viewers Per Household than every other syndicated sitcom airing last summer. And it was Number 7 in DMA Household average ratings among every syndicated sitcom in America! (July '84 NSI ROSP)

Now—fresh, first-run weekly half hours, absolutely perfect for weekend access.

Already cleared in markets across the nation. Including stations of such major groups as ABC, NBC, Teft, Chris-Craft/United, Tribune, Malrite, Cox, Scripps-Howard, Storer, Hubbard, McGraw-Hill, and Golden West.

Sound good? It is. (Advertiser-supported, too!)

Your market may still be available.

Call your LBS rep today!

Program distribution and national advertising sales by

AMERICA'S LEADING
TELEVISION SYNDICATION
NETWORK

LBS

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Los Angeles, CA 90069 (213) 854-1055

525 N. Michigan Ave., Suite 1200,
Chicago, IL 60611 (312) 943-0707

A WITT-THOMAS PRODUCTION (THE HIT-MAKERS WHO CREATED 'SOAP' AND 'BENSON')
IN ASSOCIATION WITH GOLDEN WEST TELEVISION AND SYNDIVISION

U.S., Belgium deal. Among the latest developments is SEPP S.A. (Belgium) and Hanna Barbera's conclusion of a \$6.5 million (U.S.) deal with NBC to provide two hours of programming for the NBC Saturday morning schedule starting in the fall. From 8-8:30 a.m. viewers will be able to watch the *Snorks*, while the *Smurfs* will occupy the screen from 9:30-11 a.m.

SEPP also is in production on 52 13-minute *Seabert* inserts and is to start shooting a pilot on something called *Green Sliders*. In the end the latter will consist of 65 half-hour shows. One of the U.S. networks has first option on the package.

Telepictures continued its expansion by announcing another \$6 million (U.S.) deal with TVS (U.K.) to co-produce a four-hour miniseries based on the Arthur Hailey best-seller, *Strong Medicine*. The program will be filmed in its entirety in England and initially aired on Operation Prime Time next April.

Embassy sale. Embassy Telecommunications has been celebrating the sale of the miniseries, *Kane and Abel*, to the BBC and Australia's Ten Network. The programs have been expanded by one hour to seven hours at the request of CBS. Airing is expected on CBS late this fall. The BCC broadcast will follow.

Itel took advantage of David Puttnam's Academy Award success for *The Killing Fields* to remind everyone that he is the executive producer of the miniseries based on the Anthony Grey best-seller *Saigon*. Filming is to start next January in Australia and Thailand. The \$12 million epic is being developed for CBS for the 1986-87 season with airings also scheduled for the ITV network in Britain and the Nine Network in Australia. The co-production partners are Anglia Television, represented by Tim Buxton, and Roadshow Coote and Carroll, represented by Greg Coote in association with Jeremy Fox, who originally had the foresight to acquire the rights to the novel.

Lionheart Television International has acquired the U.S. distribution rights to the Australian Broadcasting Corp.'s eight-hour documentary series about South America, *Sweat of the Sun Tears of the Moon*. Also, Lionheart and Western World will co-produce a six-hour miniseries with the BBC.

Worldvision's 'Rebecca'. Australia, along with Canada, has purchased the four-hour miniseries, *The Key to Rebecca*, which premiered in late April on approximately 125 Operation Prime Time stations. Bert Cohen of Worldvision Enterprises, which is distributing the series internationally, was in active discussions with Japan, Spain, France, Germany and Italy.

Metromedia Producers Corp. has sold the BBC the five-hour miniseries, *The Atlanta Child Murders*. Deals for the series also have been concluded with English and French-speaking Canada, Panama, Philippines, Qatar and Equador.

Turner Program Services spokesman revealed

plans for international expansion. On September 15 they will begin satelliting a combined version of their U.S. news services to most European countries. They hope that major hotels will feed the material into guest rooms. CNN experimented at MIP with a 24-hour feed from the U.S. into five hotels and the exhibition center.

Automotive ads up 25%

Automotive advertising, television's second biggest customer, shifted into overdrive again last year with most of the major automotive manufacturers posting double digit increases over '83, according to the Television Bureau of Advertising.

Television advertising for automobiles totaled \$1,469,986,600, last year, up 25 per cent from the \$1,177,463,600 posted in 1983, according to TvB.

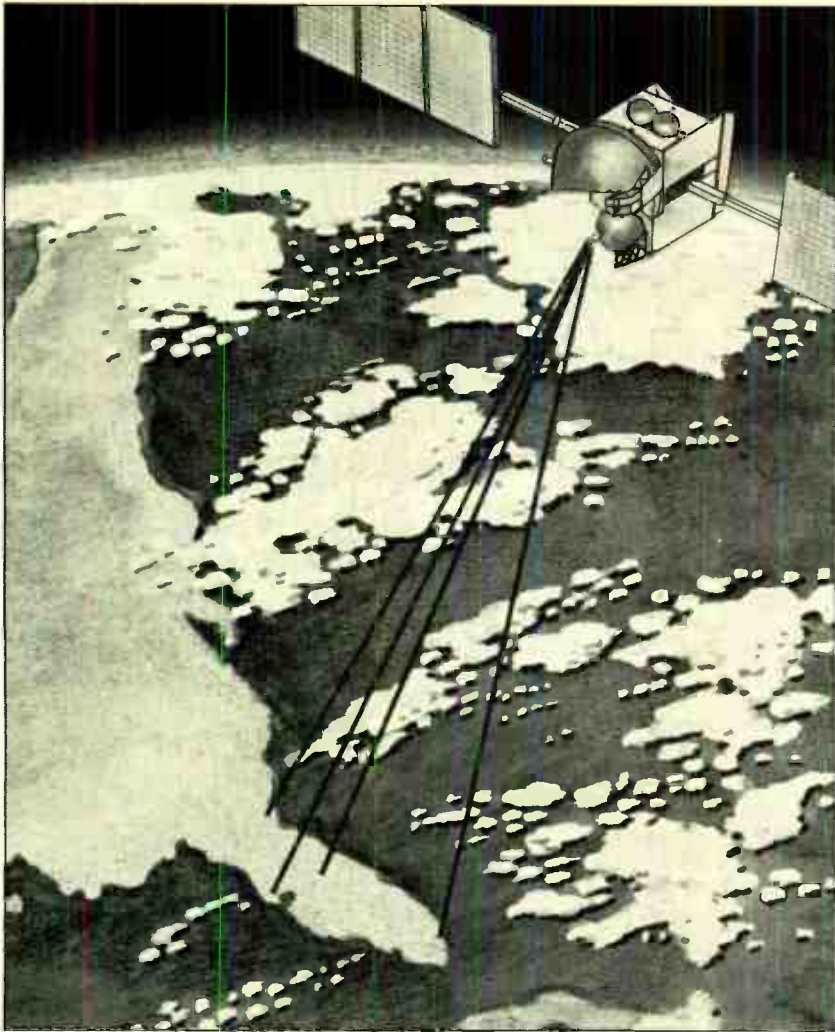
The largest segment is advertising by auto manufacturers, totaling \$963,633,400, up 13 per cent from 1983's \$851,239,900. Television advertising by auto dealers amounted to \$257,027,500 in 1984, up a substantial 45 per cent from the \$172,875,300 expended in 1983. Dealer associations also showed large gains, up 63 per cent in 1984 to \$249,325,700, from \$153,348,400 the previous year.

Data from Broadcast Advertisers Reports ranks the auto category second only to food and food products as the largest on commercial TV.

The combined manufacturer/dealer/dealer association investment in the medium includes \$780,706,300 for spot, up 42 per cent from the \$551,432,500 in 1983. Network participation increased a comparatively mild ten per cent, with \$689,280,300 invested last year, compared to a total of \$626,031,100 in 1983.

Ohio State winners

Of the 600 programs submitted, 20 radio and 47 television programs were winners of the 49th annual Ohio State Awards, sponsored by the Institute for Education by Radio-Television at Ohio State University. Once again, the network entries were highly competitive in all categories. CBS Entertainment racked up two awards, for *George Washington*, a miniseries, and for *Dead Wrong—The John Evans Story*; NBC and Alan Landsburg Productions won for *Adam*, while ABC News' Nightline won for *D-Day*, and ABC Theater, for *Something About Amelia*. Three international entries were also represented on the winner's list: TVOntario of Canada, producer of *Good Work*; Radio New Zealand, for *Grampa's Place*; and BBC School Radio, producer of *Johnny Ball's Math Games*. In addition, WMTJ-TV, Puerto Rico, received an award for *English As a Second Language: The Verb to Be*. (A full rundown of Ohio State winners will be published in the following issue.)



The Florida News Network: **WTSP-TV** St. Petersburg/Tampa, **WPLG-TV** Miami/Ft. Lauderdale, **WFTV** Orlando and **WJXT-TV** Jacksonville.

We go out of this world to bring Florida's news to Tampa Bay.

WTSP-TV has always pioneered advanced news-gathering technology in the Tampa Bay area. We started with the area's first satellite receive dish for news and continued with the first news helicopter, the first computer weather graphics system, the first Doppler radar and the first mobile satellite transmission and receive unit, STAR 10. And now, we're proud to announce our charter membership in the Florida News Network, linking four of Florida's premier news operations together in a unique network, the first of its kind in the nation.

22,000 miles above the Earth, news events are relayed via satellite from all over the state and the country to Tampa Bay, using state-of-the-art KU-band technology. 44,000 miles round trip. It's a long way to go for news that may be just around the corner. But we think it's worth the trip.

With STAR 10 and the Florida News Network, Tampa Bay viewers get exclusive statewide and national news coverage. After all, Florida's our home, too!

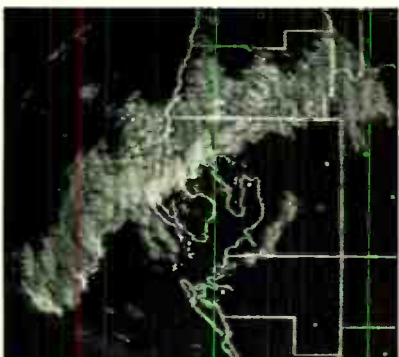
Award-winning Action News



Sky 10 Jet Ranger II Helicopter Equipped with autotracking microwave



Weather Eye III Computer Weather Graphics System



Storm Seeker Doppler Radar



Star 10 Satellite Transmitter - Dalsat, Inc. System

We're the Team



WTSP TV abc

Represented Nationally by HRP

TV Business Barometer

February local billings rose 5.0%

Local TV station billings held steady during February, according to the *Business Barometer* sample of stations—which is to say, they didn't really go anywhere.

The percentage increase over last year was modest and the volume was about the same as the first month of the year. It's certainly a far cry from last year when every month showed a double-digit increase and, during three of the '84 months, the rises were in the 20s.

The February year-to-year increase for local business came to 5.0 per cent. This compares to 12.6 per cent in January, 20.7 per cent in February, '84, and 17.1 per cent in January, '84. At least, however, local did a little better than spot TV in February, which was up 4.1 per cent, and a lot better than spot in January, which was static at

minus 0.1 per cent.

February volume for local business was \$264.0 million, up from \$251.4 million in '84. The January figure this year was \$265.7 million. Hence, the two-month total of \$529.7 million was up 8.7 per cent over the comparable '84 total of \$487.4 million.

The comparison with spot shows the latter still running well ahead of local in dollars, about \$30 million a month.

Spot billings also remained level during the first two months of the year (see *TV Business Barometer*, April 15). The spot total for the two months was \$591.7 million, up only 1.9 per cent over '84. Spot, therefore, is 11.7 per cent ahead of local.

As to details of local TV business, the larger stations—those in the \$15 million-plus annual revenue bracket—made the best showing of three station revenue groups in February, as

they did in January. For no obvious reason, the medium-size stations registered a small dip (down 1.8 per cent) in February, though they scored tolerably well in January. The smaller stations showed a very modest increase in February.

The total of spot and local time sales plus network compensation for the first two months of the year comes to \$1,193.1 million, an increase of 5.0 per cent over '84.

Below 50 mark

Spot has dropped below the 50 mark in terms of share of the station take from advertising for the January-February period. The spot share came to 49.6, as against 51.1 last year. That one and a half share point drop was picked up by local, which rose from 42.9 to 44.4, while network compensation remained unchanged at 6.0 per cent.

The network comp share should decline, judging from recent full year figures. The '84 share was 4.5 per cent, while the '83 share came to 5.1 per cent.

Local business +5.0%

(millions) 1984: \$251.4 1985: \$264.0

Changes by annual station revenue

Under \$7 million +2.4%
 \$7-15 million -1.8%
 \$15 million up +6.7%

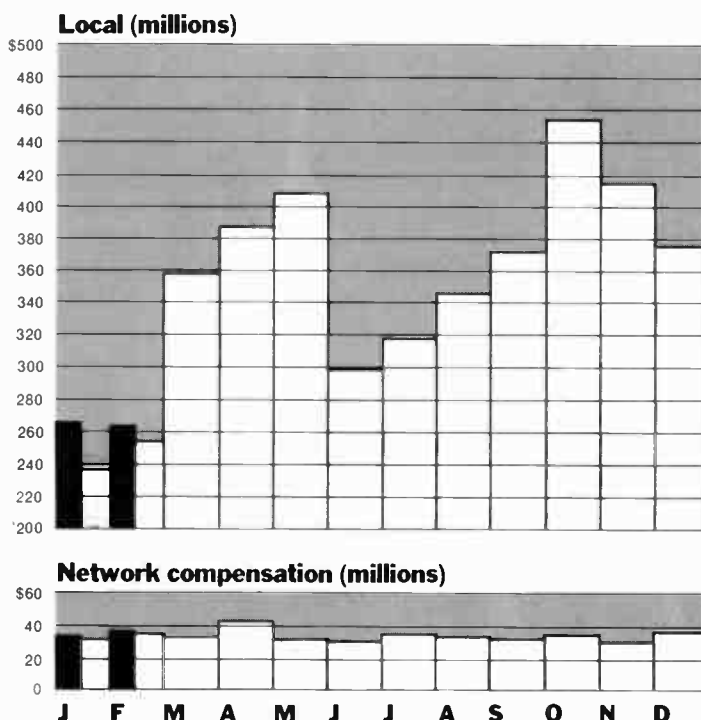
Network compensation +5.1%

(millions) 1984: \$35.8 1985: \$37.6

Changes by annual station revenue

Under \$7 million +5.4%
 \$7-15 million +8.2%
 \$15 million up +4.4%

February



BLAIR HAS ONLY ONE RECORD TO BEAT.



OUR OWN.

Everyone wants to win. But Blair *trains* to win. With a program that's unique in the industry. Only 1 out of 20 candidates makes it into our program. It takes three months. It's demanding. And it works. Because it teaches Blair sales people to negotiate the ratings, not the rates. To know the competition. And know how to beat it. To sell the value of the audience *and* the value of the station. Blair people train to sell more aggressively. More intelligently. That's why they sell more than anyone else. Three months is a long time to spend on training. But our clients have a lot invested in us. So we invest a lot in ourselves. Training hard helps our people grow. Which helps our clients grow. Growth. It's a tradition we share **BLAIR. ONLY BLAIR.**

Television



Radio Report

Tracy-Locke tops radio spenders among ad shops

Larry Spiegel, executive vice president at Tracy-Locke, Dallas, says the reason his agency placed 20 per cent of its total media budget in radio in 1984, and is investing probably 22-23 per cent of it in radio this year, is because, "Radio works. Radio gives our clients the ability to target selective audiences and reach them with immediacy. It also offers clients the opportunity to make the most of effective consumer-driven merchandising and promotion activities in the local markets."

Spiegel reports that 75 per cent of the \$31 million Tracy-Locke, Dallas placed in radio last year was in spot, though use of network radio was "increased significantly last year over 1983, and we more than doubled our '83 radio billings in '84." Tracy-Locke's major radio-using clients include the Taco Bell restaurant chain, the Pepsi-Cola Bottling Group, Frito Lay and Phillips Petroleum.

Led top 10. Tracy-Locke leads the latest top-10 list of radio agencies compiled by the Radio Advertising Bureau in terms of percentage of total media outlay invested in radio. According to the RAB compilation, Tracy-Locke boosted its percentage of radio billings 5.2 percentage points, from 14.8 per cent in 1983 to move from fifth to first place among ad agencies with U.S. billings of \$100 million or more. RAB says the top 10 agencies, with radio billings of \$823.1 million, accounted for 55.9 per cent, and that the top 20 agencies, billing \$1,183.3 million, yielded 80.4 per cent of all radio national revenues in 1984.

The top 10 agencies, in addition to Tracy-Locke, with its 20 per cent of total media billings in radio in 1984, were Evans Communications, at 19.2 per cent of media billings; W.B. Doner and Rumrill-Hoyt, both 17 per cent; Ross Roy, with 16 per cent of its billings in radio; Bozell & Jacobs, 14 per cent; Jordan, Case, McGrath, 12 per cent; and Ketchum Communications; D'Arcy MacManus Masius; and Leber Katz, all 11 per cent. Evans, Rumrill-Hoyt and Ketchum were new to the RAB's percentage top-ten in 1984.

Led in \$ volume. A second RAB top-10 agency list, this one based on dollar volume in radio, places BBDO Number 1, with \$142.3 million in radio in 1984. However, a random check of these agencies finds the reported dollar figures substantially higher than what the agencies reached report. Tracy-Locke, for instance is credited by RAB with \$48 million in radio last year, while Spiegel says the actual figure is closer to \$31 million. Another agency, whose radio billings were reported by RAB as close to \$100 million, says actual radio investments for clients last year were \$64 million. RAB statisticians say their calculations are based on billings reported by *Advertising Age*.

In any event, following BBDO, which says it actually spent under \$100 million, RAB credits Foote, Cone & Belding with \$112.6 million in radio last year, Young & Rubicam with \$99.1 million and Bozell & Jacobs with \$92.4 million. Next on the RAB lineup are Ted Bates, credited with \$80.7 million in radio last year, D'Arcy MacManus Masius with \$78.4 million; J. Walter Thompson with \$62.6 million; Ogilvy & Mather, \$54.1 million; and N W Ayer, \$52.9 million.

Travel, beverages up

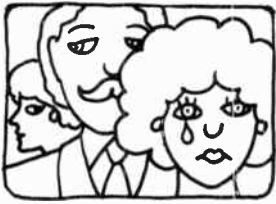
The travel and soft drink categories boosted their radio investments significantly last year, says the Radio Advertising Bureau. The soft drink business placed \$31.85 million in radio in 1984, up from \$27.82 million, for an increase of 14.5 per cent, according to the latest Radio Expenditure Reports analysis by RAB, and travel advertisers increased their radio advertising to \$151.8 million last year, up 9.1 per cent from 1983's \$139.1 million.

Ken Costa, RAB vice president of marketing information, also points to changing seasonal use of radio by travel advertisers. Costa reports that the second and third quarter of '84 saw significant revenue gains from travel promoters over the like quarters of 1983. From April through June radio use by travel firms increased to \$49.2 million, up 18.3 per cent from \$41.6 million in 1983. And from July through September, travel advertising jumped 22.2 per cent over third quarter '83, from \$28.9 million to \$35.3 million.

Airlines up. RER figures showed airlines increasing their radio billings 5.1 per cent from \$98.9 million in 1983 to \$103.9 million last year. Among 16 airlines that placed \$2 million or more in radio last year, 1984's biggest percentage rises were shown by British Airways, up \$2.6 million, or 226.7 per cent; Continental Airlines, up \$3.7 million, or 267 per cent, Southwest Airlines, up 130.6 per cent, and New York Air, up 127.7 per cent. In sheer dollar volume, Delta Airlines boosted its radio advertising by \$4 million, from \$15.3 million in 1983 to \$19.3 million last year, and American Airlines raised its radio investment by \$3.6 million. And Costa adds that the airlines, own published reports indicate that those airlines among the leaders in use of radio also showed increased gains in operating revenues, operating income and net income between 1983 and '84.

Among other major travel categories, the RER figures show lodging raising its radio investments 69 per cent, from \$5.2 million in 1983 to \$8.9 million last year, and that foreign tourism used 55 per cent more radio last year, putting up \$5.1 million against the \$3.3 million this segment placed in spot radio in 1983. Domestic tourism produced category increases of 38.9 per cent, from \$11.6 million in 1983 to \$16.1 million last year, and cruise operators invested 48.9 per cent more in radio, raising their outlays from \$487,000 in 1983 to \$725,000 last year.

Among non-airline travel advertisers spending \$1



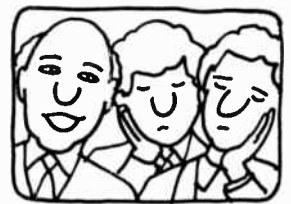
SOAP



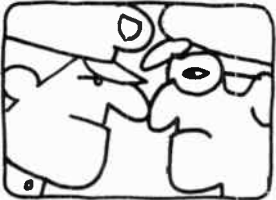
"GO FIGURE!"



MINI SERIES



"TALK IS CHEAP"



COPS N' ROBBERS



DOCS N' NURSES



"I LOVE MY HORSE"



FOOTBALL:
MICHIGAN VS VASSAR



EARLY NEWS



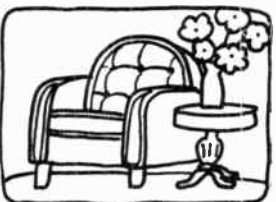
LATE NEWS



LATE NIGHT
COMEDY



EARLY MORNING
COMEDY



"FURNITURE
OF THE STARS"



"BATTLE OF THE
NETWORK ANCHORS"



"WEATHER
OF THE WORLD"



"SCIENCE IS GOOD
FOR YOU"



KID VID



TV MOVIE



GROUNDHOG DAY
PARADE



FOREIGN FILM

**You'd be amazed at
how much music is used by the
average television station.**

Hundreds of times every broadcast day, in every conceivable kind of program, music communicates emotion, excitement, suspense and humor. Pictures and words simply can't do the whole job alone.

BMI is the world's largest music licensing organization. We make it easy for every television to harness the pulling power of music.



Not just on programs that feature music. But on every program that *uses* music. And that's every program on your schedule, from sign-on to sign-off.

Wherever there's music, there's BMI.

Radio Report *Continued*

million or more in radio last year, the Canadian Government increased its radio tourism outlay 121.4 per cent last year, from \$1.7 million in 1983 to \$3.8 million. Howard Johnson's boosted its radio investment 3,710.7 per cent, to \$2.13 million last year from only \$56,000 in 1983, and Westin Hotels raised their radio ante 900.8 per cent to \$1.29 million last year from \$128,000 in 1983. Trailways Bus Lines increased its radio investment 72.6 per cent from \$1.13 million in 1983 to \$1.95 million last year, while Hyatt Hotels raised their radio outlay 27.5 per cent, Marriott Amusement Parks placed 20.7 per cent more in radio, Six Flags Parks put 19.3 per cent more into the audio medium and the Michigan Travel Association invested 18 per cent more in radio.

Among soft drink marketers Seven-Up showed the largest percentage increase, lifting its radio investment 71 per cent from \$3.26 million in 1983 to \$5.58 million last year. PepsiCo increased its radio outlay 36.5 per cent to \$10.86 million from \$7.96 million in 1983. And Coca-Cola raised its radio advertising 18.6 per cent, from \$6.83 million in 1983 to \$8.109 million last year.

Radio a visual medium: RAB

"Our audience grew by 15.7 per cent in 1984, says Radio Advertising Bureau president William L. Stakelin, "but our market share did not increase. What we need is a conceptual breakthrough." Lord, Geller Federico, Einstein is trying to fill that tall order with a \$500,000 campaign themed *I saw it on the radio*. "It addresses the single biggest objection to radio," Stakelin says, "it's perceived lack of visuals." But Stakelin insists radio has the most operable set of visuals in any medium, the "visuals" that exist within each listener's imagination. For instance, an RAB spokesman insists, when someone mentions a hamburger on radio, the listener sees it the way *he* or *she* likes it. There is no visual that he has to edit.

Media schedule, as per last year, depends heavily on the member stations running the spots throughout the year. Last year the member stations donated more than \$12-million in radio time to the campaign, according to the Bureau, placing it between Southland (7-Eleven Stores) Corp. and Pillsbury as the 13th largest advertiser in spot radio. Another facet of the drive is direct mail support, marking the first time radio has ventured into that medium.

'N.Y. Times' No. 1 on radio

The list of newspapers advertising on radio in 1984 was headed by *The New York Times* and its \$2.189 million outlay in the audio medium, according to Kenneth Costa, vice president of marketing information at the Radio Advertising Bureau. Based

on Radio Expenditure Reports data, Costa says *The Chicago Sun-Times* came in second with radio expenditures of \$451,156, and *The Boston Herald-American* ranked third with \$322,853 in radio last year.

In fourth place was *USA Today* with \$93,648 in spot radio, followed by *The Fresno Bee* which placed \$84,710 in radio last year.

SMN profitable

Satellite Music Network Inc. has racked up its first profitable quarter. Reflecting a 177 per cent increase in revenues, and a better than \$567,000 "bottom line" turnaround, the first quarter ended March 31, had revenues of \$2,880,305. The total was well over two-and-a-half times greater than the \$1,039,378 reported for the first quarter of 1984. Net income of \$45,791 sharply reversed the loss of \$561,478 reported for the prior year's first quarter.

The March performance also showed a dramatic increase, according to John Tyler, SMNI's chairman of the board, with revenues of \$1,125,723, more than tripling the \$356,498 recorded for March, 1984. Similarly, net income of \$83,311 represented a better than \$261,000 turnaround from the net loss of \$177,876 incurred in March 1984.

'Effective' buys explained

Interep urges buyers to replace buying GRPs with buying "ERPs" with its new *Effective Rating Points* booklet compiled by Jane Sobel, assistant director/research at McGavren Guild Radio. The report explains and gives examples of GRPs, whose formula, it says, "appears very logical," but suffers from a major flaw when applied "to the real world" of television and radio buying.

That flaw, says Sobel, is that "Real people are harder to control than formulas," and averages don't always come out as planned. As a result, the heaviest viewers or listeners may be exposed to a commercial a dozen times or more, while the light viewers may catch it only once over four weeks. Some 40 per cent of the target audience won't be sufficiently exposed and the heaviest 10 or 20 per cent "get so bombarded that, after awhile, the messages fall on deaf ears."

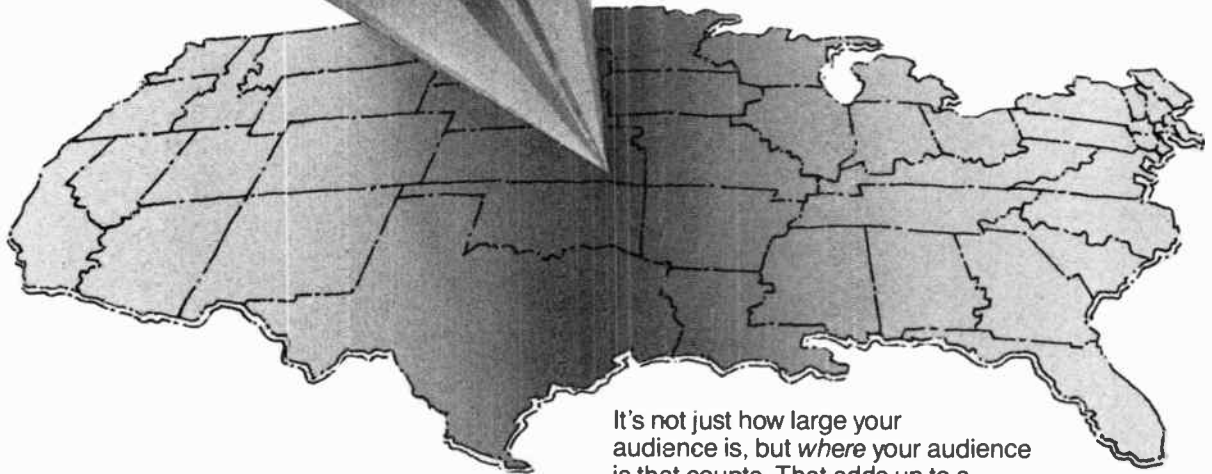
What can advertisers do about it? Add radio to their TV buys, urges Sobel.

RTNDA bows audio package

A special 50-minute presentation on the use of sound in radio news has been produced by the Radio-Television News Directors Association and is available to news director members at no charge. Other members may purchase the cassette for \$3.00, while cost to nonmembers is \$10.



COUNTY COVERAGE PUTS YOUR RADIO AUDIENCE ON THE MAP



It's not just how large your audience is, but *where* your audience is that counts. That adds up to a better selling approach for your station.

With County Coverage, you can pinpoint your station's audience reach county by county. Show advertisers your station can deliver a target audience in their trading area.

Arbitron Radio 1985 County Coverage Study, with all field work conducted in 1984, will be published June 7, 1985. Order now and put your audience on the map.

Contact your Arbitron Radio representative for more information or call:

(212) 887-1300

ARBITRON RATINGS



Radio Business Barometer

Spot radio rose 4.8% in February

Spot radio billings climbed a modest 4.8 per cent in February, according to Radio Expenditure Reports. This amounted to billings of \$50,670,300, vs. \$48,327,200 in February, '84.

It was definitely a month for the bigger markets, as shown by RER's data on the four market-size groups that the company keeps tabs on. The top 10 markets were up 11.7 per cent to \$18,887,200; the 11-to-25 group climbed 7.6 per cent to \$10,610,900; the 26th-to-50th markets increased billings 4.4 per cent, while the 51st to 100th markets actually dropped 5.1 per cent.

The year-to-date figure (two months) shows an increase of 12.3 per cent. This is an adjusted figure since January, '85, was a four-week Standard Billing Month vs.

January, '84's five weeks (see *Radio Business Barometer*, April 1).

First quarter turned out well for spot radio and second quarter is seen as up or flat, depending on which rep you talk to. But some are already bullish on third quarter, and as a result, on spot radio's advertising sales performance for 1985 as a whole.

At Torbet Radio, Tony Fasolino, executive vice president, notes that most Torbet offices expect a good second quarter and reports that, overall, he's looking for an increase of approximately 12 per cent, even though April may be flat.

Dave Recher, executive vice president of Eastman Radio reports that first quarter finished "better than 10 per cent ahead of last year," and then second quarter started slow. "But second picked up from what we thought would be a disaster and in just the past two weeks pulled up about

even with last April."

Active clients

Airlines, foreign made cars, food products, and services like insurance and moving and storage companies are among the more active advertisers contributing to second quarter sales. Bekins Moving, Hartford Insurance and Farmers Insurance are among leading representatives of the latter two categories and the foreign auto imports include cars from Toyota, Nissan Volvo and Izuzu.

The heavier food product advertisers in radio for second quarter include Campbell-Taggart Rainbow and Colonial breads, Holly Farms, Hunt-Wesson foods for their barbecue sauce, California iceberg lettuce, Castle & Cooke foods and fast food business from McDonald's Domino Pizza, Charlie Browns and Chick-Fil-A.

Among the radio-using airlines, Delta continues to add markets and boost spot radio investments.

**THIS IS
HIT CITY!** We're the FM Group that scored such a big hit with listeners we made broadcasting history. Our very special ways with contemporary music have put us in a class by ourselves—hit city for audiences and advertisers alike.

February

National spot +4.8%

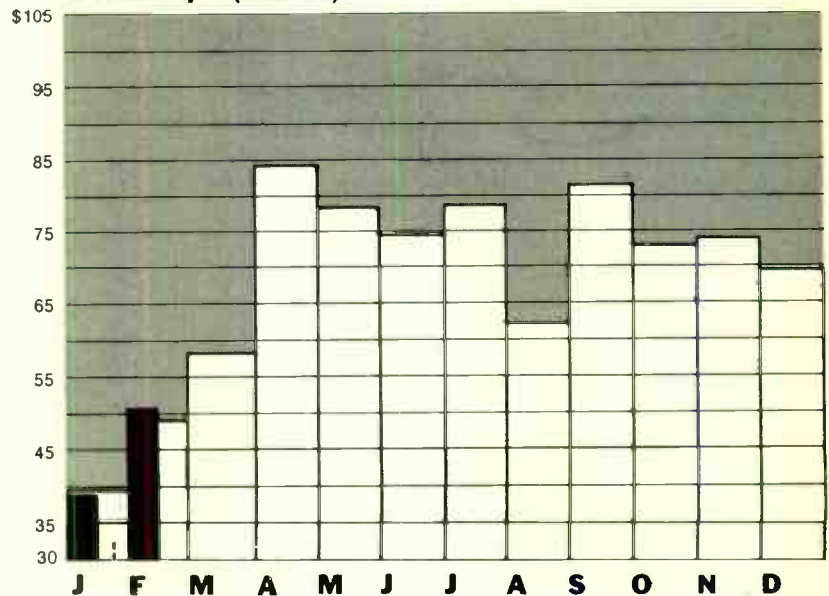
(millions) **1984: \$48.3** **1985: \$50.7**
1984 adjusted: \$48.3

Changes by market group

Market group	Billings (mils.)	% chg. 85-84
1-10	\$18.9	+11.7%
11-25	10.6	+7.6
26-50	7.8	+4.4
51+	13.3	-5.1

Source: Radio Expenditure Reports

National spot (millions)



1984 adjusted level to compensate for Standard Broadcast Month

THE CBS-FM GROUP

Represented by CBS Radio National Sales

WHTT Boston, WCBS-FM New York, WCAU-FM Philadelphia, WBBM-FM Chicago, KHTR St. Louis, KRQR San Francisco, KKHR Los Angeles

**This time
let them turn to YOU
for laughs!**

with **BRIGHT, BOLD, BOUNCING**

new



Turn them on
Monday thru Friday —
all of them, men and women 18 to 49
— to this **Rollicking Half Hour of
High-Powered Comedy Acts**

Top comedy talent, celebrities, as well as TV's craziest audience,
join host Bill Boggs in a raucous romp.
When everything else is past its Prime, your late hour audiences will be
wide-awake and roaring with laughter, night after night!
Bring them alive with the **FIRST RUN** of "**COMEDY TONIGHT**"

Just born — and past
(percent coverage to date)



Available Fall '85

A Boggs/Baker Production in association with Media General Broadcast Services, Inc.

Contact:  **ABIS
COMMUNICATIONS**

432 Park Avenue South, New York, NY 10016 (212) 685-6699

**Media
General** 
Broadcast Services, Inc.

630 3rd Avenue, New York, NY 10017 (212) 916-8600

Industry sources claim number of private earth stations doubled in '84

Home dish sales burst spawns heady growth predictions

By DAVID GRAHAM HALLIDAY

Broadcasters may not like it, but the home earth station industry is apparently here to stay. But-tressed by figures that claim the number of home dishes in the U.S. doubled last year, industry sources say sales could expand even more rapidly in the next few years.

A number of factors contribute to positive predictions about the continuing proliferation of private satellite receivers.

If these prognostications prove correct, the result could be another high tech competitor in what is already becoming a multifaceted electronic communications picture.

From their inception in 1980, through 1983, the number of dishes grew to more than 300,000. That number more than doubled last year, according to both the Society for Private and Commercial Earth stations (SPACE) and *Home Satellite Newsletter*. "The one millionth went into the ground in January," claims Maureen Jones, SPACE's director of member programs. Though other sources contend SPACE's figures to be a little inflated, all sources tracking the industry agree that the number of earth

stations expanded impressively during 1984. (*Home Satellite Newsletter* says the number of private earth stations existing at the end of 1984 totaled 720,000, up from 1983's 309,000. See table on page 132).

Other factors contributing to the rosy predictions:

- The price of these satellite receivers has plummeted from a peak of \$35,000 in 1980, to a 1985 median cost ranging from \$2,500 to \$3,500, a price that both the dealers and the manufacturers contend they are determined to maintain.

- The Cable Telecommunications Act of 1984 that legitimized the use of satellite receivers, and legalized the reception of unencrypted signals, helped spur sales.

- A recent notice of proposed rule making by the Federal Communications Commission would preempt state and local zoning regulation of satellite dishes.

Rosalie Gorman, staff attorney for the FCC, says that dish owners are always advised to "be aware of Section 705 of The Communications Act," which states that under current law, that any private pay cable company, has a right to encrypt its signal and is under

All sources tracking the home satellite industry agree that the number of earth stations installed grew impressively last year.





Uniden's mesh antenna



Uniden's UST 710 directional finder

no obligation to provide dish owners with a descrambling device. In order to receive pay cable programming, the dish owners must receive prior authorization from the programmer.

Richard L. Brown, a principal of the Washington, D.C., law firm of Brown and Finn, and general counsel for SPACE, says the organization is pressing for its customers to have access to encrypted programming, through being able to obtain the decoder for a reasonable price. SPACE will press for sale of the decoder by its distributors, rather than by a cable company. But thus far, according to law, HBO or any other pay cable system, for that matter, is not required to supply this service to satellite

The prices for earth stations and their components continue to decrease.

receive-only owners.

The lowering of unit price, the variety of programming available and the legality of earth station ownership, have all spurred the growth of the earth satellite industry, at the rate of from 40,000 to 60,000 units per month, depending on whose statistics you accept.

Vans Stevenson, new editor of *Home Satellite Newsletter*, says "by our reckoning, the growth in satellites from 1983 to 1984 was from 309,000 to 720,000. The demographic profile of the buyer ranges all over the place, from a rural retiree who is willing to pay a premium for his entertainment to the urban yuppi.

"The Cable Telecommunications Act,

passed last year, for all intents and purpose, legalized the business," Stevenson says. "A bill in Congress right now (HR-1769) proposes a two-year moratorium on scrambling. There is another, (HR-1840) that calls for those companies that scramble their signal to be required to sell decoders at a reasonable rate." Thus far, M/A-COM is the sole manufacturer of a de-scrambler, and the controversy now seems to be centering on whether or not satellite manufacturers will be permitted to build a de-scrambler into their product before sale, with perhaps an add-on charge, passed on to the cable service.

Growth figures elusive

"Everyone has been trying to get a firm handle on the growth factor of this industry. Our estimates are a consumer purchase rate of 40,000 satellites per month," says Stevenson.

"There is the expectation," he concludes, "that the passage of the legislation thus far has served to take the industry out of the piracy category. With the Cable Television Communications Act, passed last year, and the Satellite TV Viewing Rights Act, stoutly opposed by the networks, and the Motion Picture Association of America, giving the individual viewer the right to receive and view unscrambled signals in his home, also enacted, any stigma formerly associated with the industry has been irrevocably removed. There exists the expectation that the growth will continue unabated through 1985 and into 1986."

The broadcasting industry, first challenged by cable, then confronted by the VCR, is looking warily at this new technology, but waiting to see if it gathers the numerical momentum to muster any competitive clout.

The TV networks' major concern is the protection of their affiliate stations and the continuing integrity of the affiliate system. The threat posed by satellite receivers is that they could enable viewers to bypass that system.

A CBS/Broadcast Group spokesman

Chaparral's Taylor Howard believes "both broadcast and cable are going to become very interested in our market."

Chaparral Super 12 GHz feedhorn



Taylor Howard



comments: "We are not direct satellite broadcasters. We are a network transmission to affiliate stations. We have long maintained the importance of the network affiliate relationship. Viewers who view CBS will view it from a local station transmission. We will encrypt our signal."

Declining to set out a specific timetable, he points out that, "CBS is in the middle of a two-year changeover from land lines to satellite. When everything is in place our signal will be totally scrambled."

"Naturally we are concerned with the TVROs (TV receive only) picking up our signal. But there is simply no way yet of measuring them as a competitive force," he emphasizes. "As far as competitors are concerned, we're watching the programming moves of the independents and the proliferation of VCRs. Right now

work, has been the focal point of the efforts of SPACE and its legal counsel. They are attempting to persuade HBO to make both its service and descramblers available to TVRO distributors.

An HBO spokeswoman comments: "We're in favor of the cable regulation act as passed. Earth satellite receivers are not stealing our signal unless it is scrambled and they don't have proper authorization from the originator."

"We are not concerned about the growth of this market, not at all," she continues. "We have been working on a plan to service this market, but it has not been fully formulated."

"HBO is in the process of testing our scrambling. We sent out 12,000 descramblers to our affiliates. We have completed our first phase of testing with a Cinemax test. We are now turning to HBO/West."

he said, "are able to distribute the software to their customers, and these dealers have the customer contacts, not the cable operators."

Brown also said earth station receiver manufacturers want the opportunity to manufacture de-scramblers that can be built into the receiver unit. According to the SPACE account, HBO listened to Brown, then explained the rationale for its distribution of descrambler software only through cable television operators in franchised areas.

Subsequently, Charles Ross, president of Birdview Satellite Communications, Inc. and new president of SPACE, says: "We are very disappointed by HBO's announced method for marketing scrambled signals. We are told that HBO has no plans to allow earth station dealers to distribute software in cabled areas. After the earth

SPACE's Chuck Hewitt believes growth in '85 "may not be as high as '84, but right now there is more consumer awareness."



Chuck Hewitt



there are 17 million (VCRs)."

NBC's reasons for scrambling are positioned differently, according to a spokeswoman. "We are scrambling our signal within the next two years primarily to protect our news and sports feeds," she begins.

"We want to be sure that what is certainly proprietary corporate information is received by the appropriate sources. You may remember the incident where a cable group somewhere in south Texas picked up our Super Bowl coverage and ran it without commercials."

"Naturally we are anxious to protect our affiliates."

While both CBS and NBC acknowledge they are going to encrypt their signals, an ABC spokesman is not as committal. "ABC is fully aware of the seriousness of the matter and all of the ramifications," he says. "We're studying the situation carefully, but, thus far, have made no definite plans to encrypt our signal."

Home Box Office, the pay-cable net-

According to a SPACE report, HBO met with its board of directors on November 19, 1984, at the Dallas STTI show, and made a presentation of its plans on scrambling and distribution of descramblers. HBO indicated that its plans include scrambling its signal during the second quarter of 1985 and distribution of de-scramblers to home earth station users in an orderly manner that won't inhibit the sale of systems.

M/A-COM decoders

According to the SPACE account, HBO would oversee the decoder being distributed to home earth station users by cable operators in their franchised areas and by earth station dealers outside of franchised cable areas. M/A-COM, Inc. would have exclusive sales rights of the set-top converter software.

SPACE's legal counsel, Richard Brown, reportedly disagreed with HBO on two points. "Earth station dealers,"

station dealer has concluded a sale," Ross continues, "the customer will have to go to a second party, the cable operator, in order to obtain HBO authorization. Such a distribution method is blatantly anti-competitive."

SPACE's chairman of the board, Taylor Howard, who is also research director of Chaparral, Inc., satellite communications components manufacturer, says the organization should take every step necessary and pursue all alternatives, to ensure that a fair de-scrambler system is implemented by pay television services in order to protect the rights of consumers and the members of this industry."

SPACE has called upon its counsel to follow certain strategies over the next (1985-86) year. First and foremost is to get behind the swift passage of legislation that would amplify the provisions of the Satellite TV Viewing Rights Act, introduced by Rep. Albert Gore, Jr. (D-Tenn.) (now Senator Gore) including

(continued on page 132)

All media get chance to pitch store ad
execs at NRMA sales promotion meeting

Retailers believe in broadcast's clout, but want more data

BY SANFORD JOSEPHSON

“It has taken retailers a long time to recognize the power and impact of television,” admits Sally Ann Lowry, divisional vice president, advertising administration, at The Broadway in Los Angeles.

Broadcast, says Larry Straus, vice president, sales promotion at H. C. Prange, Green Bay, Wisc., “has the ability to develop a share of mind (among consumers), and that is transmitted into day-to-day sales.”

Television, adds Ann Sundet, vice president of sales promotion at Powers in Minneapolis, “isn’t as tapped as it should be.”

As advertising executives from retail stores around the country prepare to converge on Orlando later this week for the National Retail Merchants Association’s annual Sales Promotion and Marketing Conference (May 1-4 at the Americana Dutch Resort Hotel), they are probably as open-minded as they’ve ever been about the use of broadcast advertising.

They recognize television and radio’s value as a positioning tool, a targeting vehicle and a mover of consumers to special events.

But, as Prange’s Straus points out, “Every retailer has a separate media situation.”

And conversations with a sampling of them more than bear that out.

For example:

Department store groups such as Prange’s, Powers and Joske’s (San Antonio) utilize television primarily for positioning; but C. R. Anthony of Oklahoma City, with more than 300 units in the Southwest and Midwest, sells *items* on TV; and The Broadway, while running on TV very consistently throughout the year, uses the medium almost exclusively to promote sales.

Some retailers’ broadcast expenditures in 1985 will be up substantially over last year, while others will be about even. Some merchants use quite a bit of co-op and vendor support, while others use very little.

If there is one common theme among

retail ad executives, it is a desire for more specific data from broadcast outlets—more definitive information on who is viewing and listening (other than just age and sex) and, also, more research on the overall retail marketplace.

Positioning tool

“One of the problems that we have had with television,” says Prange’s Straus, “is in trying to advertise product and being able to select a product that we can sell enough of to justify the cost—particularly when you’re talking about multi-markets.”

As a result, what the Wisconsin retailer does on TV is mostly “institutional, basically using television more as a positioning medium.”

And Prange’s supplements its television with radio. “We’ve found that we can substantially increase our frequency by combining radio with TV. We’ve run it through the computer, and we’ve found that we can generate higher fre-

Prange’s in Green Bay, Wisc., does mostly “institutional” advertising on TV because it can’t “sell enough (of a product) to justify the cost,” says sales promotion v.p. Larry Straus.

quency by spending \$15,000 on television and \$5,000 on radio (for a particular flight) than by spending \$20,000 just on television.”

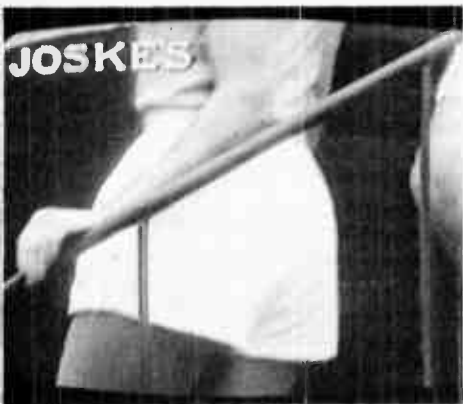
The department store group operates stores in what it defines as 16 different markets, although, according to Straus, that translates into “seven television ADIs and about 15 radio markets.”

Straus estimates that about 15 per cent of Prange’s total advertising budget is in broadcast, with about two-thirds of that in television. The department store is a 1984 recipient of the NRMA/Television Bureau of Advertising ‘best commercial’ and ‘best campaign’ award for ADIs 51-100.

In Minneapolis, Powers’ Sundet says the Associated Dry Goods department store group will probably spend 20 per cent of its budget in broadcast this year. “We want to go after some new customers that we might not be getting through newspapers and direct mail,”

Prange’s generic men’s fashion spot





Joske's in San Antonio combines image advertising with specific merchandise.

Joske's shorts commercial

she says. For the last two years, the store has run a "positioning" campaign in August and September, which has featured fall fashion merchandise and was supported by a number of vendors. Last year's effort, in fact, will receive the NRMA/TvB award as the best campaign by a department store in ADIs 1-20. This year, Sundet says, "it will be a little different. We'll have image spots without vendors."

Image spots, in Sundet's opinion, reinforce the store's sale commercials. "Because you have had an image-building campaign," she says, "when you turn to sale advertising, people have the recognition. They say, 'Oh, these are nice looking clothes.' We've noticed an increase in business (since increasing use of television)."

Another aspect of Powers' TV advertising, Sundet points out, is the use of "real people" as opposed to professionals, in the commercials. "We do that on an ongoing basis," she says.

Another believer in the positioning power of television is Joske's in San Antonio. Although the Allied Stores department store group combines its image advertising with specific merchandise, the selling is done as part of an overall concept.

For instance, in a commercial which won first place in the '84 NRMA/TvB competition for ADIs 21-50, the merchandise being sold was shorts—both women's and men's. The setting was a party, but the camera focused only on the shorts of those attending (no faces). Dialogue consisted of social banter, which, of course, centered on the merchandise. For instance, a man approaches a woman and says, "I like your shorts." She replies: "Hi! Hey, I love your shorts. Bet you just got them at Joske's."

After the shorts play matchmaker, the voiceover at the end concludes with: "The hot new looks in shorts. Joske's makes it yours."

Television, according to Donna Hinkelman, director of advertising, "allows us to present a strong image. It also sells, but, hopefully, it sells the image of the store."

Joske's is also a significant user of radio. "We're increasing our radio," says Hinkelman. "We believe in it for reaching target audiences—it's a very effective way of reaching specific groups. And it's a lot easier to turn around quickly on radio."

At The Broadway, broadcast expenditures in 1985 could be up 50 per cent," according to Lowry. Pointing out that Los Angeles is "an extremely competitive market," she says television, particularly, is employed "to reach a broader market." Although all of the Carter Hawley Hale department store group's TV is promotional, it is still aimed at positioning the store and gaining new customers. In fact, Lowry says The Broadway will be taking money away from direct mail in order to increase the television budget. Direct mail, she explains, "has been saturated. We're not going to forget about our charge customer (served through direct mail), but we want to expand our charge customer base." And the way to do that, she adds, is "to increase our reach."

The seriousness of The Broadway television effort is underscored by its desire to be on the air consistently. "We have negotiated contract rates for the whole year," Lowry points out.

Consumer behavior

A good case for using television as a positioning tool is made by a series of studies of consumer shopping behavior conducted by the ABC Owned Television Stations. Called Trac ABC, the

studies originated in November, 1982, when KABC-TV Los Angeles wanted to measure the impact of the entry of five major off-price apparel retailers into the market (TV/RADIO AGE, March 19, 1984). "One of the major findings," recalls Keith Ritter, director of marketing for the ABC Owned Stations, "was that there was an incredible decline in consumer loyalty."

In the original Los Angeles study in November, 1982, before the off-pricers actually entered the market, KABC-TV found that the average percentage of customers who "intended to shop next (for apparel) at the store they shop at most" was 85 per cent. By November, 1983, after the off-price incursion, that had dropped to 64 per cent, and, by July-August, 1984, says Ritter, it was 54 per cent.

Now, he points out, ABC has expanded the study to the other four markets where the company owns stations—New York, Chicago, San Francisco and Detroit—and has found that the loyalty factor is even lower than in Los Angeles, dropping down to as low as 47 per cent.

Trac, Ritter explains, "ties together store awareness, purchasing habits, purchasing intentions. It also tracks how people receive information about where to shop.

"In our markets," he continues, "the Number 1 issue was quality. Nearly 25 per cent said that's the Number 1 reason they shop at a store. A little over 19 per cent picked prices. Only 7 per cent

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C. R. Anthony is moving from one item per 30 to two or three items per 30.

C. R. Anthony sale ad



Among drawbacks cited are client resistance and programming nuances

Low rated TV spot cumes get warmer ad agency reception

Ever since the first independent television stations appeared on the scene, they've had to struggle uphill against client minimum rating point guidelines for their agency buyers. The problem has been exacerbated in recent years by the wave of brand new independents facing the same old resistance. But now it appears the Association of Independent Television Stations' drive to eradicate what it considers a prejudice against indies is beginning to get a friendlier ear at many of the big agencies.

Many media and media research chiefs are in agreement with the statistical rationale behind INTV's presentation to them called, "Why Minimum Rating Point Restrictions No Longer Serve Advertisers' Needs!" (TV/RADIO AGE, October 1, 1984), a pitch which



Jonathan Swallen of Ogilvy & Mather says his research group recommended use of the cume package idea to the agency's three largest spot broadcast clients, but "all three rejected it."

seeks to prove that combining multiple low rated spots is an effective way of achieving rating point goals.

However, the agency executives' acceptance is qualified, and they point out a number of possible drawbacks. Among them:

- Client resistance.
- Lack of knowledge about the concept by reps.
- Mechanical complications in the buying process.
- Variations caused by programming nuances.

Educating the buyers

At SSC&B, Larry Roslow, vice president, director of media research, believes that, "It may take some time before a lot of the buyers feel comfortable with low rated spots. But research specialists will accept INTV's points, and, eventually, most of the buyers should come around."

Roslow adds that his "Own attitude" is that, "Competition is good, and that tying your buying to minimum rating points is only going to jack up prices on the smaller number of availabilities that exceed the minimum cut-off."

He believes that, "In this sense, INTV has performed a useful service in bringing this out in the open and backing it with data to prove their point."

Richard Kostyra, senior vice president, media at J. Walter Thompson, U.S.A., reports that, "Basically we have no problem with the methodology of cuming a number of lower rated spots to arrive at a net reach factor. And statistically, there's nothing wrong with INTV's rationale. When they say it's the program type that dictates the quality of its audience rather than the station the program happens to be on, they're right. And it's true that viewers of independent stations are of the same demographic quality as affiliate viewers, depending on the particular program on either type of station."

At BBDO Pete Stassi, vice president, director of local broadcast, reports that though certain clients continue to

maintain a cutoff point, Steve Singer (who heads media research) and Mike Drake, the agency's media planning chief, have both endorsed the cume concept. This, explains Stassi, "means that unless a particular client specifically wants to stick with his minimum cutoff, we want to be flexible enough to look at cume packages. We believe cume ratings are a viable concept, and we'll negotiate based on the rule of thumb that a cume package reflects 70 to 75 per cent of its total rating. In other words, four 1s are worth a 3."

But he adds that now that BBDO and some other agencies are opening the door to cume packages, "We find that because so many agencies have resisted so long, most rep sales forces are not equipped to get into it. Years ago, cume packages were a fairly common commodity. But now they've been out of use for so long that now the reps will have to tool up for them again."

Jonathan Swallen, vice president, associate director of research information at Ogilvy & Mather, believes what INTV says about the statistical reliability of low rated spots, but feels he's "probably in the minority."

Swallen reports that his research group evaluated the points in INTV's presentation, reported on them favorably and made presentations to the agency's three largest spot broadcast clients recommending use of the cume package idea. "All three clients rejected



Barbara Collins of Marschalk says "most spot reps are not yet knowledgeable enough in selling the cume concept to convince our buyers of its validity."



Peter Stassi of BBDO says that *“unless a particular client specifically wants to stick with his minimum cutoff, we want to be flexible enough to look at cume packages. We believe cume ratings are a viable concept.”*

it, so the net result was to draw a blank here, so far as practical results go.”

Similarly, Barbara Collins, media research director at The Marschalk Co., agrees that the points INTV makes in its presentation “make sense,” and says that for some clients, the agency would use it.

But she adds that it hasn't been done yet, “because most spot reps are not yet knowledgeable enough in selling the cume concept to convince our buyers of its validity.”

On the more positive side, Collins reports that a meeting of the agency's buyers has been scheduled with Katz “so they can explain what they call Flexpak, which is the same thing. I expect that should help.”

Starting with research

At Katz Independent Television, Cathy Egan, vice president, director of marketing, explains that, “Since some of the agency broadcast supervisors and planners aren't too comfortable with the idea at first, we've found that the most productive approach is to start with the media research director at the agency. He's the one who's familiar with things like the letters from both Arbitron and Nielsen that confirm what INTV says: that the statistical reliability of the cume rating of several smaller-rated spots is at least as reliable as the rating of one higher rated spot.”

This, she explains, is because with a cume, “We're working with more different quarter-hours. That adds up to a larger effective sample base.”

Egan says that once an agency's media research director gives his okay and writes up an internal memo that agrees with the points INTV makes, “Then the planners and buying supervisors have no problem.”

Egan adds that not only has INTV's minimum rating point presentation been helpful in making the point to media research directors, “but so have INTV's earlier research projects that proved that audience quality and audience attention to smaller-rated spots is equal to those of higher rated availabilities.”

And she points out that cume packages can be particularly useful to the airlines, computer companies and financial services, “categories with heavy competition, who've found that they need to build frequency along with their reach.

“So there's more than one reason why agencies are listening and why the idea is gaining acceptance from more of their accounts.”

Primetime movies

Similarly, Teddy Reynolds, vice president, research, at Petry Television, reports that the independent stations represented by her company have found use of cume packages “increasingly accepted and increasingly effective.” This, she says, “is especially true of our independents' primetime movie cume packages. We found very little audi-



Larry Roslow of SSC&B believes, *“It may take some time before a lot of the buyers feel comfortable with low rated spots. But research specialists will accept INTV's points, and, eventually, most of the buyers should come around.”*



Richard Kostyra of J. Walter Thompson has *“no problem with the methodology of cuming a number of lower rated spots to arrive at a net reach factor. Statistically, there's nothing wrong with INTV's rationale.”*

ence duplication from one title to the next, because different people watch different movies.”

Thus, adds Reynolds, a cume package made up of spots placed in a series of different movies “can help an advertiser achieve his reach goals as well as his frequency goals.

“That's why we see use of these cume packages as a growing part of independent time sales.”

One of those independents that Petry sells for is WXIX-TV Cincinnati. Lee Rudnick, vice president, general sales manager, admits that acceptance of cume packages “hasn't built up to a flood yet, but some agencies have started to use it for some clients.” Rudnick believes that most of the agencies now understand what it's about, “but not all of their clients do yet, and I think that's what's been the main roadblock to faster movement.”

He adds that, because the idea is difficult to explain to some clients, “some agencies will use it, but not admit it.” And he observes that the INTV's minimum rating point pitch “helps the same way that TvB helps, by selling all of television.

“It's a good door opener for us to walk in and show the agencies specifically what's happening to their network reach in Cincinnati, and what they can do about it.”

In Albuquerque, Erick Steffens, general manager of KGSW-TV, reports “good success with cume—but not at first, because it took persistence in trying to prove it to be a valid concept.”

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RAB study of Arbitron figures for 12 markets reveals even audience levels

What seasonal data show on listening

The Radio Advertising Bureau study of radio audience trends by season (see *Radio Report*, April 15) shows some remarkably even listening levels through the year.

The study, conducted by Robert Galen, RAB's senior vice president for research, was based on 1984 listening in 12 markets that are measured four times a year by Arbitron. Included in the figures were all four primary weekday dayparts, plus the overall Monday-through-Sunday and overall weekend figures, both covering 6 a.m. to midnight. Demographics studied were persons 12-plus, men and women adults (18-plus) separately and teenagers. The data were shown by both average quarter hour and cume ratings.

Starting at the top, the study shows the total seven-day audience rating ranging from a high of 18.7 in the spring to 17.9 in the fall of 1984 during the average quarter hour from 6 a.m. to midnight. The spread of only 0.8 of a rating point translates to a percentage difference of 4.5, based on a percentage of the smaller of the two figures. (See TV/

See tables of seasonal ratings on page 124

RADIO AGE tabulations of other such percentages on this page. (For the actual ratings, see page 124.)

In the cumes, where every listener is counted equally, the differences are equally small. For the most part, the seven-day figures show a spread of less than one rating point from the highest-rating season to the lowest.

The biggest seasonal differences among the four major demo categories shown are for teens. These spreads in listening levels are primarily due to the fact that most teens are in school during three of the four seasons.

This factor has its most pronounced effect during the midday daypart (10 a.m. to 3 p.m.). Last summer teen listening during the average quarter hour generated a rating of 18.2 in that daypart. The following fall it dropped to 5.6,

the lowest seasonal average for any of the four conventional weekday dayparts, and a decline of 225 per cent. However, even the 18.2 rating for teens was lower than that of adults. Men last summer averaged a 22.7 quarter-hour rating during the midday daypart, while women averaged a 24.1.

Putting teens aside, the biggest seasonal spread in average ratings for adult men and women during the four weekday dayparts was actually less than 2 rating points. And that spread took place in morning drivetime.

Among women, the top seasonal listening average in the morning occurred during the spring with a 27.4 quarter hour rating. In the summer, it dropped to 25.5, down 1.9 points. As for men, the top seasonal listening average in the morning was in the winter, with a 26.4. The low figure for men, again in the summer, was 24.5, also down 1.9 points.

When these figures are converted into percentages, the spread for women calculates out to 7.5 per cent; for men it comes to 7.8 per cent.

(continued on page 124)

Difference in listening by seasons by dayparts

Spread between highest and lowest seasonal rating

	Average 1/4 hour ratings		Cumulative ratings	
	Rating Spread*	Percentage Spread**	Rating Spread*	Percentage Spread**
Monday-Friday, 6 a.m.-10 a.m.				
Persons 12+	1.9	8.1	3.0	3.7
Men 18+	1.9	7.8	1.8	2.2
Women 18+	1.9	7.5	1.8	2.2
Teens	3.5	30.4	12.0	18.9
Monday-Friday, 10 a.m.-3 p.m.				
Persons 12+	1.8	8.6	4.6	6.7
Men 18+	0.8	3.6	0.6	0.9
Women 18+	1.1	4.7	1.7	2.3
Teens	12.6	225.0	34.7	75.3
Monday-Friday, 3 p.m.-7 p.m.				
Persons 12+	0.9	4.6	0.5	0.6
Men 18+	1.0	4.9	1.1	1.4
Women 18+	0.6	3.1	1.2	1.6
Teens	3.1	18.2	3.7	4.5
Monday-Friday, 7 p.m.-midnight				
Persons 12+	1.3	12.1	3.8	6.3
Men 18+	1.6	15.5	3.8	6.5
Women 18+	1.5	15.3	5.5	9.7
Teens	1.5	9.9	2.6	3.3
Monday-Sunday, 6 a.m.-midnight				
Persons 12+	0.8	4.5	0.7	0.7
Men 18+	0.7	3.8	0.7	0.7
Women 18+	0.8	4.3	0.7	0.7
Teens	1.3	9.2	1.1	1.1
Weekend 6 a.m.-midnight				
Persons 12+	0.9	5.8	2.2	2.7
Men 18+	1.0	6.8	2.8	3.5
Women 18+	1.0	6.3	1.7	2.1
Teens	1.2	7.9	3.6	4.2

* Difference in percentage points from the lowest to highest Arbitron rating of the '84 seasons.

** The same spread expressed in percentages (point spread divided by the smaller of the two figures).

CLASSICAL MUSIC ON RADIO

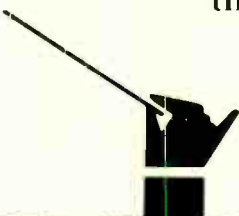
Television/Radio Age

May, 1985

MANHATTAN'S FAVORITE MUSIC STATION SALUTES THE SAN FRANCISCO CMBA CONFERENCE

As we fly coast to coast to attend CMBA '85, we'd like to remind you that from river to river in America's most celebrated upscale market, classical music WQXR FM-AM reaches more people every week than any other station in any music format. All year long, come celebrate with us.

Source: Scarborough 1984



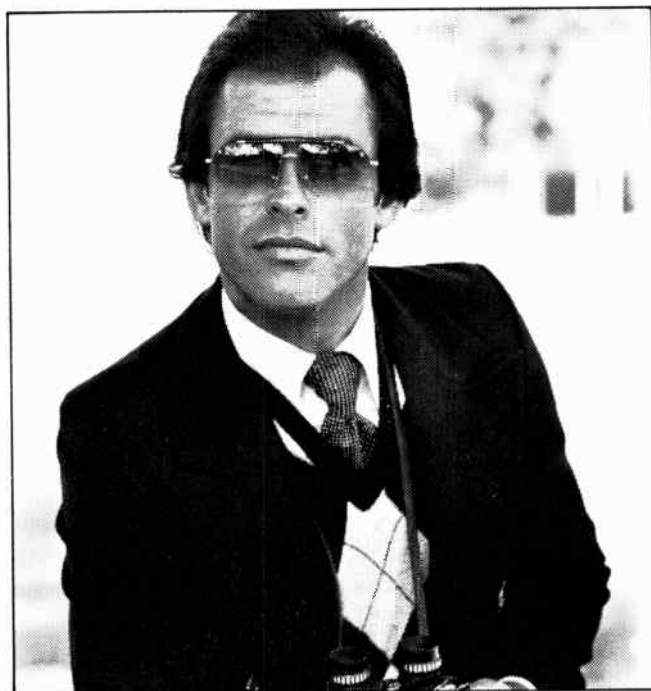
WQXR 96.3
FM
or 1560AM

The Stereo Stations of The New York Times



BEFORE

This is me before I started listening to KFAC. Overweight, poor, unhappy and alone.



AFTER

This is I after 16 short years as a KFAC listener. Rich, trim and sexy.

How classical music changed my life.

The other day at Ma Maison, as I was waiting for the attendant to retrieve my chocolate brown 450 SLC, the Saudi prince I'd been noshing with said, "Say, Bill, how did an unassuming guy like yourself come to be so rich, so trim, so...sexy?"

My eyes grew misty. "It wasn't always this way, Ahmed, old buddy..."

My mind raced back to the Bad Time, before the investment tips, the real estate empire, before Dino bought my screenplay and I bought my Columbia 50...

Once I was a lot like you.

Working at a nowhere job, hitting the singles bars, watching situation comedies in my free time. I tipped the scales at a hefty 232, but my bank balance couldn't have tipped the bus boy at the Midnight Mission.

Finally, I hit bottom...picked up by the Castaic police for barreling my old heap the wrong way over some parking lot spikes.

My last friend in this lonely world, Hardy Gustavsen, set me straight while he was driving me back to L.A.

"Bill, get hold of yourself! Start listening to KFAC!"

"Gosh, Hardy, don't they play classical music? I'm not sure I cotton to that high brow stuff!"

Aside from a couple of summers at Tanglewood and Aspen, and one semester in Casals' Master Class...

I knew absolutely nothing about classical music.

"Bill, who would be wrong if you got better?"

Looking into his steely blue eyes, I

realized Hardy was right. I resolved to give KFAC a shot.

At first, it was quite painful. Listening to all those 100-piece groups was confusing—I was used to having the drums on the right and the bass on the left and the singer in the middle. All those semidemihiemiquavers made my head spin.

But I started to feel the beneficial effects of classical music listening in just one short week.

In no time, I was using napkins with every meal, I switched from Bourbon to an unpretentious Montrachet and I became able to hear sirens even with my car windows rolled up.

Soon I was spending every night with KFAC and a good book, like Aquinas' *Summa Theologica*.

I realized that some of the wealthiest, most famous people in this world listened to classical music—Napoleon, Bismark, George Washington, Beethoven...and many others who are yet alive today.

Then I met Marlene. The first girl who knew there was more to *Also Sprach Zarathustra* than the theme from 2001. And I fell in love.

Today, I'm on top of the world with a wonderful wife, close friends in high places and a promising career in foreign currency manipulation.

Can classical music do for you what it did for me?

A few years back, scientific studies showed that when dairy cows are played classical music the quantity and quality of their milk dramatically

improves.

Now if it can do that for plain old moo cows, imagine what it can do for you!

You might use it to control disgusting personal habits and make fun new friends. The possibilities are endless!

Can you afford KFAC?

Is lox kosher?

Even though marketing surveys show that KFAC's audience is the most affluent assemblage of nice people in Southern California, yes, you can afford KFAC! Thanks to their Special Introductory Offer, you can listen FREE OF CHARGE for as many hours as you like without obligation!

Begin the KFAC habit today.

Remember, the longest journey begins by getting dressed. Don't let this opportunity slip through your fingers. Tune to KFAC right NOW, while you're thinking about it.

And get ready for a spectacular improvement in your life.

Warn your family and friends that you may start dressing for dinner.

You may lose your taste for beer nuts.

And the next time you're on the freeway thinking about playing with your nose, you'll find yourself asking: "Really. Would a KFAC listener do this?"

KFAC
1370.AM/92.3FM

CLASSICAL MUSIC ON RADIO

Few programming changes, although syndication may have reached peak

Ad gains, affluence of listeners keep stations prosperous

BY ROBERT SOBEL

With advertising continuing to show gains—as high as 30–35 per cent over last year—and with recent studies indicating that their audiences are without peer in many major demographic areas, concert music radio stations' "advantage" has become a classic forged in marketing stone.

In fact, it has become evident that what the classical radio broadcasters lack in total audience numbers they more than make up in such things as listener affluence, education and professional status, to say nothing of their own enthusiasm and risk-taking in markets which abound with other forms of music.

As the Classical Music Broadcasters Convention convenes May 1–4 in San Francisco, two additional markets now have two commercial classical competitors, bringing the number of markets with two commercial concert stations to five, an all-time high.

Whether the newer competitors can live and prosper together is a situation that is sure to be watched by the classical community.

Stations in the three established

major markets with competing commercial outlets appear to be doing well, using different programming concepts and marketing techniques.

Only a few concert music stations have made any significant programming changes over the past year. The exceptions are WCRB(FM) Boston and WNCN(FM) New York.

Among other important developments:

- Syndication may be having clearance problems, if the glut of new programming continues unabated. Some stations have already refused to take additional syndicated programs because they fear lack of programming control and deem compensation inadequate.

- Promotion continues to play a major part on classical stations, with the Bach birthday helping out.

- The proposal on banning alcoholic beverage commercials in broadcasting is seen as having an impact, but not a crippling affect, on the classical industry.

As for the classical "advantage," Torbet Radio recently published a profile of the classical radio listener, based on Simmons research of 1984, on a Monday through Friday basis, 6 a.m.–

Television/RadioAge

Executives of classical music stations feel longterm sponsorship—particularly of major events—will become even more commonplace.

Longstanding Texaco-sponsored Metropolitan Opera broadcast over WQXR AM-FM New York



CLASSICAL MUSIC ON RADIO

Commercial classical music station audiences— Arbitron

Metro	Station	12+ AQH (000)	Adults 18+ cume aud. (000)
New York	WQXR(F)	37.6	550.9
New York	WNCN(F)	29.2	358.3
Chicago	WFMT(F)	19.4	388.7
Los Angeles	KFAC-FM	14.6	313.4
San Francisco	KDFC-FM	14.1	222.6
Washington	WGMS-FM	14.1	213.5
Philadelphia	WFLN-FM	12.8	322.0
San Francisco	KKHI-FM	12.6	204.5
Houston	KLEF(F)	11.7	150.8
Miami-Ft. Laud.	WTMI(F)	11.0	176.2
Chicago	WNIB(F)	10.5	208.1
Detroit	WQRS(F)	10.0	124.1
Denver-Boulder	KVOD(F)	9.9	117.9
Seattle-Everett	KING-FM	9.5	126.8
San Diego	KFSD(F)	7.7	116.9
Portland	KKSN	7.0	61.0
Dallas-Fort Worth	WRR(F)	7.0	104.4
Phoenix	KHEP(F)*	6.9	
Boston	WCRB(F)	6.8	141.8
Milwaukee	WFMR(F)	5.8	72.4
Cleveland	WCLV(F)	5.8	78.7
San Francisco	KKHI	5.5	204.5
Albuquerque	KHFM(F)	4.2	30.9
Los Angeles	KFAC	2.8	313.4
Washington	WGMS	2.7	213.5
Santa Barb-S. Maria	KDB-FM	2.5	22.1
St. Louis	KFUO(F)	2.4	55.5
San Francisco	KDFC	2.1	56.0
Salinas-Monterey	KBOQ(F)	2.0	18.9
Tampa-St. Petersburg	WXCR(F)	1.9	26.1
Kansas City	KXTR(F)	1.8	40.0
Tulsa	KCMA(F)	1.2	17.9
Atlanta	WGKA	1.2	24.2
Philadelphia	WFLN	0.8	32.0
Worcester	WCRB(F)	0.6	11.9

Source: Arbitron, fall, 1984 Monday-Sunday, 6 a.m.-midnight. * New call letters are KNOX(F).

midnight, average daily cume, adults 12-plus. Some of the highlights show that male listeners outnumber females by about 60-40; that the 25-34 and the 35-44 age groups represent the largest percentage of age distribution; and that more than 63 per cent of the listeners earn \$25,000 or more in the average household.

A recent Birch Radio study offers some interesting insights on specific markets regarding professional/managerial audiences. Using a classical index of 100, based on cume composition, the survey indicates that these kind of listeners are heaviest on WNCN(FM) New York, WFLN(FM) Philadelphia, KFAC(FM) Los Angeles and WQXR(FM)

New York (see tables, for details).

Meanwhile, stations collectively report experiencing sales growth ranging from 15-35 per cent in 1984 over 1983, with several stations pointing to an increase in longterm sponsorships and national advertising on the corporate level.

While WCRB Boston hasn't cracked any new advertising areas, the station has strengthened its position with several traditional advertisers such as auto firms. A local real-estate company, Huneman Co., a co-sponsor of the Cleveland Orchestra concerts, has steadily increased its ad support to the point where it advertises almost all-year, points out Dave MacNeill, vice president and station manager of WCRB. Also, Western Nurseries, a big tree and gardening group, which began as a monthly co-sponsor of the New York Philharmonic airings, is now on about 40 weeks a year.

MacNeill notes that, in terms of business, the station had a "fantastic 1983, so it was tough to match it, but the station's gross was up about 6 per cent, nonetheless, in 1984 over 1983." This year, moreover, WCRB is running some 15 or 16 per cent ahead in gross business over 1984's, he adds.

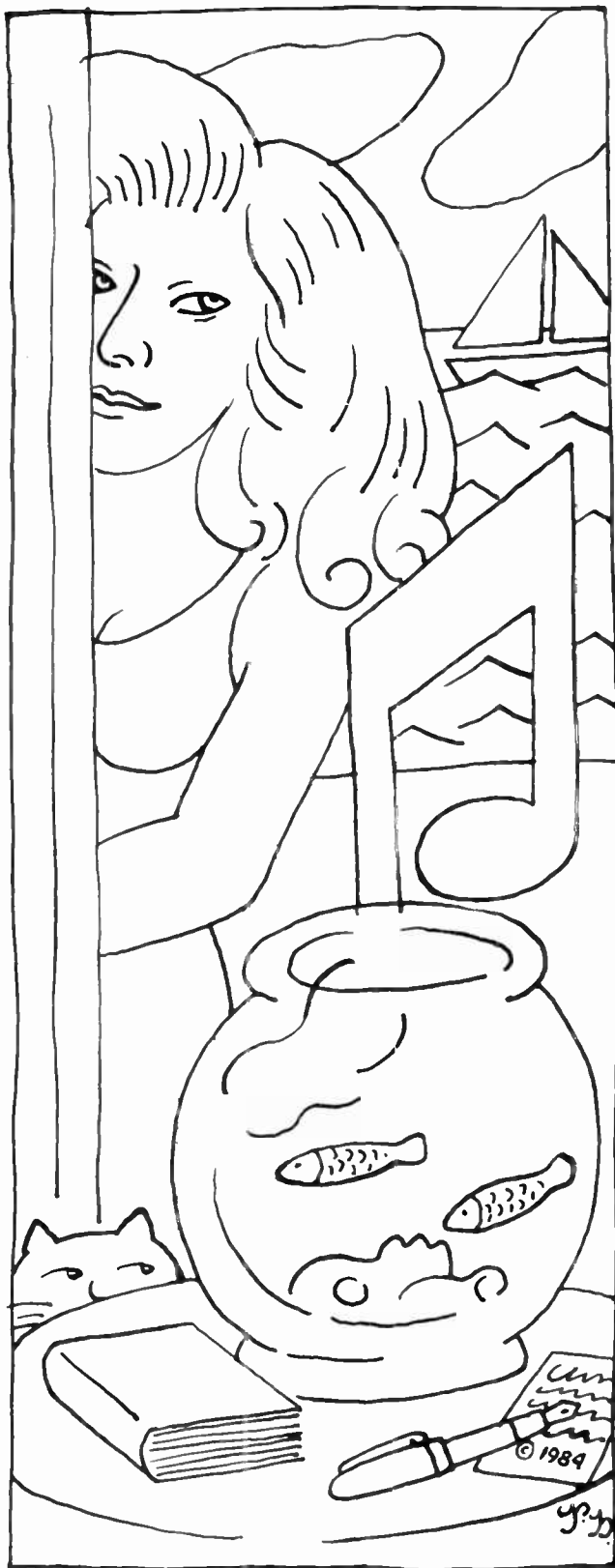
Harry Haas, vice president and station manager at WFLN AM-FM Philadelphia, that a recent look he took of the national sales record shows that the station's revenues and per spot dollar volume has increased "well over 500 per cent in seven years." Haas attributes much of this success to his seven-year tie with the Concert Music Broadcast Sales, only rep company which handles classical stations exclusively.

CMBS growth

CMBS Inc. had substantial growth last year, as combined sales from its subsidiaries—CMBS, which handles national spot sales, and the Concert Music Network—were up more than 25 per cent over the previous year, while sales for the first quarter of 1985 increased more than 20 per cent over the similar period in 1984, once again out-distancing radio industry averages.

Besides setting record growth and sales since CMBS Inc. was founded in 1976 by Peter J. Cleary and Peter Besheer, the company over the past year has added WNCN New York and KDFC-AM/FM San Francisco to its affiliate list, and has been retained by the new owners of what had been KHEP-FM, Phoenix, but whose call letters are now KONC(FM).

CMBS Inc. added two salespeople recently and moved into expanded quarters in January. In addition, Roy Lindau joined the CMN as director of sales. He has been president of Music



Research, research, research...

According to Scarborough—
the highest index in New York for:
adults with household incomes
over \$75,000
adults who own coops & condos
adults who have done
post graduate work
theatergoers and dance lovers

According to Arbitron
Qualidata—

73% have a valid passport
96% dine out
77% invest in mutual
funds
86% own stocks or bonds
77% have major non-bank
credit cards
57% are 25-54 years old

Do you have anything to sell to
the people who have everything?
Call Elise Topaz, our general
sales manager at 212 730 WNCN

the Station for people who have

WNCN

New York
classical 104.3 FM

Represented nationally by Concert Music Broadcast Sales.

CLASSICAL MUSIC ON RADIO

Classical music station audiences—Birch, 1984

Market	Station	Average 1/4 hour	Share	Weekly cume
New York	WQXR(F)	34300	1.5	559,700
	WNCN(F)	23700	1.1	311,700
Chicago	WFMT(F)	30900	2.3	308,400
	WNIB(F)	5300	0.4	94,600
Washington	WGMS	1900	0.4	29,500
	WGMS(F)	12500	2.4	187,200
San Francisco	WETA(F)*	8300	1.6	147,200
	KQED(F)*	7700	1.0	144,500
	KDFC(F)	7700	1.0	160,100
	KKHI	2300	0.3	66,900
Seattle	KKHI(F)	6100	0.8	139,300
	KUOW(F)*	4100	1.2	59,100
	KING(G)	12900	3.6	158,400
Philadelphia	WFLN(F)	12000	1.8	218,200
Los Angeles	KUSC(F)*	10700	0.9	191,700
	KFAC(F)	8500	0.7	249,700
Denver	KVOD(F)	12600	4.1	136,900
Boston	WCRB(F)	6600	1.2	123,600
	WBUR(F)*	8200	1.5	157,200
	WGBH(F)*	13500	2.4	209,100
Detroit	WQRS(F)	9400	1.4	138,000
San Diego	KFSD(F)	9100	2.8	125,000
Miami	WTMI(F)	8800	2.4	146,400
Houston	KLEF(F)	8400	1.6	135,900
Cleveland	WCLV(F)	5800	2.2	85,500
Portland	KKSN	2600	1.2	57,600
	KOAP(F)*	2700	1.3	46,600
Phoenix	KHEP(F)**	3100	1.1	53,900
Wilkes-Barre	WYZZ(F)	4800	4.5	56,200
Milwaukee	WFMR(F)	6600	2.9	79,400
Kansas City	KXTR(F)	3200	1.6	60,100
Dallas	WRRR(F)	5100	1.2	78,700
St. Louis	KFUO(F)	1700	0.5	53,800
	KWMU(F)*	3100	0.9	56,400
Tulsa	KCMA(F)	500	0.5	10,100
Atlanta	WABE(F)*	4900	1.6	61,000
Knoxville	WUOT(F)*	2500	2.2	35,700

Major classical music stations, October–December, 1984. Monday–Sunday 6 AM–midnight, total persons (12 plus).

* public station. ** Call letters now KNOC(F).

Media International. He has held sales and management positions with Westinghouse Broadcasting and later, in 1973, was senior vice president and marketing director at Major Market Radio.

This year, CMBS Inc., based in New York, is eyeing setting up establishment of a fourth regional office, in Atlanta. Its

branch offices currently are in Chicago, St. Louis and Los Angeles. In December, 1984, CMBS launched a third subsidiary, the concert Music Satellite System, a fully-wired satellite network network.

Ray Nordstrand president and general manager at WFMT(FM) Chicago, also sees a trend towards longterm

sponsorships by major corporations on classical radio. On his station, Nordstrand notes that United Airlines this year began a sponsorship of a Sunday morning hour aired from WFMT's studios, marking the first major long-term commitment from the airline. Also he says, Sara Lee Corp. (former Consolidated Foods) has bought a 30-week series, *Music Chicago Style*.

Warren Bodow, president and general manager at WQXR AM-FM, notes that the percentage of profits to revenue increased for the sixth straight year in 1984. He says that program billings have increased in longterm advertising. "Five years ago, it amounted to 30 per cent on less billings overall. Now it represents about 34 per cent of a much larger billings pie, "which shows the willingness of blue-chip advertisers to access the audience all-year around."

Matthew Field, WNCN (FM) New York vice president, general manager, says the station's profits have risen 30 per cent over the last year, with retail business more than double the year before's. First-quarter sales are up 27 per cent, despite a soft January. Most of the retail business improvement began in the last quarter of 1984, which Fields believes reflects format changes instituted last July. "In some ways it's easier to talk to retailers about what we are trying to do—lifestyle to lifestyle—than to ad agencies, which have been caught up with cost-per-point, grids and other agency terminology by which business is conducted. At the same time, this form is changing dramatically and we are getting a much larger number of national advertiser business than before."

Combination buys

Field maintains he doesn't sell advertising against WQXR. In fact, often he sells advertisers on the concept of buying both in combination. "We tell them it makes a lot of sense to buy both because both stations deliver a quality audience and the prices in combination are essentially less than a station with higher ratings, in addition to both stations representing different demographics. Also, our audiences have a lot more spending power than the other stations's audiences."

WQXR's Bodow notes that, because both his station and WNCN have increased their market share of business over the past few years, "apparently the business increases are coming from other stations' shares." However, he notes, that there are times when an advertiser is only looking for one classical station, in which case there is competition for the business.

Bodow looks at WNCN as a competitor for certain dollars, but "it's to our ben-

efit that they are on the street as well, because it draws more attention to the classical format." He adds that program sales are "pretty much more competitive than other types of sales, and become a matter of whether the advertiser will or will not buy the idea for a program. On the other hand, there is competition among two classical stations for spot dollars, for which we compete vigorously."

George Fritzing, president of Los Angeles, KFAC AM-FM says sales are "excellent." Sponsors have had "a lot of success" placing their messages on KFAC, and that's why we get such longterm advertisers. One sponsor, the southern California Gas Co., has been with the station almost 50 years.

In San Diego, KFSD-FM is also enjoying increased revenues, according to Hal Rosenberg, vice president and general manager.

Increased profitability was not the case, however, in Salt Lake City, where KWHO AM-FM is no longer playing classical music. The station changed from a classic format last year when it was purchased by Richard Elliott, now the general manager. Its call letters were changed to KLTQ, and its music format is now described as beautiful music and contemporary.

Elliott explains that "the station had been operated by non-broadcasters (Northwest Energy Corp.), and they had dug some holes for themselves. I just couldn't retire that debt doing classical."

Few programming changes

On the programming end, only a few of the classical station sources interviewed say they have made any significant changes since last year's convention. At WCRB, the station recently changed a major portion of its announcer lineup, upgraded its news headlines and five minutes of news airings in both the morning and afternoon drivetimes, according to MacNeill. Mary Ann Nichols, who had been hosting the 6 p.m.-1 a.m. shift, was moved to the morning slot (6-10 a.m.), as host of *Commuter's Concert*; Rodney Flora announces the *Morning Concert* (10 a.m.-noon) and *WCRB at Midday* (noon-2 p.m.); and Larry Miller takes over the Nichols slot and into 1 a.m. The other personalities continue as hosts without change.

MacNeill notes that the upgrading in news entailed the hiring of a "news person" to work the news portion in morning drive, while MacNeill handles the news chores in the afternoon drive. By adding a news staffer, MacNeill feels more national stories can be used and local news can be highlighted as well. Also added was more in-depth coverage

on business and sports.

One of the reasons the station made the morning drive changes is to try to counterprogram against the highly successful morning *Pro-Musica* program on WGBH (FM) Boston, public radio station, from 7-8 a.m. (FM). The powerhouse program attracts more listeners in the 7-8 a.m. slot than the entire broadcast schedule of 287 of the 300 public radio stations nationwide, says D. Brad Spear, WGBH station manager.

MacNeill says the reaction to the new

morning changes has been very good. The total amount of music being aired remains about the same, with the exception of the addition of two traffic reports, in the drive times.

WNCN has also undergone a series of changes, with the focus on broadening its 25-54 year-old audiences, and increased emphasis on the morning drivetime slot as a key to attracting new listeners and advertisers. The thrust of the programming changes involved a shift in the type and tempo of recorded music played, and the addition of spe-



Amid the jungle,
a spot of calm.

The Classic Stations
KKHI
95.7fm/1550am
San Francisco



WFMT's street banners



KKSX's 'Classical Pursuit' poster

Composers' birthdays rank high on station promotion plans. WFMT(FM) Chicago heralded Bach and Handel's birthdays via street banners, while KKSX San Diego tied in a game called 'Classical Pursuits.'

cialized "lifestyle" talk features, according to Field.

In July, 1984, WNCN began its "power, stock and image" records in morning drive, and by October of that year had officially kicked off "The Good Life," a format, which Field believes was invented by the station. The changes also involved the elimination of "block program" hours, which Field says is counter to radio programming in general and produces an inconsistency in the sound of a station. "In the old days of radio," he adds, "people listened to blocks such as *The Jack Benny Show* and *Grand Central Station*, which is what TV has become, but radio for the most part is now format programming."

The station actually began the process of format programming when Field became involved with it in 1976, and the step last year to move totally into format programming evolved over the years.

At WQXR AM-FM, Bodow, who is also president of the Concert Music Broad-

casters Association, says that while the station hasn't made any major programming changes since last year's confab, it continues to increase its emphasis on music from the classical to the romantic throughout the day. Also, the station has refined most all of its commercials following WQXR's hourly news report, "as a means of coming right out of the news and into music programming."

But while WNCN is skewing a younger audience than WQXR's and making changes in programming style, Bodow says his station's total size varies dramatically from WNCN's. "As a second station in the market, WNCN has to make changes," says Bodow. "To admit that WNCN doesn't have the 25-54 age group and that we have the 25-64 group, would be wrong. Not only do we have to maintain the audience we have built, but we have to become attractive enough for new listeners. Our basic demo will still be the 25-64 group, but we will continue

to look for younger audiences as well, as we are doing through our promotions over the past year."

WFLN(AM) Philadelphia, is in the process of being sold, subject to FCC approval, to Frank Ford, veteran broadcaster whose experience is mostly in talk radio. Ford is expected to change the AM classical format to all talk programming. Haas says he doesn't envision WFLN-FM being affected by the purchase. "If we felt otherwise, we wouldn't have sold it."

Haas notes that the AMer was a daytime outlet, and the advantage it had many years ago in the market changed, as FM radio, especially in cars, began to gain strength. "Had it have been a full-time station with a lot of power, the consideration to sell wouldn't have been as great," he says.

Haas says WFLN-FM will undergo no changes in format or in the way its being sold to advertisers. Personnel and programming will remain the same. The

Professional/managerial audiences among classical stations

Market	Station	% market cume	% station cume	classical index
New York	WQXR(F)	16	29.8	186
	WNCN(F)	16	43.5	271
Chicago	WFMT(F)	24	56.7	237
	WNIB(F)	24	52.7	220
Washington	WGMS	34	55.9	164
	WGMS(F)	34	53.1	156
	WETA(F)	34	58.4	172
San Francisco	KQED(F)	27.6	57.1	207
	KDFC(F)	27.6	43.8	158
	KKHI	27.6	23.9	87
	KKHI(F)	27.6	51.2	185
Seattle	KUOW(F)	24.4	53.3	219
	KING(F)	24.4	40.7	167
Philadelphia	WFLN(F)	19.9	50.6	254
Los Angeles	KUSC(F)	22.1	44.8	203
	KFAC(F)	22.1	55.1	250
Denver	KVOD(F)	27.7	55.9	202
Boston	WCRB(F)	26	50.4	194
	WBUR(F)	26	61.5	237
	WGBH(F)	26	48	185
Detroit	WQRS(F)	23.6	61.5	260
San Diego	KFSD(F)	21.1	42.2	200
Miami	WTM(F)	13.7	27.4	200
Houston	KLEF(F)	30.1	58.7	195
Cleveland	WCLV(F)	20.8	36.3	174
Portland	KKSN	23.7	50	211
	KOAP(F)	23.7	57	241
Phoenix	KHEP(F)*	19.3	34.7	180
Wilkes-Barre	WYZZ(F)	10.1	16	158
Milwaukee	WFMR(F)	19.5	39.8	204
Kansas City	KXTR(F)	21.9	38.6	176
Dallas	WRR(F)	28.9	41.5	143
St. Louis	KFUO(F)	22.8	38.3	168
	KWMU(F)	22.8	51.6	226
Tulsa	KCMA(F)	26.5	54	204
Atlanta	WAEE(F)	30.8	56.3	183
Knoxville	WUOT(F)	19.6	42.4	216

Source: Birch Radio Quarterly Summary Reports—October–December, 1984, audits 18+, Monday–Sunday 6 AM–Midnight. Market %—Cume audience of professional/managerial listeners, expressed as a percentage of markets total cume audience. Classical index—Station cume composition expressed as a percentage of market cume composition; 100 indicates station cume composition equals market (radio) composition. Call letters now KNOCF.

new element, he adds, is that the station's record library of 50,000 is being put on computer.

In terms of programming, too, syndication may be suffering from overkill, as an increasing number of the programs continue to come into the classical marketplace. Robert Conrad WCLV(FM) Cleveland vice president, program director, sees the proliferation of syndi-

cated programs as a problem for the industry. He notes that while he has not met any resistance on the part of stations in buying new syndication entries, he has been told that some are beginning to resist a few programs of the longform type because they take up a lot of time and stations don't feel they are being adequately compensated for the time given up.

For example, he says, he understands that KKSX Portland, did not take the commercial feed of the Metropolitan Opera this season, "so perhaps we are going to see more picking and choosing of syndicated programs down the road. The airtime is becoming more and more valuable." Nevertheless, Conrad notes that this summer the station will make Music Mountain concerts available for syndication. The program had previously been available on public radio.

At WGMS AM-FM Washington, Michael Ferrel, vice president and general manager, believes the industry is concerned about the large number of syndicated programs being offered, and it's his opinion that the individual qualities that belong to classical stations "will be sacrificed."

As to the station, Ferrel says that WGMS "has accommodated at this point in time as much syndicated programming as we wish. We take a lot of pride in the programs we generate here, such as Paul Hume."

The outlet had been increasing its syndicated programming pickups for the last year or so, "which gave rise to the concern as to what point to stop taking the programs and to maintain our own individual productions," says Ferrel. WGMS' basic programming style has remained unchanged for some time, Ferrel points out. "We try to make the music approachable by virtue of the intrusion of the personality and with music that has an upbeat tone to it." WGMS is ranked Number 6 in the fall Arbitron report, getting an average quarter-hour listenership, 12-plus, of 14,100 persons, while its weekly 18-plus cume was 213,500.

Competitive markets

The New York market is one of five where two commercial stations are competing with each other. In the two other major cities, San Francisco and Chicago, which each have two commercial classical outlets, both stations are also doing well. But in Phoenix and Portland, two small-sized markets, the jury is still out whether each of the stations can prosper.

In Phoenix, the two-station confrontation began when KMZK (FM) went classical in January, only a few weeks before KHEP AM-FM was sold by Grand Canyon Broadcasting to Affiliated Broadcasting Co., which decided to split the format, with classical continuing on the FM side while changing the call letters to KONC. At KONC, despite the advent of KMZK, John Wolfe, program director, notes that the station has made only a few programming changes since the station was taken over. These entailed "tightening things up, making the daytime in tune with daytime activities



Hal Rosenberg of KFSD San Diego takes to the seas to promote his station via his own boat, 'Beethoven's Heaven.'

BEING THE NUMBER ONE STATION DOESN'T MEAN YOU ARE NUMBER ONE IN DELIVERING CUSTOMERS!

For instance, in delivering frequent airline flyers, WCLV beats all other Cleveland stations.

	Frequent flyers per AQH*	Number of airline trips per AQH
WCLV (Classical)	2,671	12,650
Station A (rock and #1)	1,804	7,216
Station B (news/talk)	1,574	6,296
Station C (soft music)	875	3,500
Station D (news/talk)	365	1,460

If you're looking for customers rather than simply listeners, listen to what WCLV has to say. For details on our \$3 Billion Audience and WCLV's impact on it, call us at (216) 241-0900 or contact Concert Music Broadcast Sales at (212) 532-1900.



*Four or more airline flights within the past three months. Birch Report - Qualitative/Product Usage Estimates, adults 18+, M-S, 6 AM - 12 Mid, AQH, Jan-Mar, 84. Only the top five stations are listed. Qualifications on request.

and putting in longer program blocks in the evening. The daytime carries more familiar music than does the evening. The staff has remained intact. They have been here for some time and are known to the community, which we feel is very important to a classical station."

In addition, KONC is continuing to stay involved in the community. "We are doing more public service announcements for the arts community than ever and helping in fund-raising efforts." One of the stations goals, continues Wolfe, is to skew a younger audience than at present. And, he notes, he has been encouraged by numbers which show that KNOC shares a significant part of the Phoenix audience with the public radio jazz station.

All-in-all, Wolfe doesn't analyze KMZK's programming strategy. "I don't see any point in doing that." But Wolfe continues that he's not certain as to whether two commercial classical stations can survive in the Phoenix market. "It's right on the edge, whether a market this size can support both."

Regarding sales and revenues, Wolfe notes that they are still too early to call. "We are just getting our full sales force in place at this point." The station will be moving into new facilities next month, at the Valley Commerce Center. Meanwhile, broadcasts continue to emanate from the KHEP studios. All equipment at the new setup will be new

and state-of-the-art, according to Wolfe.

KMZK, which had been an oldies station, took on classical programming revolving around the consultancy of Ed Davis, president of KFAC-FM San Francisco, whose automated station has been racking up solid sales and numbers for some time. Larry Mazursky, president of KMZK, says the station is programmed "exactly like KFAC's—no news, lots of music." Mazursky says the switch in formats from oldies to classical was made because he believed that a concert music outlet would complement the type of audiences which are attracted to the oldies format on KLFF which is a co-owned station in Glendale.

Also, it is Mazursky's belief that his station would have a decided edge over KNOC in that its owners are new to the classical format. "Their background was more in the contemporary and country music vein. Our approach generally is light classical, and they have a lot of talk, whereby we don't."

New tower

KMZK expects to be heavily competitive when its new tower is set, which Mazursky expects to be up in a few weeks. "The improvement in our signal will be like day to night. Despite the handicap of not having a strong signal, the comments have been incredible since our change. I expect to have one of the finest class As in the country." Mazursky, conservatively, believes he will be able to produce a 2 share, with the FM classical side, while his AMer is pushing a 3.

As far as the classical shares, he feels that the market can hold a 4 which he feels he can get if KMZK becomes the only classical station in Phoenix. Mazursky believes that specialized formats, such as classical and Spanish or all-talk and the *Music of Your Life* format, which is aired on the AMer, spawn loyalty in audiences. But Mazursky notes that when it comes to advertising, he's not certain whether there are enough advertisers who will spend money on two commercial outlets. "It may be that only one classical station will survive here."

WFMT's Nordstrand says that in a "large-enough" market, two commercial classical stations can do well. "Our ratings haven't gone down—they are as strong as ever. What happens is that the total classical audience grows. People have an alternative, if they don't like one station they turn to the other. In the past seven months, we have had better ratings and far stronger sales than ever, and I believe that WNIB also has done the same."

March sales, he says, were up 25 per

cent over last year's March, and the station is generally running about 25 per cent in gains in sales each year.

At WNIB(FM) Chicago, Ron Ray, program director, says that, as far as programming is concerned, there is some overlapping with WFMT in the type of music played. However, the station sticks mostly to "the middle-of-the-road classical. WNIB also differs in programming from WFMT in that we are all-music, during 6 a.m. and 11 p.m. Also, during that time, the station sticks to either well-known composers or their works. "These are our two strongest points, which we have adhered to since 1955."

In San Francisco, Ed Davis, president of KDFC, whose FM side airs classical 24 hours per day, while its AM broadcasts classical during the daytime, notes that the FM station is the longest running classical music station in the U.S. outside of WQXR. Regarding how the station is faring in a two-classical-station market, Davis says it just bought its own building—one which houses three fireplaces. Davis' station has been automated basically for six years. He points out that San Francisco is the most competitive market in the country for classical listeners. Besides having two

AM and FM commercial classical stations, it has three National Public Radio stations, four public TV stations and 15 college and university stations.

Davis, whose FM station was in the fifth spot in the fall Arbitron, with an average quarter hour audience of 14,100 persons 12-plus, says he operates a "simple" classical station, without talk or promotion. He says that while his competition, KKHI, and his station draw about the same numbers (KKHI on FM got 12,600 while the AMer had a 5,500 AQH, 12-plus share) two-thirds of his station's audience is under 50 years of age, while two-thirds of his competition's are over 50.

"We have been able to develop what very few stations have developed— younger demos," continues Davis. "One of the problems a classical station faced in the early days was that people assumed it was listened to by an old audience. And as everyone knows an old audience is not a buying one. Most people, by the time they reach 50, have bought most of their major purchases. We realized this at that time and we learned from our mistakes.

"Consequently, we have a lot of smaller retailers that are 52-week accounts that cater to younger people.

It's 11 o'clock.
Do you know where your
Beethoven is?



He was recognized going across the Coronado bridge. Overheard in a condo in Mission Hills. Discovered at a mission in Rancho Santa Fe.

You'll find him wherever you find KFS-D, San Diego's only 24-hour classical

music station.

Tonight Beethoven could be giving a concert at your place, along with Bach, Vivaldi and Mozart. And you don't even need to rearrange the furniture. Just keep your dial at 94.1.

KFS-D-FM 94.1

24 Hour Classics in San Diego

WCLV's Conrad looks into future



What does the future portend for classical music radio stations? What will they sound like? Who will be the listeners? Are more or less classical stations on the horizon?

Robert Conrad, WCLV(FM) Cleveland vice president, program director, was asked by TV/RADIO AGE to look into his crystal ball and came up with the following: the number of classical stations will grow; more crossover records will be aired; classical stations will share their audiences with other kinds of formatted stations; locally owned classical stations may be swallowed up by station chains if the financial offer merits.

Conrad says there are more stations airing classical music than ever, including the public radio outlets. "There are 200 public radio stations which consider themselves classical, plus 35 or 40 commercial stations. Ten years ago, the industry had nothing close to that number. The number of stations will increase as it has previously, in a slow and steady upward pace."

Audiences increasing. Conrad also sees audiences increasing as well. He reports that a survey shows that in the spring of 1984 there were 36 commercial stations, whose average quarter-hour totaled 268,700 or an average audience per quarter-hour of 6,463.

In the fall, the total was 299,500 or an average of 8,557 per station. In the spring, 1983, the average was 8,427, so "it's an up and down situation, but gradually getting higher in terms of audience per quarter-hour."

In terms of demos, Conrad notes that his station is beginning to pick up young females, 18-24, "which we have never been able to reach before.

All of sudden they have become an interesting factor in our ratings, although I don't know whether this is the case on other classical stations. Part of the reason for this new-found audience is that people have begun to realize that you don't need a Ph.D. to listen to classical music, and I see people are coming into concerts dressed in jeans. This wouldn't have happened 10 or 15 years ago. The orchestra, too, is encouraging informality, which is to the good.

"The baby boomers are listening to radio differently than the older generation. They tend to be a little less patient with what's on the air and are switching dials back and forth.

"I think we will see that happening for classical music. If they don't like what's on, they will punch something else, which may be country or background or rock. So we will have to be as careful about programming as is a rock station, to avoid tuncout. One or two stations have already found there is a large tuncout factor in vocals.

'Crossover programming.'

"Also, I believe we will see more crossover programming in classical, which is already happening. For example, we are seeing improvisations on Beatles music to the style of Bach by John Bayloff, a pianist.

"His record is a big hit. He did a Bach 'happy birthday' album, which also did very well. In this sense stations will become more eclectic because the audience is becoming more eclectic."

Advertising will continue to consist mainly of "corporate types," says Conrad, "We will be the main method of reaching the busy businessman, so that more and more corporate advertising will prevail."

Satellite distribution is seen as being the standard method of delivery for syndicated programming down the line. Tape delivery will be a thing of the past, he says.

Conrad doesn't envision that cable audio will be a big threat in the future.

"Most of the cable radio systems are distributed from a central national point by satellite to the cable systems. Most are designed as interrupted background music, and there is no local atmosphere." □

Programming has been our secret, and we do not take any syndicated programming. We run only one, which comes from the CMN, but everything else is done locally. The programming is very-well defined and structured. It has become so well-accepted that some PBS stations have bought our programs and we are consultants to them.

"We have carved out a specific and significant part of the market the way rock stations do, and, by not taking syndicated programming, we can control the target audience we want. Also, we play longform pieces such as the *St. Matthews Passion* in full."

At KKHI AM-FM, James P. Hickey, executive vice president and general manager, says, "The biggest difference is that we're live and they're not. You can't find out any news or the time if you listen to the other station." However, Hickey adds, that he believes that KDFC is doing well, and "I know we are doing very well, so there is room for two such stations in the market." KKHI advertising is up about 13 per cent over last year, he says.

In Portland, considered to be a very strong classical city regarding demographics and lifestyle, there are not only two competing commercial classical stations, KKSJ and KYTE-FM, but there is also a very strong public radio outlet, KOAP(FM). Jim Failing, president and general manager of KKSJ, says the station's programming philosophy hinges on attracting young demos and that it is sold on the basis that it has no competition.

Regarding revenues, Failing says the station is experiencing a 30 per cent growth this year over the past year, with record months each year over the previous year's.

KYTE had been KRCK(FM) a rock station, before it changed call letters and went classical last January. KYTE remains an AM adult contemporary outlet. Hal Owen, program director, came aboard the FMer after the change in format had been announced in January. Owen, who had been a morning personality on KKSJ until mid-December, 1984, says that early indications regarding the switch have been positive. "People are telling me by telephone and by letter that they like the change, and we are attracting a lot of the KKSJ audience." Basically, KYTE is looking for the serious concert music listener, "rather than a dial-pusher. We are trying to offer basically a cross-section of music of opera and other kinds of vocal music. We put emphasis on new recordings in the evening and on compact digital disks.

"We are a 24-hour classical station, which gives us an advantage over KOAP, which tends to be all things to all people.

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CLASSICAL MUSIC ON RADIO

We have one syndicated program in the midday part, which was decided upon before I got here, and we have a much less commercial load than KKSJ does, so we have more control over our programming than they do."

Meanwhile, promotion continues to play an integral part of classical radio's success.

WFMT had two successful top-40 weekends, whereby the station played the most familiar classics, including themes from movies and TV commercials, for three days. Listeners were urged, according to Nordstrand, to ask non-classical listeners to join them for the weekend in tuning in to WFMT. The station, as did others, celebrated the Bach/Handel birthdays with special programming, and promoted the composers' birth via newspaper ads and with banners placed on Chicago streets.

KING-FM Seattle-Everett marked Bach's birthday with "The Bach Birthday Ball," at a Seattle hotel, according to the station's general manager, Bob Galluci, who says that more than 825 attended the event.

Rosenberg at KFSD takes to the seas to promote his station, via his own boat, "Beethoven's Heaven," with passengers that generally include clients.

One unusual promotion was created by KKSJ, which celebrated the birthdays of Bach, Scarlatti and Handel via

a poster which had clues tied in with listening to the radio station. The promotion, which went under the umbrellas

WFMT wins Peabody

It's beginning to be a habit, and a welcome one at that, but WFMT(FM) Chicago, has wrapped up another Peabody Award, its fifth, with Ray Nordstrand, president of WFMT Inc., for utilizing modern technology to bring fine arts to listeners in North America and 21 overseas nations. Also, for the second straight year, WFMT received an Ohio State Award for the program *Lincoln's Music in America*, produced by the station for the Concert Music Network.

name of "Classical Pursuits," attracted 10,000 listeners, according to Failing. Main prize winners received a trip to Germany, to visit the birthplaces of the composers.

KFAC hosted an innovative party early this year to boost its station's fortunes. Called "Just Desserts," the party was held at the Los Angeles design center. "We served sweets and had a band playing," says Carl Princi, vice president for programming and community in-

volvement.

KKHI sponsors many events, Hickey says.

"On the birthdays of famous composers we always have big specials. When we have Verdi's birthday, you can hear the station in all those Italian restaurants in North Beach."

Meanwhile, the concert music station executives say that wine advertising is not a significant part of their business, thus if a proposed advertising ban on alcoholic beverages becomes law they don't envision it hurting them severely. In fact, WFMT's Nordstrand believes that, generally, an alcoholic advertising ban would have a "shade" less effect on classical than on stations with different types of formats. "There are rock stations which have 10 or 12 beer sponsors on them."

'Sophisticated audience'

He continues, however, that he would regret seeing such a ban because "we have a sophisticated and mature audience and, it would be a shame, in effect, to throw the baby out of the bath water." WQXR's Bodow also notes that wine commercials are an area which the station doesn't want to lose. Last year, the station posted about \$75,000 in billings from wine ads, says Bodow.

Princi at KFAC doesn't believe there will be a beer and wine ad ban. "Classical music and wine," he says. "You can't have one without the other. Each in moderation." □

Classical music listener profile

Sex	Male 59.7%	Female 40.3%				
Marital status	Married 57.3%	Single 30.2%	Divorced/ separated 8.0%	Widowed 4.5%		
Age distribution	18-24 12.5%	25-34 23.1%	35-44 23.4%	45-54 16.8%	55-64 15.6%	65+ 8.6%
Education	College graduate 38.9%	High school graduate 25.9%	Attended college (1-3 years) 21%	Attended high school (1-3 years) 8.3%	Other 5.9%	
Household income (upscale)	\$30,000+ 53.0%	\$40,000+ 20.0%	\$50,000+ 53.0%			
Household income (profile)	Under \$10,000 8.2%	\$10,000- 14,999 8.8%	\$15,000- 19,999 8.8%	\$20,000- 24,999 10.4%	\$25,000+ 63.8%	
Occupation	Profes- sional 18.5%	Manage/ admin 14.4%	Tech/ cleric 20.8%	Precis/ craft 6.4%	Other 16.0%	

Source: 1984 Simmons, M-F, 6 a.m.-midnight, average daily cume, Adults 18+; provided by Torbet Radio

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For 33 years, Chicago's fine arts station has served listeners and advertisers in the six-state area around Chicago. Now, as America's first radio "superstation," WFMT is on some 325 cable systems in 42 states via satellite. We transmit from atop the John Hancock Center with studios—including a live-music performance facility—in Illinois Center. And we syndicate programs by tape and satellite to more than 400 stations and 21 countries.

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Viewpoints

Elton H. Rule



Partner in The Rule/Starger Co. and retired president of ABC, Inc., in a recent speech before the Academy of Television Arts & Sciences in Los Angeles.

Entertainment industry's uniqueness is what now makes it front page news

The entertainment industry has become front page news. That's true, I think, not because of the size of some of the recent deals—especially the \$3.5 billion Capital Cities-ABC merger—but rather because of the uniqueness of our business.

Little did Irving Berlin know what a good point he made when he wrote, "There's no business like show business."

We use the name "show business" without thinking much about it. But as Woody Allen once pointed out, if it was just an art form it would have been called "show show." What it really is, however, is part show and part business.

It is the uniqueness of our business that puts us on the front pages and keeps news about bigger deals involving other types of industries on the inside pages.

This has become an era of change in broadcasting. To a great extent it is change brought about by the aging process which affects us all. The men who founded the companies that grew into our great networks were subject to the same aging that all of us are. As the founding fathers of network television have reached the point where they know it is time to adjust their own direct involvement in their companies, they are stepping back in favor of a new generation of management-and corporations.

When corporations succeed individual entrepreneurs as the stewards of our industry the result is more than just changes. It also presents some new chances.

The infusion of money in our industry from these changes is of the utmost importance. Having more material resources to work with thanks to a new corporate ownership can only help our industry—provided the money is available when it should be spent.

The entertainment business is different from any other. It's not the same as manufacturing. Companies that make software aren't anything like companies

that make hardware.

The entertainment industry was built on the visions and dreams of some unique men—motion picture pioneers like Walt Disney, Louis B. Mayer, Samuel Goldwyn, Jack Warner, Darryl F. Zanuck, Adolph Zukor and others. Later there were television pioneers like William Paley, David Sarnoff and my close friend and longtime associate, Leonard Goldenson.

'Human spirit'

These men and others brought an enthusiasm and human spirit to the industries they were building. They recognized that television and movies are not like other businesses. The corporations that are now being attracted to television and motion pictures as investments should recognize that, if this is one of 50 businesses they run, it is altogether different from the other 49.

Too often today in place of individuals with dreams we see limited partnerships, creative financing, asset plays and venture capitalists more interested in the short term than in what happens down the road.

They are more interested in profit ratios and how they can cover debt than they are in their personal vision of a company for the long term.

We need to be careful of people coming into our industry just to make a fast buck or a quick turnaround on their investment.

Of course, care and thought ought to be given to most billion dollar decisions! Too much of that sort of defensive thinking (How will it look to my shareholders? How will it look to Wall Street?) hurts creativity, but some of it is challenging and healthy. It is a very fine line we must walk.

Over the years there were many programs we (ABC) put on the network that never would have been approved by typical board room thinking. But the fact is, we believed that producing shows with an eye to quality pays off in the long run, and we had Leonard Goldenson's support because he believed it, too.

Roots, for example—all the research in the world told us why you couldn't do a show about blacks and get a rating. What happened, of course, made history.

Corporate procedures

However, we do stand to benefit from adopting certain corporate procedures. We would do well to focus on longterm program planning in the same manner as most oil companies, computer manufacturers and automobile companies already do. At the moment, television is entirely too preoccupied with next season. We need to have people in our program departments whose only concern is the 1987-88 season and beyond.

We also stand to gain from making proper use of market research. That is something big business can teach our industry a few things about.

Disciplines like those are among the most positive aspects of the corporate world, and we would do well to adapt them to our industry.

Programming/Production

Morin to join new firm?

Robert Morin, former executive vice president syndication at 20th Century Fox Television, will probably join New Century Enterprises, a new firm formed by several merging companies previously involved in heavy funding of theatricals, TV/RADIO AGE has learned. Although Morin was in London at presstime and was unavailable for comment, an authoritative source close to the negotiations say that Morin is near signing a deal to become head of the telecommunications division of the newly formed company.

Management of the new company, whose principals over the past year have invested "hundreds of millions of dollars" in motion pictures, "is looking to become a major motion picture company, which will produce, distribute and syndicate product. Morin is due to sign a contract with New Century Enterprises soon after his return from London. One of the merged companies is SLM, which has financed a number of theatricals, including *Romancing the Stone*. If the Morin deal goes through, as likely, it would be a coup for the new company, say industry observers. Morin is considered as one of the more knowledgeable executives in the business, with expertise especially in the syndication arena worldwide, including selling of feature packages.

Before joining 20th Fox, Morin was president of Lorimar Television Distri-

bution. Before that, he had a marketing post at MGM, before it became MGM/UA where he is credited for successfully developing the marketing plan for *Tom & Jerry* cartoons. At one point, Morin was an executive at Seven Arts, which was later bought by Warner Bros.



Robert Morin

Silverbach-Lazarus deal

Silverbach-Lazarus Group has been appointed North American representative of Burbank Films of Australia. Burbank is a major international supplier of animated and live action programming, and a wholly-owned division of Film Funding and Management Pty., Ltd. Under the agreement, the Group will represent Burbank Films projects currently in development for network TV, cable, pay-TV and home video.

Agencies see comedy, reality for fall

Although the three major TV networks will not officially announce their fall, 1985, primetime schedule until next month, three major ad agencies have sent out analyses to clients and others regarding what's in development, as an indication to what's in store in programming for the daypart.

While there appears to be no general consensus on one single predominant form which will surface next season, indications are that the lifestyle of the middle class, in comedy and drama, is the basis for many of the 93 television pilots. At Dancer Fitzgerald Sample, the report, prepared by Philip Burrell, programming vice president, notes that the networks will eye pilots which "are garnished with social relevance and with people adjusting to contemporary problems and challenges," a-la popular shows such as *Hill Street Blues*, *Miami Vice*, *The Cosby Show* and *Kate & Allie*.

Some of the new candidates in this vein include *Hearts of Steel* (ABC); *Love Long Distance* (CBS); and *Private Sessions* (NBC), while other pilots center on house-husbands, a New York therapist and various mid-life crises. Other categories noted by the report: detectives—one-third of the pilots focus on combatting of crime, corruption and/or evil, with protagonists including a magician and even a rock singer who can shoot lightning bolts from his fingernails (*Misfits of Science*, NBC).

Serial dramas will include more wealthy dynasties, and black family comedies, spawned from *Cosby*, being proposed are *Full House* (ABC); *Just Plain Rich Folks* (ABC), *Charlie & Company* (CBS) and *Melba* (CBS). Also, according to DFS, there are a number of anthologies and revivals being proposed, and stories with urban backdrops.

At Young & Rubicam, Paul Isacson,

executive vice president and director of network programming, notes in "Network Primetime Development," a profile of the new season prepared by the agency's broadcast department, that in the development season, comedy will return as the primary form. "This, after it was displaced by drama last year."

Among the returning comedy stars are Mary Tyler Moore, Flip Wilson, Loretta Swit and Valerie Harper. "*The Cosby Show* has renewed network faith in comedy as a program genre," notes Isacson.

He adds that, as a result, comedy development for 1985-86 is taking several forms. Strong character development, and realistic situations rather than gimmicks in such shows as *Off the Rack* (ABC), *The Recovery Room* (CBS), and *Looking for Love* (NBC). Domestic comedies: *Full House* (ABC); *The Valerie Harper Show* (NBC); and *Heart's Island* (NBC).

Trend. In another trend, comedy continues to combine with drama: *Triple Cross* (ABC), and *Dirty Work* (CBS) and *I Had Three Wives* (CBS). Also, Isacson says, there are more pilots which offer black performers; and there are a number of science-fiction and supernatural development programs, while there is an increase in strong female characters in pivotal roles. "Although the mini-series didn't perform particularly well last year," he continues, "quite a few are in development for the next year, with the trend an increase in shorter, four-hour miniseries that can play as two parts. "The shorter forms are less expensive, quicker to develop and less risky."

To Foote, Cone & Belding, it's the year of the "yuppie in network development, with series serving a purpose, delivering a message or relating to life experience. Marriage is in again, and parents are the focus in family shows, with the new crop of sitcoms similar to last season's. Ethnic casting without stereotypes, with some new twists, will also be strong candidates for next season, FCB notes. Regarding specific networks, FCB reports that ABC has nine new comedy development projects, via Telecom, plus three recently announced mid-season shows, and 15 dramas, plus one for mid-season. All-in-all, ABC has announced it will need five to seven hours of new programming for next season. Problem spots needing filling, according to the report, are Sunday, 8-9 p.m.; Tuesday, 9-11; Thursday, 8-10; and Friday and Saturday, 10-11.

CBS. Regarding CBS, FCB reports that programming division of Entertel, Inc., has produced "Forgotten Film," series

the network anticipates a need for only three-to-five hours of primetime series, and that requirement could be reduced pending mid-season results. Time periods seen needing rejuvenation are Tuesday, 8-9 p.m.; Wednesday, 8-9 p.m.; and Saturday, 8-9 p.m. and possibly Friday, also 8-9 p.m.



The success of Viacom's *the Cosby Show* is spurring development series spinoffs, as candidates for network comedy primetime series for the coming season.

NBC, according to FCB, will look for improvements for 4½ hours of new programming, mostly for Friday and Saturday. The only mid-week slot which needs help says the report, is Wednesday, 9:30. FCB believes that the entire Friday 8-10 block could need to be filled. "Two hour long shows would probably be used." The agency sees *Diff'rent Strokes* and *Gimmie a Break* remaining in their Saturday 8 and 9 p.m. slots, respectively," but the 8:30 and the 9:30-11 time spaces need help. The network would like to keep a four-comedy block, followed by an hour-long drama. "Drama and comedy development was evenly split this year, with 13 new projects each, points out FCB. "It can be expected that good product will continue to cross NBC's threshold."

Syndication shorts

D.L. Taffner has sold *Three's Company* to four stations, bringing the current lineup to 179. The new stations are WBOY-TV Clarksburg, WBSP-TV Gainesville, WEVU-TV Ft. Meyers and KARD(TV) Monroe.

Blair Entertainment's *Divorce Court* has racked up 18 additional clearances, giving the series a new total of 73 per cent U.S. coverage. Among the new outlets are KTVU San Francisco, WDVM-TV Washington, WBAL-TV Baltimore, KOVR-TV Sacramento-Stockton, KMBC-TV Kansas City and WSMV-TV Nashville.

Lorimar has acquired international distribution rights to *Hail to the Chief*, new ABC half-hour comedy series,

which stars Patty Duke as the first woman president of the U.S.

King World has added eight markets for *Jeopardy!*, putting the new lineup at 142. New stations include WIS-TV Columbia, S.C., WICS-TV Springfield, Ill., KSFY-TV Sioux Falls and KMST(TV) Salinas-Monterey.

Diff'rent Strokes has now reached 130 markets, according to Embassy Communications. Stations are KSNT-TV Topeka, KSNF-TV Joplin, KCBR-TV Des Moines, WCJB-TV Gainesville and WNDU-TV South Bend.

The Television Distribution Co. has made available eight hours of sports TV specials, *Champions*. Designed for primetime slots on indies or fringe weekend periods on affiliates, the series is available via barter or cash, and includes baseball with Gary Carter, basketball with Julius Irving and tennis with Bjorn Borg.

A Hard Road to Glory, special on the black American athlete, has been cleared by network affiliates in all of the top 10 markets, including the five NBC-owned outlets. Among the outlets which will carry the show in the top 10 markets are, besides the NBC-owned stations, WCAU-TV CBS affiliate; and WNEV-TV Boston. The special is distributed by **ProServ Television**, Garland, Texas. Airing is through June 15.

Terrahawks, distributed by **Syndicats Services** in association with **Primetime Entertainment**, is a fall go. The animation fantasy series has been cleared in 30 per cent of the country, including five of the top 10 markets. Cleared are KNBC-TV Los Angeles, KYW-TV Philadelphia, WXON-TV Detroit, WCLQ-TV Cleveland and KICU-TV San Francisco.

Doctor Who, distributed by **Lionheart**, has a present lineup of 146 markets, including 12 new outlets. Markets clearing the series now include New York, Cincinnati, Syracuse, Milwaukee, Miami, Kansas City, Minneapolis/St. Paul, San Jose, Roanoke and Portland, Me. *Doctor Who* is a time lord who travels through time and space.

Worldvision Enterprises currently has cleared *The Funtastic World of Hanna-Barbera*, in 77 markets, including 27 of the top 30, representing 70 per cent of the country. Recent clearances include KUSI-TV San Diego, WIII-TV Cincinnati, WVTU(TV) Milwaukee and KZKC-TV Kansas City. Also at Worldvision, *The Jetsons* has been sold in 74 markets, representing 65 per cent of the country. New clearances include WXON-TV Detroit, WCIX-TV Miami, WUTU(TV) Buffalo and WFLX-TV West Palm Beach.

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Programming/Production

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of 10 one-hour programs. **Video Placement International**, Entertel's distribution division, will syndicate the series. Each hour contains rare footage from old films.

Gould Entertainment has acquired the syndication rights to *In Defense of Freedom*, five-hour miniseries.

Western World Television has sold *He-Man and Masters of the Universe* in 14 countries. Renewals for new episodes have been sold to Hong Kong, Brazil, Chile, Panama and Puerto Rico, among other countries. Venezuela has acquired the 65 original episodes and Korea has bought both the first and second season of the series.

International Program Consultants has been named international sales rep for *Halley Returns*. Domestic syndication is handled by Sherry Grant Enterprises. Lee Services Group will produce 20 30-second vignettes, 20 90-second inserts and a half-hour documentary. A total of 27 U.S. stations bought the series. Initial offerings include more than 100 feature films, 168 half-hours of Danny Thomas' *Make Room for Daddy*, 42 half-hours of *The Bill Dana Show*, and a variety of children's programming.

Metromedia Producers Corp.'s five packages of movie-of-the-week programming are showing brisk domestic sales. Program packages include Premium I, eight 90-minute features; Premium II, 90-minute telefilms; Premium III, comprised of 14 films; Premium IV, 11 two-hour features; and Premium Plus, 28 features ranging in length from one hour or two. Station lineup includes KTTY-TV San Diego and WGOT-TV Manchester, N.H., for Premium I and II; WLKY-TV Louisville, for Premium III; and KRLD-TV Dallas-Ft. Worth, WCIX-TV Miami, KSTP-TV Minneapolis-St. Paul, WNOL-TV New Orleans and WFTS-TV Tampa-St. Petersburg for Premiums III and IV. Two markets, WTIC-TV Hartford-New Haven and WXXA-TV Albany-Schneectady-Troy, have bought the entire collection.

King World has added 10 stations to its movie classics package, bringing the present total to 52. Newest stations include WHCT(TV) Hartford-New Haven, WPWR-TV Chicago, WICZ-TV Binghamton, KING-TV Seattle-Tacoma, WCBF-TV Charleston and WLWT(TV) Cincinnati. Package includes *Topper*, *Popcorn Theatre* and *Branded*.

Zooming in on people

Richard B. Colbert, president and manager of the southern division of

Colbert Television Sales, has been named executive vice president, domestic syndication, and a partner in the company. He'll continue to be based in the Colbert Atlanta office. Two sales executives have joined CTS. They are **Don Springer**, who headed his own marketing/media promotion firm, and now will manage the southern division at CTS; and **Dan Kempner** is named northeast region manager. He was vice president in charge of sales at M.A. Kempner.



Richard B. Colbert

Doug Yates has joined **SFM Entertainment** as account executive, station relations. He has held positions at Metromedia TV and Radio Sales and has had an agency background.

Adam Gold has been named manager of research at **Lorimar**, a newly created post. Before that, he was a research analyst for Paramount Television.

Anne Foran has been named research manager at **Blair Entertainment**. Prior to joining Blair, Foran was with Petry Television as research manager since 1981. Before that, he was sales assistant at Katz Television.

De Elena DeRose has been promoted to vice president, programming services, at **LBS Communications**. She joined LBS in July, 1981, and was promoted from manager, production services. Before 1981, DeRose spent three years in the national sales division of the Radio Advertising Bureau.

Karen Davidson has been named associate director-network cable, at **Dancer Fitzgerald Sample**. She will keep her responsibilities as eastern sales manager for Program Syndication Services, DFS subsidiary. Prior to joining DFS in 1983, Davidson was with J. Walter Thompson.

Thomas R. Fuld has joined **BBDO** in New York as associate director of network programming. He joins the agency after eight years as director of broadcast for Lever Brothers Co., a BBDO client.

Jim Quinn has been promoted to director of network administration at **SFM Media Corp.** He joined SFM in February, 1983, as a network buyer and

was promoted to manager of network administration. Before that, Quinn was with Ted Bates, as network negotiator and network research supervisor.

Anne Rodgers has been named to the newly created position of director of station sales/media programming at **Tribune Entertainment Co.** She has been an account executive at Television Program Enterprises, for the past year.



Anne Rodgers

Fox on NATPE floor

Twentieth Century Fox Television, which had been one of the few major syndicators that had traditionally chosen not to show its new wares on the National Association of Television Program Executives convention floor, has had a turn of heart and will exhibit its product on the floor of next year's convention. According to Michael Lambert, executive vice president for domestic distribution, one of the major reasons to exhibit on the floor is due to Fox's aggressive move into first-run syndication.

The 1986 convention will be held at the New Orleans Convention Center, January 18-21.

Networks' kid fare

The three major TV networks have settled on their Saturday morning kid programming for the fall. At ABC, from 8-9, *The Bugs Bunny Looney Tunes Comedy Hour*; 9-10, *Ewoks and Star Wars Droids Adventure Hour*; 10-10:25, *The Superfriends*, followed by *ABC Fun Fit* until 10:30. From 10:30-11, *The Thirteen Ghosts of Scooby Doo*; 11-11:25, *Scarey Scooby Funnies*, then another *ABC Fun Fit*; at 11:30 to 12, *The Littles*; 12-12:30 p.m., ABC weekend specials; and 12:30-1:30 p.m., *American Bandstand*. First fall airings are September 7.

The CBS schedule, which premieres September 14, involves five new series. These are *The Berenstain Bears*, 8-8:30; *The Wuzzles*, 8:30-9; *Jim Henson's Muppets, Babies and Monsters*, 9-10; *Hulk Hogan's Rack'N'Wrestling!*, 10-11; and *The Young Astronauts*,

11-11:30. Returning are: *The Charlie Brown and Snoopy Show*, 12:30-12:56 p.m.; *The Get Along Gang* (1-1:26 p.m.); *Pole Position*, 1:30-2 p.m. *Dungeons & Dragons*, 11:30-11:56; and *CBS Story-break*, noon-12:30 p.m.

At NBC: Two new programs join six returning ones. The new series are *The Gummi Bears*, 8:30-9; and *Punky Brewster*, 10:30-11. Three programs will have new time periods: *Alvin and the Chipmunks*, 11-11:30; *Kidd Video*, 11:30-noon; and *Mr. T*, noon-12:30. The three programs remaining status-quo are *Snorks*, 8-8:30; *Smurfs*, 9-10:30; and *Spider-Man and His Amazing Friends*, 12:30-1 p.m.

Peabody award winners

ABC took three George Foster Peabody awards, while CBS and NBC received one each, among the networks, for distinguished broadcast programming in 1984. The awards, which will be presented at a luncheon in New York sponsored by the Broadcast Pioneers, are administered by the University of Georgia School of Journalism and Mass Communication. A total of 690 entries was submitted for this year's judging.

Following is a list of Peabody winners:

KNX Los Angeles, for *The Immigration Problem*; WAFX Radio, Ft. Wayne, for *"D-Day: 40 Years Later"*; Brigham Young University, for *Bradbury 13*; WNYC-AM New York, for *Small Things Considered*; KFGO, Fargo, for its non-stop 24-hour coverage of a massive blizzard that struck the station's coverage area; WFMT (FM) Chicago, and Ray Nordstrand, for utilizing modern technology to bring fine arts radio to listeners in North America and 21 overseas nations; *The Protestant Hour*, produced by the Protestant Radio and Television Center in Atlanta, for "40 years of outstanding religious programming to the people of the world"; KDFW-TV, Dallas, Ft. Worth, for an investigative series on the emergency medical service division of the Dallas Fire Department; WMAQ-TV Chicago, for *Political Parasites*; WDVM-TV Washington, for *Eyewitness News* reports on a medical clinic that was operating without a license.

Also, WCAX-TV, Burlington, Vt., for *Patterns of Practice*; ABC Theatre for *Heartsounds*, an Embassy Television production; WNET-TV New York, for *Heritage: Civilization and the Jews*; WNET New York, for *The Brain*; KGW-TV Portland, Ore., for *Rajneesh Update*; WCCO(TV), Minneapolis, for *The Hollow Victory: Vietnam Under Communism*.

ABC News Closeup, for *To Save Our Schools, To Save Our Children*.

Also, *Frontline*, Boston, for "the

overall excellence with which it continues to serve the people of the United States, presenting documentary television programming of significance and importance; CBS Entertainment and the David Gerber Co., for *George Washington*; WCVB-TV Boston, for *Somerville High*; NBC and MTM Enterprises for *St. Elsewhere*; Central Independent Television of England for *Seeds of Despair*; Showtime Cable Network, for *Faerie Tale Theatre*; Turner Broadcasting System, Atlanta, for *Costeau/Amazon*; Ted Koppel and Nightline, New York, cited as "an invaluable source for timely and insightful news commentary"; *The Roger Rosenblatt Essays*, a feature of the "McNeill/Lehrer NewsHour" on public television; *A Walk Through the 20th Century With Bill Moyers*, produced by The Corporation for Entertainment and Learning/Bill Moyers, New York; Granada Television of England, for *The Jewel in the Crown*; and Roone Arledge of ABC, New York, for "significant contributions to television news and sports programming."

Montreux pop artists

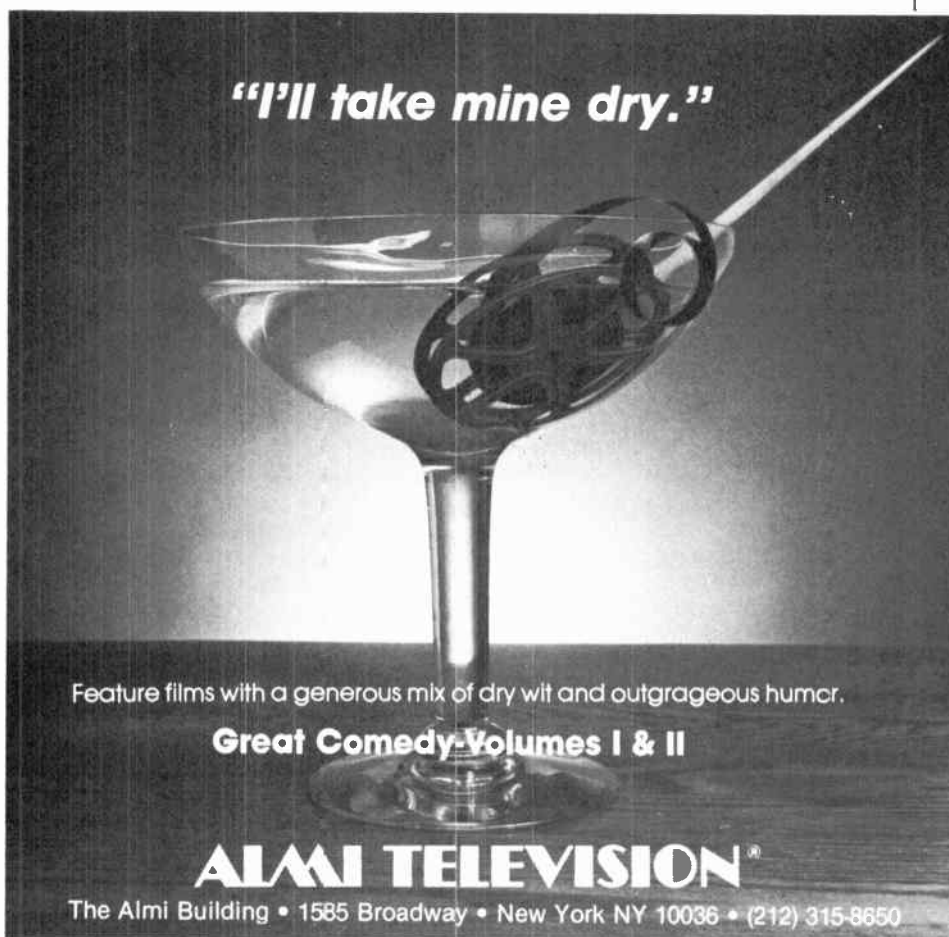
Organizers of the Golden Rose of Montreux have set a number of top artists to appear during the event, to be held May

8-15. International pop stars include, on May 8, Kool and the Gang, Bryan Ferry and Billy Ocean; May 9, Culture Club and The Pointer Sisters; May 10, Duran Duran, Frankie Goes Hollywood and Agnetha Faltskorg; and May 11, Olivia Newton-John, Shakatak, Paul Young and Huey Lewis and The News.

According to John Nathan, North American rep for the festival, the performances will be taped and will receive worldwide TV exposure. The festival is a co-production of Swiss Television, the BBC and The Entertainment Network.

Agriculture entries

Entries are being accepted for the 1985 Oscars in Agriculture, presented to broadcasters and editors for reporting on agriculture. The awards are sponsored by DEKALB AgResearch. Entries must be postmarked by June 6, and copies of the rules and entry forms may be obtained by writing to Oscars in Agriculture, DEKALB AgResearch, 3100 Sycamore Road, DeKalb, Ill. 60115. Entries are judged for importance and timeliness of subject, depth to which the subject is explored, organization and clarity of presentation, and techniques and quality of production.



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Agencies hail 'equitable' labor pact

The terms of the tentative settlement reached several weeks ago between the Screen Actors Guild, the American Federation of Television and Radio Artists and the Screen Extras Guild union leadership, and the 4As and the Association of National Advertisers, agency management, is being hailed by agency people privy to the terms of the pact as a "fair and equitable" agreement, and one that will keep television commercials rolling off the agency assembly line.

Terms of the agreement, expected to be ratified this week, were previously outlined in TV RADIO AGE March 18, and call for:

- Increase of daily session fees by five per cent from the present level of \$317.40
- Increase of wild spot use rates of 7 per cent for tables A through D and a 10 per cent increase in Table E (New York, Chicago and Los Angeles).
- Cable rate increase by five per cent, though the current cable payment structure, which the unions were seeking to alter is retained.

There were other agreements that also were perceived as significant, a liberalized editing concession that allows the advertisers the right to add factual information to the body of the copy without creating "a new commercial" and paying additional fees under that designation, and a discount provision, accounting for a new rate structure in 10 and 15 second spots, allowing for a 21 per cent discount from the 30-second spot rate, without incurring a premium on spots of more than 30 seconds.

The hard times experienced recently by labor unions, in reaching viable agreements with management on other fronts, and the diminishing value of the individual spot, due to the erosion of the broadcast audience, gave agency management two bargaining chips it did not have in prior negotiations.

On the other hand, the union membership is benefitting from the brisk activity precipitated by increased commercials production, and is reported to have no desire for a strike.

The silent factor in the negotiations according to an advertising agency production head who declined to be identified was the "almost universal feeling on the part of agencies and their clients that the cost of commercials production has escalated to barely tolerable levels and that the advertisers, regardless of the dollar level don't feel that they are getting their money's worth."

"I think it was a fair and equitable contract negotiation, says Marion Preston, senior vice president business affairs, U.S. media, for J. Walter Thompson.

"We got some of what we wanted, liberalized editing, payment structure at reduced rates for split 30s, and they got some things they wanted."



Marion Preston

Preston alludes to the 5 per cent per session increase which she regards to be a reasonable hike in today's economy. "There is also a COLA (cost of living adjustment) that could be triggered 18 months into the contract."

Carefully skirting the question of TV production costs, "as not in her area," Preston, whose strong suit is labor negotiations, does acknowledge that these costs have gone up over the years.

"We had major issues on the table," Preston says, "which were difficult to resolve. The loss of audience, the loss of network share, affects the value you receive from each exposure. Pay cable has fractionalized the broadcast audience," she says, adding that a media expert made a presentation to the unions "that proved that you have to buy more stations today to reach the same audience a lesser buy would have reached a year ago." Preston believes the presentation went a long way toward preventing an increase (after the first run) in network use rates.

"I can't see any negative longterm impact at all," she concludes.

Arnie Blum, senior vice president and director of broadcast production, BBDO, says: "I don't think anybody won. The clients want to get their dollars worth. The agency people who spend the money, want to make sure it works efficiently, that's all there is to it. Additional expense just raises the bottom line on production budgets, and we're all

concerned about that."

The concern is reflected in a booklet just released by the ANA entitled, *Television Commercial Production Cost Trends—1979–1984*, which numbered production costs the major concern of advertisers, and figures showing "an average increase of 99 per cent in comparisons from 1979–1984 and 51 per cent for the periods 1981–1984."

The sharp rises in production costs as reflected in the ANA study, agency production heads contend, are responsible for the highly charged atmosphere that exists. "The rubber band is stretched as far as it can go," an agency broadcast production head comments, "and one of the major factors is talent. It's not even so much, what they are paid, though the higher the costs go, the higher the bottom line. But when you hire talent, you have to feed them, clothe them. It's the accoutrements that kill you, the dressing rooms, the private facilities. There are provisions for hot meals. If there is smoke in the atmosphere there is something called 'smoke' pay. There are insurance rates, crew rates, and the cumulative costs are becoming dangerous to our business."

"I think that the settlement is a good one, says Sue Bauman, president, Broadcast Traffic Residuals, talent and traffic payment service company.

"This petty stuff about buying lunches and dinners, the client shouldn't pay for that . . . that is penny ante.

"We're all delighted that there wasn't a strike," Bauman continues. "My initial reaction is that the union didn't get what they first asked for, but I believe that the settlement was an equitable one.

"I don't think, however, that you can blame the performers for the erosion of the traditional television audience," Bauman says. "The performances haven't deteriorated, the technology has changed. I think that this was a pattern kind of settlement. The union came out with a slight increase in spot residuals. The management didn't sustain any increase in use fee, and the liberalization in editing, worked to their benefit.

Randy Lanchner is senior vice president and corporate counsel at NW Ayer, and participated in the negotiation process. "We are delighted that a settlement was reached, and that labor peace continues without disruption.

"In each negotiation," Lanchner says, "each side gives up some things, gets some things, that is the quality of a good negotiation.

"There is a reasonable settlement in the wage area," Lanchner continues, "consistent with the settlement in other industries.

"As far as the discount rate on the split 30's" Lanchner says, "I think it shows a pragmatic approach to the

Commercials *continued*

changing ways of dealing with commercials. I don't think the unions gave up anything in not asking for a reciprocal premium in the making of longer spots, because it doesn't happen that frequently.

"The liberalizing of the editing parameters, is another indication of mutual recognition of the realities of the industry. The union has shown some enlightenment. It is not trying to put roadblocks in the way of the industry. It's better for the membership as well," Lanchner says, "because they will ultimately get more work."

The result of this prolonged negotiation then, is continued peace on the labor front in the guise of a new three year pact. One area that hasn't been dealt with, however, are union charges of excesses and abuses on the agency side of the fence, i.e. flying down an art director, a writer and a producer to Florida for a mid-winter insert that requires no dialogue.

"I'd have to look at the individual situation," a broadcast production head responds, "but on the face of it, we can't let those things happen on our side either. We have to keep our own house in order."

DDB fuels Audi climb



John Noble

During the golden years at Doyle Dane Bernbach, John Noble, currently executive vice president and creative director, used to work with now chairman, Roy Grace on creative Volkswagen advertising.

The "Golden Years," at Doyle Dane, have receded, and the agency, over the past few years, has sustained some setbacks. But recently it picked up the Planters account from Nabisco, and currently, another German made automobile car, the Audi, has started to fuel what hopeful observers construe as a resurgence of DDB's fortunes.

■ Audi sales over the past 18 months



Robert Tucker

have risen 48 per cent. "We've passed both Mercedes and BMW sales in this country," Noble reports

■ Audi has stepped up its advertising spending, particularly in broadcast

■ Audi sales are continuing to grow on a month-by-month basis, and DDB's advertising is becoming "more creatively aggressive," according to Noble.

"We can't take credit for all of this success," Noble begins. "A lot of Audi's success is word of mouth. And even this is three phase. People look at it, admire the aero-dynamic design of the automobile. They become amazed at the way

the car handles. Then they see how much lower the price is than that of the Mercedes or the BMW.

"When I took on the business about 18 months ago, sales were already beginning to climb, but beginning from mid-1984," Nobel says, the car has really been on a roll.

"We positioned the car as the ultimate in the automobile. There's a bit of snootiness in the copy, as with BMW and Mercedes, but we recognized that we had to take on both of these cars."

Theme of the campaign is Audi—the art of engineering. Noble and Mike Rodgers wrote the copy. Bob Tucker and Ron Louie were the ADs. Ads for the 4000, 5000S and 5000 Turbo are pitched at consumers with incomes of \$48,000, \$65,000 and \$79,000, respectively.

Audi is reported to be readying a new four wheel drive Turbo for introduction this fall.

Gage presence

Century 111 Teleproductions, a Boston, MA, based commercial production company has placed commercials director George Gage in Manhattan under a three year pact.

The former Young & Rubicam, Inc. art director, who has shot spots for such

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Commercials *continued*

advertisers as Tab, Planters Nuts, Pepto-Bismol, Panasonic and Honda enables Century 111, according to president Ross Cibella to "offer the different abilities and skills of several directors to meet the needs of clients."

Other directors in the Century 111 stable are Lou LaMonte and Ed Buffman. The New York office is an autonomous operation, with the business solicited and gotten by that office. The Boston Century 111 also has a post production operation. Century 111 is also opening another post operation in Florida later this year, according to a company spokeswoman.

Since joining Century 111 on March 1, Gage has shot two Nissan spots for William Esty. One a romantic spot for the automotive manufacturer's 300ZX sports car. "This isn't a sheetmetal spot. We shot it in soft focus. The 300 tools over country roads, stops to smell the flowers, and parks at a lake," Gage reports.

Gage's second Nissan assignment was for its "King Cab SX." While the first spot was shot in Tallahassee, Fla., the second was shot on Long Island, N.Y. where the Nissan truck is put through its paces, ending up on a jetty, with the driver, truck and structure all in tact.

Both campaigns get underway this spring.

New campaigns

One of the newer fast food franchise chains is **Popeyes** fried chicken. **Doyle Dane Bernbach** emphasized the flavor of "a unique blend of Cajun spices," showing the customer's hair standing on end as he takes a first bite of the chicken.

The working title for the 30-second spot is *Hair*. "Popeye's Chicken is very special," says **Ted Shaine**, DDB senior vice president/associate creative director who worked as art director on *Hair*, the rock musical classic. "Its spicy fried chicken, (marinated in cajun spices and fried in cajun batter) is unlike any other. The commercial is a graphic way to show how different it is."

Diane Rothschild, DDB executive vice president/creative director and copywriter on the project **Cherly Nelson** produced the spot for the agency.

The spot broke earlier this week in 25 major markets including New Orleans, Washington and Chicago. The spot buy is early and late fringe. **Steve Steigman** directed the package for his own production company. **American Telephone and Telegraph**, like all of us, feeling the effects of the divestiture blues reports, through its agency, **NW Ayer**,

that it has chosen a single theme for all corporate, product and service advertising. The theme line is "The Right Choice," which is reflected in three new corporate commercials, one 60 second and two 30-second "adaptations." **Michael Seresin** directed the spot for BFCS Productions, and creative credits go to **John Walsh** executive CD; **Ken Sausville, AP, Jim Mursky**, copywriter, and **Patricia McGuire**, agency producer.

The broadcast campaign, being featured on network television, is being buttressed by a print advertisement, picturing corporate "spokesman" **Cliff Robertson**. The headline is: "You expect AT&T to be the right choice. And that's exactly what we plan to be."

Radio spots, breaking at the same time will feature AT&T employees talking about how they work to provide customer satisfaction and the rewards they derive from achieving that objective.

"It was the logical outgrowth of a common signature for the advertising of all the AT&T entities—the globe and the AT&T monogram. The new theme line will become an integral part of that signature, both in print and broadcast."

Convinced that it is appropriate to stick with a good campaign, **Kodak**, via **J. Walter Thompson**, will reprise snippets of its "because times goes by" campaign on behalf of its video recorder line.

The new spot will recall pieces of "Reunion," "Goodnight," and "Baseball," with added footage of the places and the faces that bring America together.

JWT reminds viewers of the song of the open road, putting a young man on a motorcycle crossing the country. Patriotic lyric—"As far as I can see, there's no place I'd rather be than ridin' free in America."

The Dexters, Los Angeles based commercial production house, shot the spot, with agile editing provided by the **First Edition** in Los Angeles.

JWT creative credits go to group creative director **Greg Weinschenker**, **Marisa Acocella** was co-AD with Weinschenker on the spot. The copy writers were **Marty Friedman** and **Gerry Killen**. **Sid Horn** produced for the agency. JWT senior vice president and creative director **Linda Kaplan** wrote the lyrics for the *America* theme.

The campaign began this month on network television, with 60 and 30 second versions of the spot being utilized.

NW Ayer has also mounted a program for **AT&T's consumer products division**, that bowed at mid month. The new drive is themed, "you get what you

pay for," and is being launched with three new commercials called "second class phones," "complaint line" and "America Discovers."

All of the spots, being run on network television, will utilize the company's new single theme line for its corporate, product and service advertising (see earlier story in this column) "the right choice."

In addition to the spots for AT&T's consumer products, the new campaign features a song, called, appropriately enough "The Right Choice."

Consumer product creative credits go to veteran director **Neil Tardio**, whose company also produced the spot. **NW Ayer AD** was **Mickey Tender**. **Hugh Wells** wrote the copy.

Second Class Phones, features vocal background by **Julie Budd** singing "Second Hand Rose." In the foreground of the spot, intrepid users of competitive telephones try, with difficulty to get through a conversation.

America Discovers shows a man who is trying to get a working phone for his home office. After a series of misadventures, he winds up at a non-AT&T repair shop, and is presented with a monumental bill.

"Complaint Line" gives Tardio the opportunity to use a cast of 80 extras bring their non-AT&T telephones to a complaint desk. A voice over describes the pitfalls of using non-AT&T telephones and warns "you get what you pay for."

The approach is more hard sell than traditionally expected from AT&T. "This is a very competitive stance for AT&T" says **Jack Rayher**, account supervisor on the business. "We're trying to tell (show) people the difference between calling on an AT&T phone, and the others."

Research conducted by the agency, according to Rayher, found that consumers could tell when their callers were using cheap telephones. They complained of such things as static and the speaker sounding as if he were in a tunnel.

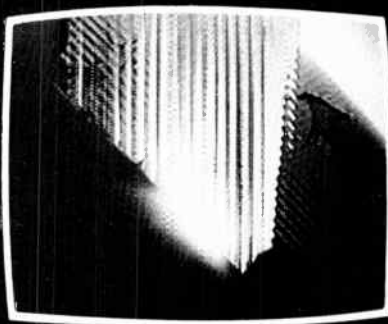
The consumer product campaign will also be extended to radio spots, as well as its first print ad: "America Discovers" which will appear in the May 18 issue of *TV Guide*.

Ad makers

One of the "fixtures" at Doyle Dane Bernbach, departed from the agency after 26 years.

Robert H. Levenson joins **Saatchi & Saatchi Compton** this month in what has to be a major acquisition for an agency that is trying to combine a creative panache with the marketing expertise that made its reputation when it was known simply, as Compton Adver-

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Commercials *continued*

tising. They are adding people.

Levenson had his golden years with **Doyle Dane Bernbach**, where he helped create a number of memorable campaigns for Volkswagen, Mobil and Sara Lee Baked goods. At S&SC, Levenson will be vice chairman and chief creative officer.

Kurt R. Willinger, creative head of Saatchi & Saatchi Compton USA, has been named vice chairman of the worldwide operation.

Levenson most recently served as vice chairman of Doyle Dane Bernbach International and chairman of the International Division. In addition he acted as the agency's international creative director, responsible for maintaining worldwide creative quality.

Willinger joined Saatchi & Saatchi Compton, Inc. 18 years ago, as a copywriter. Since August 1984, he has served as deputy chairman, executive creative director.

Commercials circuit

EUE-Screen Gems reports brisk activity among its directorial corps.

Barry Dukoff has wrapped a new spot for **Alcott & Andrews**, a chain of women's speciality stores. **Epstein Raboy Advertising** created the 30-second spot for Alcott and Andrews.

The producer on the spot was **Micki Linen**, assistant director **Ann Mann**, line producer **Anne Thacher** and set designer **Jane Thurn**.

Agency creatives include: executive vice president and creative director **Alex Tsao**; senior vice president and copywriter **Edie Stevenson**; senior vice president and art director **Ann Marie Light**; and producer **Allen Mohn**. Post production was completed by **Morty's Film Service** in New York.

Victor Haboush of the **Haboush Company** has directed four new 15s for the **Mennen Co.'s Speed Stick** and **Skin Bracer**. Haboush, who is associated with EUE Screen Gems, Ltd., flew from his Burbank headquarters to New York to complete the spots at the production houses Manhattan studios.

SSCB, New York is the agency for these Mennen products. The agency creative team includes executive vice president and creative director **Dick Mercer**; associate creative director **Guy Cimbalo**; and executive producer **Art Taylor**.

The cameraman was **Brian Clery**. **Lee Davis** was the executive producer and **Ann Thacher** line produced. The stylist was **Honore' Walsh**, and **Donald Tirrell** designed the set.

Murray Bruce, one of the directing principals in **Metzner/Bruce/Mitchell** just wrapped a new 30-second spot for

Prudential Bache Securities. The spot contains spoofs on **Merrill Lynch** and **E.F. Hutton** stock brokerage spots. The campaign will run this spring.

The advertising agency is **Kenyon & Eckhardt**, and theme for the campaign is "follow a leader." **George Bragg** produced for K&E. The cocreative director team includes copywriter **Bob Elgort** and art director **Marvin Lefkowitz**.

Richard Nuchow of **Nuchow Editorial** edited by the spot. For M/B/M, **Peter Sovo** was the DOP, **Joan Babchak** the production manager and **Jaci Judelson** the producer.

Sid Myers has wrapped two more spots for **Anheuser-Busch, Inc.**, **Natural Light Beer**, via **D'Arcy, MacManus & Masius**.

The spots, entitled "Waiter" and "Neighbor," involved two distinct locations. One in New York city, and one in Coconut, Fla. Theme of the campaign is "The beer with the taste for food."

Both spots were 30s and 15s. Executive producer for both spots was **Richard Fink**. **Bonnie Marval** was the line producer.

D'Arcy creative team included Producer **Michael Windler**, copywriter **Joel Shinsky**, and creative director **Bruce Duffy**.

Does your child have a morphodroid? **The Firehouse Productions** team of director **Frank Zaino** and producer **John Anderson** recently wrapped a spot on behalf of the **Vector Intercontinental** battery-powered cars that turn into robots.

The changes are set into motion by the user himself, using a remote control unit so that Morphodroids can be transferred at a distance and at will.

The spot was edited by **Robert Marchetti**, at Firehouse's post production facilities.

Nat B. Eisenberg of **NBE Productions, Ltd.**, recently directed a pool of three 30-second corporate commercials and 31 different dealer premium offers for **York Heating and Air Conditioning**, via **Gray & Rogers**, the Philadelphia-based ad shop.

George Kennedy is the spokesman for both spots. Eisenberg's creative team consists of production manager **Larry Stephens** and DOP **Ralph Toporoff**.

The spots were shot outside of a York distributorship in Commerce, Calif., the commercials offer different premium incentive packages for purchasing York products at nationwide locations. The spots allow also for local dealer identification tags.

The spots were edited by Eisenberg

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and Gray & Rogers producer **Susan Colehower** in a single, extended post production session.

The G&R creative team consists of Producer Colehower; creative director **David Delman**; Art Director **Jack Taylor**.



Ronald L. Littrell **Jeb Schary**

Ronald L. Littrell, a free-lance producer/director, has formed **Arion Productions**, a full service film and video production company that will be headquartered in St. Louis.

Littrell, who has filmed in 42 states and Europe with 3 to 81 crew members, will specialize in television commercials. He has produced 135 television commercials along with 241 industrial films.



Heidi Lopata

His vice president of marketing will be **Heidi Lopata**, and the other director for the company will be **Jeb Schary**, who was formerly an executive producer with D'Arcy, McManus & Masius.

Arion will be located at The Bemiston Tower, in St. Louis.

Fred Levinson recently wrapped a spot for **Century 21**, the real estate corporation, via **McCann-Erickson, Inc.** The assignment was a four spot package emphasizing the intensive service accorded by its sales staff.

McCann's creative and management team includes **Seiwyn Touber**, vice president and director of broadcast production; **Laury Wolfe**, associate creative director; **Barbara Sweeny**, senior copywriter. **Roy Townshend** produced for Fred Levinson.

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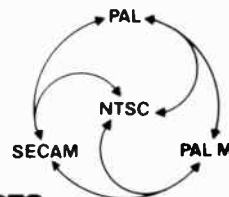


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DIARY WEIGHTING

ARF meeting
casts doubt
on viability/81

SELLER'S OPINION

Use of reach,
frequency guides
urged by rep/83


MEDIA PRO

Focus groups
used for media
planning/84

TELEVISION/RADIO AGE

Spot Report

April 29, 1985



TELEVISION SELLS

Which is more effective in selling the consumer—a television commercial or a magazine ad? A recent study* proved that television enjoys an 82% advantage in selling effectiveness. And when you add on the advantages of Spot TV—selectivity, targeted audiences, local identity—there's no doubt about it. Spot Television sells best. Petry Television sells Spot best.

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representative.

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*Aggressively selling for the
finest television stations in America.*

Spot Report

April 29, 1985

Waiting for weighting

Though there's increasing interest in the matter recently, weighting or calibrating of diary results to adjust viewing levels to where they'd be if all markets were metered appears to be a long way off, assuming it can be done at all. However, one meeting on the subject was held earlier this month by the subcommittee on diary improvement of the Video Electronic Rating Council of the Advertising Research Foundation.

At that meeting, representatives of Nielsen and Arbitron outlined the history of their own attempts at diary improvement over the years, and the discussion never did get around to the complex details of calibrating diaries. Jack Hill, veteran media research executive at Ogilvy & Mather and now vice president, research, for the Cable Advertising Bureau, and a member of the subcommittee, calls calibration "tempting," because, "since we already have household diaries in place from both Arbitron and Nielsen, it could be the economical way out." But he adds that calibration can bring its own problems, "because correcting for one bias may result in creating another. Diaries have been known to overstate some things as well as understate others, such as viewing of cable systems and of independent TV stations.

"So calibration is only one of the areas our subcommittee will be looking at."

Diary biases. Others, says Hill, will be the possibility of minimizing current diary biases by reducing the load on diary keepers.

For instance, suggests Hill, perhaps television might turn its household diaries in for personal diaries, the way radio has done. Or the recall problems of the seven-day diary might be alleviated by using diaries that cover fewer days.

And noting that though people meters seem to be the ideal, "they are hard-wired devices, and very expensive ones," Hill adds that this has led to suggestions for looking at cheaper calculator-like devices "that viewers could punch up while they're watching, and maybe the results could then be retrieved by telephone."

Hubbard, RCA bird deal

United States Satellite Broadcasting Inc., a subsidiary of Hubbard Broadcasting, will lease four transponders on RCA Americom's Satcom K-2

satellite for more than \$85 million, under an agreement reached between RCA American Communications and Hubbard. Also, the agreement provides the right for USSB to increase its order to 10 transponders, bringing the potential worth of the deal to more than \$300 million, according to RCA. It also provides that RCA Americom will go ahead with plans to offer free Ku-band receive-only earth stations to commercial TV stations nationwide. The earth stations are to be used for syndicators to access commercial TV stations, with each outlet receiving syndication signals from each of two transponders used. RCA's Satcom K-2 is due for launch in December.

Conus Communications, a Hubbard subsidiary, will use Satcom K-2 to distribute its new service and other programming to its affiliates and to offer a nationwide or regional news service to commercial broadcast stations. Previously, RCA received the go-ahead from the FCC to launch three Ku-band satellites.

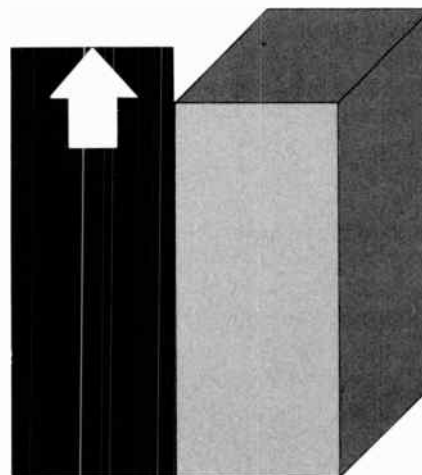
Pa. state network formed

As goes Florida and North Carolina, so goes Pennsylvania, at least in terms of setting up a statewide news network. Six Pennsylvania TV stations, WTAE-TV Pittsburgh, WPVI-TV Philadelphia, WNEP-TV Wilkes Barre-Scranton, WGAL-TV Harrisburg-York-Lancaster-Lebanon, WJET-TV Erie and WJAC-TV Johnstown-Altoona, have formed the Pennsylvania News Network, designed to provide "comprehensive" coverage of statewide news.

February

Local business (millions)

+5.0%



1985: \$264.0

1984: \$251.4

Complete TV Business Barometer details p. 34

Because so many people take their eyesight for granted...



Good eyesight is important, so KOLN-TV/KGIN-TV in Lincoln and Grand Island gave viewers the opportunity to check theirs in the privacy of their own homes. The "TV Eye Test" was aired as part of the stations' weekly public affairs program, "etc."

The test, developed especially for television by doctors and supported by the National Society to Prevent Blindness, was designed to make viewers aware of possible eye problems.

After the program, there were numerous calls from viewers who requested a list of the optometrists in their area.

Encouraging viewers to take special care of themselves is all a part of the Fetzer tradition of total community involvement.

...KOLN-TV/
KGIN-TV
helped viewers
see the importance
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The Fetzer Stations

WKZO Kalamazoo, Michigan	WKZO-TV Kalamazoo- Grand Rapids	KOLN-TV Lincoln, Nebraska	KGIN-TV Grand Island, Nebraska
WJFM Grand Rapids, Michigan	WKJF Cadillac, Michigan	WKJF-FM Cadillac, Michigan	KMEG-TV Sioux City, Iowa

TELEVISION RADIO AGE

Spot Report

Campaigns

American Express Co., RADIO

Ogilvy & Mather/New York
CREDIT CARD CO-OP CAMPAIGN is continued for 13 weeks during second quarter in a good many mid-Atlantic and southeastern radio markets. Buying target is adults 25 and up.

Archway Cookies, Inc., RADIO

Archway United Advertising/Battle Creek, Mich.

OATMEAL COOKIES are being advertised for two weeks that started in late April in a long lineup of eastern, midwestern and southeastern markets. Media set schedules to reach women 25 and up.

Armour & Co., RADIO

Ogilvy & Mather/Chicago
POTTED MEATS are being recommended for six to 12 weeks starting in early May in a long and widespread lineup of radio markets. Media plan calls for reaching women 25-plus.

Bank of America, RADIO

Ketchum Advertising/San Francisco
BUSINESS FINANCIAL SERVICES will be advertised for six weeks starting in late April in a select but coast-to-coast list of major radio markets. Buyers scheduled advertising to reach adult business decision makers 35 and up.

California Cooler, RADIO

Chiat/Day Inc./Los Angeles
WINE AND FRUIT DRINK is using seven weeks of radio advertising that started in early April in a long and nationwide spread of markets. Media target includes both men and women 18 to 34.

New from Nabisco

Great Crisps, a new snack treat being rolled out nationally by Nabisco Brands, is already on supermarket shelves in some markets, but the national television push behind it is scheduled to start in early May. Agency is Ohlmeyer Advertising, Nabisco's house agency, based in Parsippany, N.J. Nabisco spokesman weren't talking specific marketing tactics at presstime, but women are the usual media target for the category. Great Crisps is being offered in a variety of flavors, such as onion, bacon, sesame and tomato and celery.

Club Med Sales, Inc., TV, RADIO

N W Ayer/New York

SUMMER NOW VACATIONS are being advertised from March 10 through mid-August in a select list of broadcast markets. Television appearances are being made in Los Angeles, San Francisco, New York, Boston, Miami, Houston, San Diego and Philadelphia. Radio is being used in New York, Phoenix and Sacramento, and newspapers are carrying ads in four markets.

Adolph Coors Co., TV

Foote, Cone & Belding/Chicago

SELECTED BEERS are using two to 13 weeks of second quarter spot exposure in a long and coast-to-coast lineup of television markets. Target of sports, fringe and primetime advertising is men in various age brackets, depending on label.

Dart & Kraft, Inc., TV

N W Ayer/New York

VARIOUS DAIRY FOODS are being seen for 13 weeks that started in early April in a widespread selection of western and midwestern television markets. Buying group employed a full range of dayparts to reach women and children.

Zale Corp., RADIO

The Bloom Agency/Dallas

JEWELRY STORES will benefit from two week radio flights that started in late April in a long and widespread lineup of markets. Media set schedules to reach both men and women 18 and up.

Zayre Department Stores, RADIO

Ingalls Associates, Inc./Boston

DISCOUNT DEPARTMENT STORE CHAIN will be using radio for 26 weeks during second and third quarters in a long list of markets east of the Mississippi. Buyers worked to reach women 25 and up.

New diet meats

John Morrell & Co. is using spot television and newspapers to roll out its new Weight-Watchers low calorie meat line into 16 per cent of the country in a nationwide list of scattered markets. Agency is Dawson, Johns & Black, Chicago, and the target demographic is women 25-54. The television advertising, which started in April, is scheduled for flighting throughout the next six months. The line's basic ingredient is low calorie turkey, but the luncheon meat flavors include ham, sausage and salami.

One Seller's Opinion



DeLuca

Radio rep researcher urges use of reach, frequency guidelines

The U.S. Office of Management and Budget has updated and redefined the metro definitions of population. The metro areas of many radio markets have been affected by these redefinitions. In some cases, counties have been added to make a larger metro, while in other markets counties have been deleted from the metro.

In the latest Arbitron, these changes have meant lower ratings with greater average quarter hour audience, or even higher ratings with lower AQH where the metro population has declined. Whatever the case, radio buyers must be made aware of these redefinitions as well as the cost efficiency problems they may cause. In some markets the cost-per-point should be raised to accommodate the population increase.

This situation actually goes back to a problem that has plagued radio for many years: buying radio on rating points. This procedure works well for television but not for radio. Meanwhile, the new metro population definitions may change the way radio salespeople sell. They will now have to illustrate to buyers the value of "average quarter hour persons," *not* ratings. AQH can show the number of quarter hours spent listening, which may, in fact, have increased since the last ratings report. That, in conjunction with reach and frequency, is an excellent way to buy radio.

The problem with buying on rating points alone is that they cannot tell the story for radio as they can for television. A TV show starts at a given time and ends at a given time. People watch programs, not stations, so a rating point for a TV show can be a fairly valid estimate. But radio listening is quite different.

The dayparts defined by rating services are arbitrary. Listeners turn their radios on and off at *their* convenience. Thus, a rating in morning drive is not an expression of how many people are listening to a station from 6 to 10 a.m., but a composite of many different times during a week that the station's listeners turn that station on and off between 6 and 10.

What is the solution? Qualitative data can be useful, but it has its limitations. The information it provides is generally not available in small and medium markets, and often is not as current as the most recent ratings.

We need a set of criteria that takes more than cost per point into account, uses research that both buyers and sellers have access to, and is practical, given the time limitations of most buyers.

Reach and frequency guidelines, for instance, in conjunction with GRP goals would add dimension to any buy. They are far less arbitrary than GRPs alone, because they take an entire radio schedule into account—including factors like overall cume of a complete radio buy, and duplication within the schedule.

Adding reach and frequency goals does not revolutionize the way radio is sold or bought. But it does add depth to the process. Any buyer who considers reach and frequency will realize that a GRP in radio is quite different from a GRP in television. That realization would signal a refreshing change for our industry.—**Mariann DeLuca**, senior vice president, research and marketing, Torbet Radio

Media Professionals

Focus groups work for media, too



**Loretta Volpe,
Steven Naftelberg**

*Vice presidents,
Associate Media directors
SSC&B: Lintas Worldwide
New York*

Focus groups have long been used in marketing to probe for insights into consumer buying behavior, to compare reaction to different copy approaches, to variations in package design, or to ideas for new products. But so far as Loretta Volpe and Steve Naftelberg know, their use of focus groups at SSC&B may well be the first time this technique has been used by media planners to see how consumers "shop" the various media.

In this case, Naftelberg describes it as an "experiment" to see how and where consumers shop newspapers and radio for such financial services as IRAs and CDs for SSC&B client Citibank. The trial proved enough of a success, he says, "so that we now

think it offers a wide range of possibilities for television, cable and other print forms as well as for radio and newspapers—not as a substitute for the many other information sources we use, but to produce an additional set of guidelines by getting closer to the listeners, readers and viewers who use the media as their shopping guides."

Volpe, who first came up with the idea, observes that, "Most people think of us in media as people who work only with numbers of listeners or readers, and that only the market research and creative people actually go out and talk to, and listen to, what all those media users can tell us. So we went to our market research people, told them the kinds of consumers we wanted to talk to, and drew up a list of the questions we wanted to ask them."

The respondents were boiled down to four separate groups: newspaper readers 25 to 34, newspaper readers 35-plus, heavy radio listeners regardless of format, and listeners to radio talk and call-in shows. In radio, explains Volpe, "We were looking for such factors as attention levels to various types of format and the credibility of the various air personalities."

Naftelberg adds that they'll be proposing similar consumer investigations for other clients, marketing other products and services via the full range of media vehicles. He and Volpe believe that, "In many cases it can be just as useful for us to get in touch with what consumers really think and feel about the media as it is for the product and package designers, the copywriters and art directors to get in touch with how consumers feel about products."

Appointments

Agencies



Gary Titterington has been promoted to vice president at Frankenberry, Laughlin & Constable Inc. in Milwaukee. He is media director of the agency.

Gail Retford has been added to the media staff at Fahlgren & Swink Advertising as a media planner. She was formerly a buyer for Northlich Stolley Advertising.

Patrick C. McKeon has been elected a senior vice president at Bozell &

Jacobs/Chicago. The media director joined B&J in 1983 following media posts with Benton & Bowles, Needham Harper Worldwide and Post Keyes Gardner.



Jack Flynn has been named executive vice president of Great Scott Advertising Co., New York. Flynn, formerly general sales manager for KBCI-TV Boise, Idaho, will both supervise Great Scott's media department and work in account management.

Nancy Coleman is now vice president, director of corporate local broadcast, at Kenyon & Eckhardt, New York. She steps up to replace **Laura Byron**, currently on maternity sabbatical.

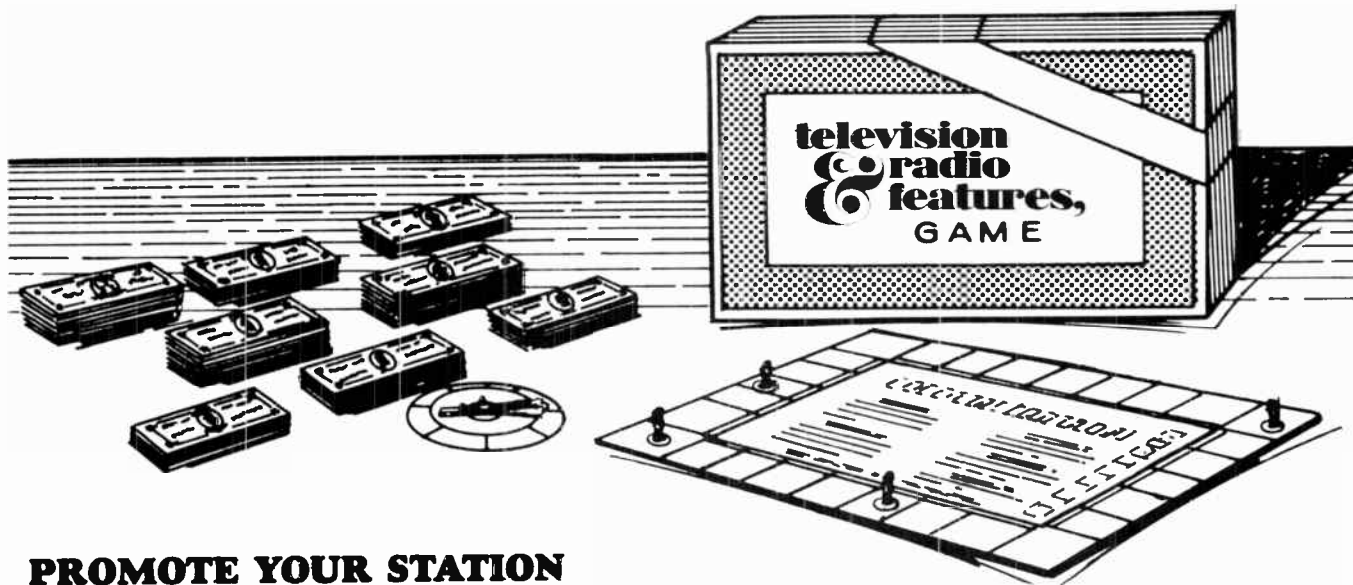
Rae Rowley, vice president/media director, has been promoted to executive media director at Caldwell-Van Riper, Indianapolis. At the same time **Carolyn Pugh Foust**, vice president/director of research, assumes the additional post of media director.



Edward Coosaia has been promoted to group media director on the Pontiac, Whirlpool and General Motors corporate accounts at D'Arcy MacManus Masius/Bloomfield Hills. He joined the agency in 1977 and was elected a vice president in 1983.

Joseph Caponigro has been promoted to Dodge truck media director at BBDO/Detroit. He is succeeded as

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SAMPLE CLIENT ROSTER

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- Encyclopaedia Britannica • Ames Garden Tools
- Teledyne-Water Pic • Longine-Wittnauer
- Carter Wallace, Inc. • General Electric
- Rand McNally • Corning Glass • Houbigant
- Syroco • General Mills

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Title _____ Station _____

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City, State, Zip _____

Spot Report

media supervisor on the truck account by **Mark Rowlands**, and **Althea Underwood** replaces Rowlands as media supervisor for the agency's California marketing and Direct Connection accounts.

Kenneth Bielicki has been promoted from media planning manager to associate media director at W. B. Doner and Co./Baltimore. He joined the agency in 1981, moving in from a media supervisor's post at Needham Harper Worldwide.

Media Services



Jim Quinn has been promoted to director of network administration at SFM Media Corp. He joined SFM in 1983 from Ted Bates as a network buyer and now steps up from manager of network administration.

Representatives



Jeff Davidson has been appointed New York sales manager for TeleRep's Jaguars sales group. He started with TeleRep in 1981 and has been selling for the Jaguars for four years.

David Brangan has been promoted to the new post of senior vice president, West Coast manager for Avery-Knodel Television. Brangan came to the company 12 years ago and he now transfers from Detroit, where he had been vice president and manager of the Avery-Knodel office there.

Michael Rosenberg has moved up to general sales manager for ABC Television Spot Sales in New York.

He joined ABC in 1972 as research director for WXYZ-TV Detroit, and he has most recently been director, eastern sales for the company's television rep arm.



Dennis Dalton, and **Denton Holmes** have been promoted to vice presidents and regional managers by McGavren Guild Radio. Holmes joined the rep in 1980 and heads the Seattle office. Dalton came to the company in 1978 and is now in charge in San Francisco.

Michael Custardo has been named office manager of Seltel's Dallas sales office. He transfers from Chicago where he had been manager of Seltel's Red Division, and before that he had been selling for Peters, Griffin, Woodward. **Fran Painter** continues as sales manager in Dallas, reporting to Custardo.

Anthony Santino has been named manager of the San Francisco sales office of Katz Independent Television, and **Julie Largay** becomes manager of the Sabers and Lancers sales teams in San Francisco. Largay has been an account exec with the Sabers there since 1982 and Santino has been sales manager of the Swords team since 1983.

First time on TV

Product Movers, which publishes Sunday newspaper inserts, tested its first television commercials in Chicago on April 10, 11 and 12 to promote the brands couponing in their Sunday April 14 family health and fitness themed insert. Participating advertisers included S.C. Johnsons Hälsa shampoo, Borden's Lite-Line powdered soft drinks, Clairol's Sea Breeze skin antiseptic, Pennwalt's Desenex foot powder, Nabisco's Wheat Thins, and Jenos ravioli. Agency is Grey, Lyon & King, New York.

But all this is just for openers. Ken Bortner, CEO at Product Movers, says that additional TV support is also planned for such other Product Movers theme inserts coming up as its August *Back-to-School* and November *Holiday Recipes* publications.

Lois Hamelin and **Allan Baur** have joined Adam Young, Inc. Baur, formerly with WKBD-TV Detroit, becomes manager of Young's Detroit sales office, and Hamelin moves in from Avery-Knodel Television to head Young's Chicago office.

David Moore, Dallas regional sales manager for Avery-Knodel Television, has been elected a vice president, and **Shareen Colombo** steps up to manager of the rep's Detroit office. Colombo started with Avery-Knodel 12 years ago as a sales assistant and now advances from account executive. Moore came to the company as an account executive with the Chicago office in 1981.

Stations



James S. Gilmore III has been named president, Gilmore Broadcasting Corp., based in Kalamazoo, Mich. He joined Jim Gilmore Enterprises in 1977 and has most recently been president and general manager of Jim Gilmore Cadillac-Pontiac-Nissan in Kalamazoo.

Gary R. Fries has been appointed president of Sunbelt Communications' broadcasting stations in Seattle, Minneapolis-St. Paul, Colorado Springs and Albuquerque. Fries joined Sunbelt in 1983 and has most recently been senior vice president for the broadcast group and vice president and general manager of KQEO and KZZX(FM) Albuquerque.

Joseph A. Young has been named vice president/general manager of WPDS-TV Indianapolis. He comes to the recent Outlet Communications acquisition from the Kansas State Network based at KSNW-TV Wichita, where he had been vice president/sales.

Don R. Troutt has been named vice president/controller of Gannett Co., Inc.'s Radio Division. Troutt had been vice president and controller of Gannett's KOCO-TV Oklahoma City.



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Darrel Cunningham has been named vice president, general manager of Hernreich Broadcasting's KHBS-TV Fort Smith and KTVP-TV Fayetteville, both Arkansas. He was previously general manager of KAIT-TV.



George Andrick has been appointed senior manager of WSAZ-TV Huntington, W. Va. Andrick, a member of the Broadcast Pioneers, has been with WSAZ for 34 years, starting in radio sales, and has most recently been general manager of WSAZ-TV.

Ramsey Elliott, vice president, corporate development for The Fuller-Jeffrey Broadcast Group, has assumed additional responsibilities as vice president, general manager of the company's Spanish-language KRCX Roseville-Sacramento.



Alfred T. Bova, vice president of marketing and sales for Viacom Television, has been promoted to vice president, station manager of WVIT-TV New Britain-Hartford. Bova started at the station in 1979 as an account executive and became general sales manager in 1982.

Mark Grant is now general sales manager of WLS-TV Chicago. He had been manager of the Chicago office of ABC-TV Spot Sales, and before that local sales manager of WABC-TV New York.

Allen Murphy has been named general sales manager of KYW-TV Philadelphia. He steps up from market development manager with the sales department of the Westinghouse station.

Jim Stansell, Eastern Division sales manager of the Satellite Music Network and owner of KLAQ(FM) Sherman-Denison, Texas, will now devote full time to managing KLAQ and plans to acquire additional stations.

Lisa V. Morrison has been promoted to Midwest sales manager for the Sheridan Broadcasting Network. She had been an account executive.

Richard Greenhut has been appointed regional director, affiliate relations for NBC Radio Network and Talknet, responsible for the western region. He was formerly division manager, advertiser/agency radio sales, at Arbitron.

Steven Angel has been named general sales manager of Group W's KFVB Los Angeles. He had been the station's sales manager.



Irene Runnels has returned to the Texas State Network in the new post of director of special projects. She had been director of sales for the network before leaving three years ago to join WKY Oklahoma City, where she had been general manager.

Mark Distler has joined WMAR-TV Baltimore as national sales manager. He had been an account exec with the New York office of Harrington, Righter & Parsons.

Mark Dorf has been named national sales manager of WXTR AM-FM Washington. He moves in from Metro Traffic Control Sales in Houston, where he had been regional advertising director for the Northeast.

Lorenelle Whittington has been appointed local/regional sales manager of WVAH-TV Charleston-Huntington, W. Va. Before coming to the station two and a half years ago she had been with WKAZ and WQBE(FM), also Charleston.

New Stations

Under Construction

KONG-TV, Everett, Wash.; Channel 16; ADI, Seattle-Everett-Tacoma. Licensee, KONG-TV, Inc., 1109 First Ave., Seattle, Wash., 98101-209. Telephone (206) 292-1616; Carl Washington, president; Dan O'Brien, general manager.

Represented by Independent Television Sales. Target air date, late summer 1985.

Buyer's Checklist

New Representatives

Blair Radio has been chosen as national sales representative for WGNT and WAMX(FM) Huntington, W. Va. WGNT airs a modern country format, and WAMX, licensed to Ashland, Ky., offers contemporary hits.

Blair Television has been selected to represent two Pike's Peak Broadcasting stations in Colorado. They are KRDO-TV Colorado Springs-Pueblo and KJCT-TV Grand Junction. Both are ABC affiliates.

Eastman Radio has been appointed national sales representative of WOKY and WMIL(FM) Milwaukee, WVOK and WLTB(FM) Birmingham, Ala., and KONO and KOZZ(FM) Reno. KONO, WVOK and WOKY feature MOR music. WMIL programs country music, KOZZ airs album rock and WLTB features an adult contemporary sound.

Harrington, Righter & Parsons is the new national sales representative of WKRN-TV Nashville and WCAX-TV Burlington-Plattsburgh. Knight-Ridder's WKRN-TV is an ABC affiliate and WCAX-TV, owned by Mt. Mansfield Television, Inc., is affiliated with CBS.

Hillier, Newmark, Wechsler & Howard has been named to represent three Michigan stations, WMUS AM-FM Muskegon and WJML(FM) Petoskey. WJML programs an adult contemporary format and both Muskegon station feature country music.

Katz Television Continental is now selling nationally for KXXV-TV Waco-

Temple, Texas. The NBC affiliate is owned by Central Texas Broadcasting Ltd.

Republic Radio Sales has been appointed national sales representative for KRRZ(FM) Fargo, N.D., and for KEYS and KZFM(FM) Corpus Christi, Texas. KZFM programs contemporary hits, and both other stations offer adult contemporary formats.

New Call Letters

KNMZ-TV is the new call designation of KSAF-TV Santa Fe, N.M. Al Lucero is general manager of the Channel 2 facility.

WRVR is the new name of WKDJ Memphis, recently acquired by Viacom from Adams Communications. The format is also new, now adult contemporary.

WTOF is the new call sign of WNYN Canton, Ohio. The station was recently purchased by Mortenson Broadcasting Co.

New Affiliates

Mutual Broadcasting System has signed new affiliates WBCM Bay City, Mich., and WHLB AM-FM Virginia, Minn. The Virginia stations program MOR, and WBCM features a news-talk format.

The RKO I Radio Network is now carried by KMZQ(FM) Las Vegas, WWSN(FM) Dayton, KGWY(FM) Gillette, Wyo., and KDSR(FM) Williston, N.D.

The SIN Television Network has added Group W's cable systems in Chicago and Ulysses, Kans., the Warner Amex systems in Flagstaff, Ariz., Milwaukee and Farmers Branch, Tex., and TCI's system in Chicago.

Transactions

Meredith Corp. has agreed to sell WGST and WPCH(FM) Atlanta and the Georgia Radio News Service to **Jacor Communications, Inc.** for a combined cost of \$20 million.

'Wall Street Report'
appears on page 123.

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April 29, 1985

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April 29, 1985

CableAge

Economies of scale are working to the disadvantage of the smaller operators. They're having a harder time obtaining financing and tend to sell at lower per-subscriber rates than their larger counterparts.

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For now, cable's national spot growth is being stymied by penetration and research deficiencies as well as the difficulty agencies have had in working with local operators.

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The declining attendance of trade shows isn't considered such a bad thing. The show biz aspects and the curiosity seekers are giving way to more serious business, industry sources say.

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The communications conglomerate received a recent vote of confidence from the investment community in its 2 million share common stock offering.

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NewsFront

FCC out of franchise disputes—at least for now

With its action settling on a definition of what comprises cable competition for the purpose of local rate-making, the Federal Communications Commission has effectively taken itself out of the arena of cable-city franchise fee disputes—at least for the present.

Jim McKinney, Mass Media Bureau chief, says, "The commission is out of some areas of cable regulation. As we see it today, one of those areas is involvement in franchise fee disputes. But I suspect the commission will not forever remain out of those disputes, because I think before it's over with, the courts will get us involved."

At the end of next year, when most aspects of last year's Cable Policy Act take effect, a cable system will be free from local rate regulation if it transmits at least three over-the-air broadcast signals. According to estimates by the FCC and the National Cable Television Association, this means that as of that date between 75 and 82 per cent of the nation's cable systems—and about 90 per cent of cable subscribers—will be free of local regulation. Put another way, 18–22 per cent of the systems will continue to be regulated.

Pole attachments. The commission action also put into place other regulations to administer the policy act, including the requirement that states justify their own regulations concerning pole attachments. The states will have to show proof that they have a methodology for regulating pole attachments. That is an effort, says McKinney, to keep states from quickly passing laws without a methodology in order to be able to continue regulating attachments. Two dozen states already have pole attachment rules.

The commission eschewed, however, the right given it by the cable act to require the filing of informational tariffs, declaring they "would not be necessary at this time." The filing would have affected non-cable services provided by a cable system, putting those signals under common carrier jurisdiction.

Finally, the commission declared that telephone companies may own cable systems if they serve fewer than 2,500 people in an unincorporated township or other such small rural areas.

Must-carry confrontation

For a month now, broadcasters have been saying they intend to sit down with cable people and negotiate a change in the must-carry situation. Cable people have been answering, in effect, "That's news to us."

Recent remarks by Jim Mooney, president of the National Cable Television Association, suggest the talks may be nearer to coming off, with cable positioning itself as the group holding most, if not all, of the cards.

Fresh from a cable policy act enacted by Congress, liberal Federal Communications Commission interpretations of that act, and favorable court decisions all over the country, Mooney is suggesting the days of must-carry rules are numbered. Mooney, in a speech to the Washington Metropolitan Cable Club, stopped short of declaring "total war against must-carry in general," but said it is a possibility if the NCTA board agrees with that stance. "What I do mean to say," Mooney said, "is that must-carry has gone way too far—that it is being carried to extreme length and is vulnerable to attack both on communications policy grounds and on constitutional grounds."

If current cases inching along to the judicial system are any indication, Mooney said, must-carry could become a thing of the past by the end of the year, with neither the FCC nor the Congress able to keep it alive. He suggested there is ample reason to believe the courts will declare must-carry rules unconstitutional on First Amendment grounds because they dictate the content of cable programming.

Mooney is emboldened in his stance by a recent NCTA study—which the National Association of Broadcasters also has been waiting to see—that shows the "saturated systems with fewer than 20 channels are devoting an average of 55 per cent of their channel to must-carry. Thirty per cent of those consist of duplicated signals. We estimate that on saturated systems along, duplication affects 1.6 million subscribers."

Noting that many systems have been forced to drop cable programming to make way for new UHF stations, as required by FCC rules promoting "localism," Mooney says a sampling of UHF stations during the last eight months of 1984 showed "they devote only about 2 per cent of their broadcast hours to local news and community affairs programming," the same percentage of such programming on old UHF stations.

WTBS packages sports buy

Set with most of its college football schedule for the 1985 and 1986 seasons, SuperStation WTBS expects to be selling the schedule primarily in a three-spot package for \$30,000, Gerry Hogan, vice president of sales for Turner Broadcasting System, tells CABLEAGE. TBS has two year agreements for certain games of the Big Ten, Pacific-10 and Atlantic Coast Conferences and was expected to sign a deal shortly with the Southeast Conference. It also will televise the Boston College at U.S. Military Academy game on Oct. 12 as part of the primetime package.

Assuming the Southeast deal would be signed, Hogan says the \$30,000 would buy a 30-second spot

each in an afternoon game of the Southeast Conference and Big Ten and in one primetime game. According to Robert Wussler, WTBS president, the combined coverage of cable and broadcast syndication—the latter yet to be sold—would amount to 85–92 per cent of the U.S., with the superstation's cable coverage alone accounting for 42 per cent. He says there probably will be only two markets where the games will run on broadcast and cable simultaneously. TV stations are to get half the advertising inventory, Hogan notes.

TBS Sports will cablecast and syndicate 12 primetime games of the Big Ten, Pac-10 and ACC teams on Saturdays in 1985 and 13 in 1986. Additionally, a separate two-year agreement with the Big Ten covers 22 afternoon games over the two-year period.

FUN broadens format

Fantasy Unrestricted Network, the X-rated C-band DBS service, is going after the cable television market with a new programming tack. Plans are underway to add localized sports, movies and general entertainment to FUN's programming fare, according to Chuck Dawson, president. Using Oak's Orion decoder, FUN is offering pay-per-view on a weekend basis, where the customer pays for a weekend of movies, such as the "XXX-rated" and R versions of *The Devil in Miss Jones* and other unnamed movies rated R and PG, he explains. "We are going to call it a FUN weekend," he says.

Dawson would eventually like to see FUN transmitting seven days a week for seven hours a day. The change in programming and pay-per-weekend offerings are scheduled to begin June 1. In the long run, FUN's X-rated fare will be an "insignificant" amount of the service's overall programming, Dawson says. The San Jose, Calif.-based service has been on Westar V, transponder 24, for the past 18 months. The service has a total of 27,000 subscribers, including 6,000 private earth dish owners, and 21,000 others who are either cable system subscribers or customers of SMATV services, Dawson says. The Oak hardware is being distributed by Space Age Video of Texas.

United forms viewer panel

Following the example of American Express, United Cable of Colorado has formed a "subscribers' council" as a database for improving operations. The council will consist of 31 subscribers in United's franchise area, which encompasses 15 city and county areas in metropolitan Denver. Council members will periodically be asked to respond to specific questions about United's service and programming, including customer service, billing procedures, new programs and use of computers, VCRs and pay-per-view.

The selection process involved randomly selecting subscribers from each service area, who were then

invited to apply for council membership. Membership will be rotated on a regular basis, with a minimum term of one year.

United Cable president James Dovey says the council idea will help United "gain valuable insight into viewing interests and service policies."

The idea for the council came from the American Express Co.'s Centurion Club, which serves a similar purpose for the financial services company.

Pioneer converter activity

With its growth in the addressable converter field "below expectations" in the past, according to Thomas Calabro, vice president of sales, Pioneer Communications of America feels results so far with its new BA-5000 indicate a turnaround. On top of early commitments representing "a potential \$30 million" in revenue, Pioneer has just inked a deal with Warner Amex Cable in Houston for a yet undisclosed amount. Previous commitments include Warner Amex, Boston; a \$12.7 million commitment from Group W Cable; and Antelope Communications, a Tribune Cable company.

Key features of the 450 MHz one-way addressable system are its downline loadable capability and multiple vendor scrambling capability. The BA-5000 reportedly will be compatible with Jerrold, Hamlin and Oak scrambling equipment. Production of the converters begins in May, with deliveries scheduled almost immediately thereafter, Calabro states.

The system boasts software enhancements allowing the operator to determine at the headend the difference between an outage and an attempted theft of service. It is MTS stereo tracker compatible and has such features as audio and video parental control, two-way upgradability and impulse pay-per-view capability two-way upgradability and impulse pay-per-view capability for up to 20 events per month per terminal.

Time consolidates gains

Stockholders of Time, Inc., were told at the recent annual meeting that 1985 would not be a "watershed year" for the company and would probably show slower growth than in recent years. J. Richard Munro, president and CEO, said there will be continued improvement, though. The company reported first quarter earnings of \$44 million, or 70 cents per share, compared with \$43.5 million, or 67 cents, a year earlier and revenues of \$747 million vs. \$694 million.

Munro said one-third owned USA Network will operate this year "very close to the breakeven point." He noted American Television and Communications has largely completed its capital outlays for major construction and is considering pay-per-view as a supplement to its cash flow increases. He pointed to a major summer promotion as hope beyond a disappointing first quarter for HBO and Cinemax.

Lending institutions, like MSOs looking to buy systems, are more attracted to the bigger deals, being influenced by the potential economies of scale.

Smallest operators faced with lower per-sub prices, difficulty financing **Small system buys seen intensifying as market dwindles**

BY JOEL C. MILLONZI

Many industry observers herald the small cable system as the last frontier for investment opportunity. Yet in spite of the large number of systems with under 2,000 subscribers that will come on the market in the next few years, investors and lending institutions find there are stumbling blocks that take away from some of this market's attractiveness. Among the obstacles are the costs of upgrading and refinancing the small system.

Daniels and Associates' senior vice president Tim David has recently been looking at the small system market. He says, "As a rule, the smaller the system gets the weaker the market becomes. Brokering a system of 2,000 subs and obtaining financing for it is a lot easier than doing a deal for a system of 500 subs. Although in a generic sense they are both small, they are worlds apart in terms of the market for them. As the size of the system decreases, so does the price per subscriber. While it is always a matter of the circumstances surrounding each system, generally speaking, the system should be at least 2,000-3,000 subscribers in order to enjoy the high prices that are often reported. It will take me as much time and energy to manage 300 subscribers as it does 3,000 subscribers. The economies of scale are an important factor in determining price."

Size vs. price

Viewing the cable television system market as a whole, David says, "If we were to take all the deals that were done last year and plot them on a graph, I suspect what we would find is that the price per subscriber for the huge transactions would be on a plateau all very close to one another. There would then be a falling off of price as the system size declines."

David offers several reasons for the growing number of small deals. One, of course, is simply the independent owner's desire to cash in and enjoy the fruits of his labor. In the last couple of years,

however, other reasons have emerged. "What you now see," he says, "is that a lot of small deals are being generated by the big MSOs that are consolidating territories and looking to cluster their holdings. Four or five years ago the MSO may have made an acquisition that involved a number of small systems. With the market now fairly strong, they're looking to sell off some of those systems that do not fit well into their territorial or marketing scheme."

David acknowledges that the small, independent cable operator may experience more difficulty than an MSO in obtaining financing for an upgrade or rebuild. This fact may be influential in the decision to sell. He says, "While there are more lending institutions participating in the cable market than ever before, they are just like buyers in the sense that they are more attracted to the bigger deals. In fact the economies



Charles Martz of Henry Ansbacher Inc. envisions a market developing where the local cable franchise holder in an urban area will be buying up the small SMATV operations that have been in business for a couple of years.



Pat Thompson of Pat Thompson Co. says all of the cable properties her company brokered last year had under 5,000 subscribers and that the average selling price was \$800-900 per subscriber. "We have proof that the market is there," she asserts.

of scale for lending institutions prove to be even more dramatic for a lender. It may be possible, for example, that one large deal of say \$100 million may equal in profitable terms up to about 100 small deals of \$1 million without a change in quality."

According to David, an alternative strategy to selling that is available to the small operator is simply to become larger. "If you can become large enough to qualify for the \$2-3 million loan, you begin to get the attention of the financial institutions. The search for money problem goes away at that point. If you cannot reach this size, you probably will be looking at a deal which involves the seller taking back paper or a deal where you're trying to convince the local bank to loan based on your assets or personal signature."

Charles Martz, senior vice president of Henry Ansbacher Inc., delineates two types of small system markets. One is the independently owned, classic 12 channel system. The other market for small systems that Martz sees is one which involves SMATV operators. "I envision a market developing," he says, "where the local cable franchise holder in an urban area is going to be buying up the small SMATV operations which have been going for a couple of years."

Martz believes that "whether we're talking classic or urban system, the neighbor is typically the best buyer. Nevertheless, the buyer for the more rural systems is going to be the guy who will be able to tie several systems to-

gether."

Donald Russell, senior vice president of Communications Equity Associates, acknowledges that financing is a major issue for the small operators but doesn't see it as much of a problem as others do. "In my mind," he says, "the small operator has relatively easy access to financing. The operator's size is a factor in that the owner needs to be large enough to gain the attention of a lender who understands cable. That usually means the operator needs over a million dollars and probably \$2-3 million in financing. If a person has been in business, they probably already have a relationship, and if they are going to be doing anything more, they can go to the person they've been dealing with all along."

"The pressure mounts when they are looking to become larger themselves. In this latter case, it is true that the size of the acquirer matters. It's possible, for example, that if a large MSO is buying programming for 1,000 subscribers, the deal in terms of financing may wind up being eight times cash flow. The small system operator who has 1,000 subscribers may have to accept financing which results in a price of nine times cash flow. I don't see how a person who is actually in business is going to be pressured out, but he will find himself at a disadvantage in trying to make future acquisitions."

Russell sees a number of reasons of motivating buyers to acquire small systems. "Frankly speaking," Russell says, "there are some small operators who are less attuned to changes in the industry or are used to doing business in a certain way. Operating in this way, the smaller operators are just more likely to have left something on the table which can be taken advantage of. A typical small system buyer is someone who is just starting out in the industry. This person has usually worked for an MSO or in the industry and can raise up to a half million dollars among friends and family, but can't raise one-and-a-half million in equity. All this person can do is buy a smaller system, and with their particular talent, they will be an owner-operator."

"Given the limited partnership structure, it's much easier to raise an extra \$1½ million locally than it is to raise \$10 million. You can find a number of local accountants and lawyers who can raise that kind of money for you quickly. When you get into the larger type syndication, you start dealing with national firms, need much more of a track record and incur far greater expenses."

Pat Thompson, president of the company that bears her name, reports that all of the cable properties that the company brokered last year had under

5,000 subscribers. Thompson says, "We've found that so many of the small, independent operators need brokerage help." Currently Thompson is listing 38 companies, the majority of which she classifies as small systems.

Cash sale disadvantage

"We have proof that the market is there," Thompson says. "Just because someone has a small system doesn't mean it can't be sold at decent prices. The average that these systems sold for was between \$800-900 per subscriber." Thompson explains that there are several considerations in that price level. "You have to remember," she says, "that a lot of these can sell for a higher price if the seller is willing to take back paper. If, for example, he wants to do a term deal, the seller normally can get a higher price than if he wanted to cash out. Every deal has to be treated separately because everyone has different things that they're looking for. In most cases, people don't need the money all up front unless they're going to start another business. Taxes will eat you alive if you get a cash sale."

Thompson gives her profile of the small cable system. "Most of the small systems that have remained in business to date," she says, "have had to upgrade. There are very few systems left that have basically 12 channel capacity and need upgrading. Most owners have realized that, in order to give their subscribers what they want, they have had



Andy Eiseman of Cable Investments Inc. says some larger cable operators believe it is uneconomical to purchase a system with under 3,000 subscribers unless they already own a system nearby.



Bill Van Huss of *Firstmark Financial Corp.* believes small systems will increase or maintain their values over the long haul, getting attention from larger operators when major builds end.

to go up to at least a 20 channel capacity, if not all the way up to 30 channels."

Andy Eiseman, senior vice president at Cable Investments Inc., points out the relative meaning of the word, 'small.' "While traditionally a small system is regarded as under 2,000 subscribers, some larger cable operators believe that it is uneconomical to purchase a system which is under 3,000 subscribers," he says. "An operator may feel that, unless he already owns something nearby, he cannot afford to invest in a small system because he can't afford to put in the quality of management he feels he needs to protect his investment and generate the potential growth that led him to buy the system in the first place."

Eiseman says that many buyers expect the brokers to give a realistic picture to sellers about a system's value. Eiseman describes one of the people he deals with as having a constant theme that says, "Part of how brokers earn their money is to talk like a Dutch Uncle to sellers as to why every system may not be worth \$1,000 per sub. Part of the job is to at least make buyers with unrealistic expectations receptive to what the marketplace is about to say anyway."

Eiseman tends to agree with those who see increased activity in the small system marketplace. He observes, "You get a lot of people who, based on what they read in the media, have decided that brokers make a lot of money and therefore try to enter the business. Therefore, just the increased number of brokers in the industry will be generating more activity."

Eiseman clearly sees a need for po-

tential sellers to be more discerning about the prices they read about. "They see a reported sales price of 10 times cash flow," he says, "but somehow it's not clear whether that means this year's, last year's or next year's cash flow. There's also a need to ask why it is bringing in 10 times. It's necessary to read the caveats when these prices are mentioned."

Eiseman points out that, while the nature of small and larger system sales does not differ very much, the lack of familiarity with such deals on the part of the buyer or seller may result in more lengthy transactions. Illustrating his point, Eiseman says, "A purchaser which is a larger corporation may draw up an agreement which has 50 pages of legalese included in its standard procedure. The seller's lawyer may never have seen such an agreement before and therefore needs to take the time to figure out whether his client is really being protected."

As is true of most cable deals in general, more transactions are for the sale of assets rather than stock. Eiseman adds that, "If the seller is adamant about getting a higher price and also has confidence in the company that's buying him, he may be willing to do a term deal where he will probably receive a higher price. In terms of present value, the deal won't work out to a whole lot more than he would have received on a cash-at-closing deal, but the term deal represents an annuity to the seller."

Small loan problems

Bill Van Huss, director of business development at Firstmark Financial Corporation, confirms much of the above comments. As others have said, he finds, "The small system is certainly marketable, although it may not be as attractive as those with a larger number of subscribers." He also agrees that financing is one of the obstacles that small operators must face. "It's ironic," he says, "that in this business it may be easier to get a \$5 million loan than a \$500,000 loan."

Looking at the trend in small system values, Van Huss says, "Over the long run, I think they will increase or maintain their current values because after the MSOs get their major big city builds out of the way, the larger operators will begin to look very hard at acquiring the small systems in their areas. People are now talking about nationwide addressability. If that occurs, it will help reduce the cost of local overhead as the telephone company has done, and it should make the small systems viable again for the larger MSO."

Charles Kadlec, principal in the firm of Frazier, Gross and Kadlec Inc., says,

"In many ways, the small independent system is the backbone of the industry and, as such, represents a solid value." He believes that the obstacle of obtaining financing may be a bit overblown. According to Kadlec, "there is no question that the larger lenders look to the big deals. It is more difficult for the system that needs less than \$5 million to find someone who will back them. Nevertheless, more and more, many of the regional banks that have not been in cable before have come into the industry with a vengeance, making what the large banks think are uneconomic deals. This is beginning to put pressure on the larger banks to change their terms."

Kadlec says that, as the business changes from a technical emphasis to a marketing business, certain independent owners begin to feel uncomfortable with the lack of expertise in that area and decide to sell. If they were better versed with a new business plan, they could probably make a better pitch to the bank and more easily secure their financing for an expanded plan. The point is that the problem is more complex than saying the small operator is having difficulty getting money. It's also, in part, a matter of not being able to sell their system to the banks that well."

Agreeing with Van Huss, Kadlec foresees the time when the major MSO, after a period of consolidation, will once again start acquiring smaller systems. "They're digesting what they've done at this point." □



Charles Kadlec of *Frazier, Gross and Kadlec* says it's more difficult for the system that needs less than \$5 million to get financing, but this void will be filled by regional banks that had not been in cable before.



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Spot cable sales: hardly visible now, but big potential

Compared with television stations' national and regional spot estimate of \$5.5 billion in 1984, cable's equivalent take is only slightly more visible than a pimple on a flea. According to trade estimates, it ran between \$8 million and \$10 million last year, representing less than 10 per cent of cable system ad revenue. But agencies, MSOs and rep organizations agree it will become a major growth area once the flea starts biting in earnest.

A key advantage that agencies see in cable spot is that it can be better tailored than broadcast to the distribution patterns of advertisers, particularly national and regional retail operations. They also point to its affordability for advertisers who otherwise can't get into television and its flexibility for special promotions and tests.

But agency spot buying executives also indicate factors that are currently delaying the medium's growth—the limitations of current cable penetration, lack of audience measurement, unsophisticated paperwork handling by system operators and the difficulty in buying local cable on a national basis. The last two problems, they concede, are being addressed admirably by a few established cable rep firms—and agency executives are anxious to see this happen on a more nationwide basis.

For example, Susan Gottlieb, vice president and director of spot TV and radio buying at Doyle Dane Bernbach, asserts that the agency's work would be greatly simplified if there were "two or three major cable rep firms we can deal with," as in broadcast television. She holds, "There are few stable reps beyond CNI (Cable Networks Inc.), which is doing an outstanding job. A cable rep should definitely have an entire market locked up. If all systems got together in a market, they would get more advertising."

She and other agency people complain of "pirate reps": "You get a letter from them saying, 'You tell me what you want and I'll get it for you.'" Gottlieb notes this amounts to being a rep and a buying service at the same time. Mean-

while, system operators are beginning to complain that these "pirate reps" often represent them without their permission, causing confusion in the marketplace and competing with established reps on the basis of a lower rate.

Role of the rep

While CNI is the largest and best-known of the established rep firms, also mentioned by agencies and operators as helping the cause in their areas are New England Cable Rep and Detroit-based Michigan Media. Nationwide Cable Rep is another factor, but its current interest has been more in local sales through turnkey advertising sales operation.

CNI, a subsidiary of The 3M Co., has by far the largest chunk of the spot business, representing systems in 75 markets and selling from seven offices—New York, mid-New Jersey, Atlanta, Chicago, Los Angeles, Dallas and San Antonio (where its turnkey operation for Rogers Cablesystems accounts for a large chunk of that market).

Addressed with the prospect of expanding CNI's activity, Tom Sassos, vice president and general manager, says, "At this point, I see a pretty major window open for us. The big problem is finding good people." He contends these

salespeople have to be as good as their broadcast equivalents and that CNI compensates them at equivalent rates. But potential salespeople resist the more difficult sell of cable: "You don't just call on J. Walter Thompson and walk off with an order the first time—as if you were selling for Katz [a major broadcast rep]."

Sassos estimates that, of some \$85 million taken in by cable operators in 1984, 60 per cent was in the system's own market, 30 per cent was regional business where systems sold collectively and 10 per cent was national spot. He notes one factor slowing national spot's development is lack of market coverage: "Agencies don't want to buy in a market with only 10 per cent penetration."

He is encouraged, though, by the growing trend of agencies to buy out of regional offices: "For example, a lot of activity in the Southeast is centralized in Atlanta." He adds, "For spot to really grow, the regional networks have got to take hold. J. Walter Thompson doesn't want to call 16 systems in Houston. It wants to just call Warner Amex [which manages an interconnect there]."

Interconnect operations

Bob Williams, president of New England Cable Rep, says the Boston Interconnect represents about one-third of his company's business. Estimating that cable spot revenue is running under \$10 million, he notes his company's business is completely in spot but adds that definitions in the cable marketplace are elusive.

"The lines between national and regional fail us, so I use 'in market' and 'out of market,'" he explains. "If you're talking New England automobile dealers, you'd probably call it regional. But what about a store in 30 markets east of the Mississippi? Is that national or regional? We go by whether it comes from

"I think spot cable will ultimately be more successful than national cable. As the country becomes wired and more systems are selling—coupled with research on a ZIP code basis—it's definitely going to grow."



Bill Wiener
Senior vice president, director of video services
BBDO



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"The market demands that systems group together and be price sensitive to other alternatives in the marketplace. Cable systems are still finding their way in pricing their product, and retailers are going to see the benefit in it first. We look at those who can't afford broadcast television differently than those who can. They need cable, where those who can afford broadcast often don't think they need it."

Addressing agency complaints that interconnects are typically not priced efficiently against other media, Williams counters, "Pricing is all in the eye of the beholder. If you have an advertiser paying a \$30 cost-per-rating-point on broadcast TV, when you look at efficiencies cable is more expensive and less efficient. But when you look at the wastage on broadcast, cable is more efficient. You have to look at your geographical target, demographics, and buying indexes."

Williams says the best cable spot advertisers to date are retail chains that want to target their trading areas, advertisers going after upscale men and those wanting the music environment of offerings like MTV and USA Network's *Night Flight* for the 18-24 market. "For the women's audience," he adds, "we have to make a stronger argument. There's potential there. Any advertiser for whom traditional TV can involve wastage is a good prospect."

Jack Hill, vice president of research at Cabletelevision Advertising Bureau, also speaks for the efficiency of spot cable for certain advertisers: "If New York is a 15 per cent better than average market for bagels, a cable buy can give it that additional weight. Another argument for using cable is that broadcast is underdelivered in strong cable markets. Certainly the cable networks can be used as an overlay on broadcast, but some networks will have a shortfall in some markets."

Long-term, he says the ADI/DMA concept embodied in Arbitron and Nielsen ratings may no longer be the parameter for spot buying: "It may be more customized areas, related to advertisers' definitions of sales areas." How soon? He concedes, "I think Tom Sassos will be retired long before this comes to pass."

Satisfied Mso

But Allan Eisenberg, director of advertising sales at American Television and Communications, isn't ready for Tom Sassos to retire yet—nor for Bob Williams of New England Cable Rep. He's pretty happy with the work these two rep firms have been doing for his systems, noting, "I projected that, if we

"We look at local cable opportunities all the time. . . . If we have a client in New York who can buy a local avail on the financial report of Cable News Network, we feel it may be worth it."



Peggy Green
Director of spot buying operations
Dancer-Fitzgerald-Sample

were doing 10 per cent of our 1985 billing in national spot that we'd be doing well. Our Albany system is doing 50 per cent because the broadcast affiliates in the area had tight availabilities and CNi brought all this state lottery business to our New York State systems. It seems that 25 per cent of our business in spot could be possible."

While ATC's major rep is CNi, Eisenberg also is happy with activity via New England Cable Rep, including business from the U.S. Marine Corps and a recent highly targeted buy from Zayre Department Stores. The latter, he notes, was aimed at the black market and placed on ATC's availabilities on Black Entertainment Television in Birmingham, Ala. "That's the kind of stuff that's very encouraging in the spot marketplace," he asserts.

Even on an individual system basis, Eisenberg was encouraged when a Chicago agency asked about availabilities on an Orlando, Fla. system that had just started selling advertising: "They're beginning to see these systems as more efficient when they do post-buy analysis. They're looking at the ability of local retailers to put in their tag lines, and, because of the success of MTV, they're starting to use local cable to sell fashion."

In New York state, Eisenberg sees a bonanza coming from the racetracks, noting agencies have just begun to ask for availabilities.

Big spender

There's confirmation of what Eisenberg sees coming. Bill Wiener, senior vice president and director of video services at BBDO, estimates that this year the agency is spending about \$1½ million on individual and interconnected systems out of a total of some \$20 million in cable. "We're very optimistic about it," he contends. "I think spot

cable will ultimately be more successful than national cable. As the country becomes wired and more systems are selling—coupled with research on a ZIP code basis—it's definitely going to grow."

Wiener notes BBDO has geographic information on a number of the products it handles, and Nielsen's CODE (Cable Online Data Exchange) system helps to identify systems by demographics. Another source, though, criticizes CODE: "It spits out data by head-end, and that is not necessarily the way advertising is sold. Subscriber base, networks available and the person to call go out of date too fast."

Says Wiener, "We've always positioned TV as the most impactful medium. It's better than a local newspaper that's free and isn't read anyway. From a national advertiser's standpoint, local cable offers a great opportunity, but the systems have to interconnect. There are 7,000 systems out there, and I can't see a 25,000-subscriber system pitching me in Iowa."

"They've also got to be more realistic about their pricing. I won't pay for 25 per cent of the country what I can get the whole country for [on a cable network]. The people selling local cable should be a lot smarter as media people. They should be able to talk to the media planner and describe the tradeoffs between cable, outdoor, radio and spot TV."

Wiener reports his agency has bought cable spot most heavily in the New York market from CNi and regional sports networks. Major advertisers in this area have been Stroh beer, Pepsi and Dodge with dealer tie-ins. "Very often," he elaborates, "it's a heavy-up over a base of national support. We're not buying on the basis of network erosion. That's a cliché. Certain broadcast networks and programs do very well in cable homes. NBC does. And so does any high-rated

television show.”

At Young & Rubicam, Gary Pranzo, senior vice president and director of local broadcast, says, “We’re very interested in spot cable, but we have difficulty dealing with the individual operators because there are so many in a given market. It’s difficult just to reach the right people.

“The price may be low in terms of dollars, but the media value can be very high. Whenever we can shoehorn cable systems in we’ll do it. We’re dealing with the reps, but there are a lot of systems out there that aren’t represented, and it’s almost an impossibility to deal with the individual systems.

“When there’s a specific kind of audience you’re looking to reach, you can be very selective in cable. You can buy a part of a market—for example, if you’re particularly interested in Nassau and Suffolk County. You can run longer commercials than you can on conventional television.

“We’ve never tried to put a handle on how much we’re spending in that area—but if anyone has a spot buy, we look at it for cable. If they only want 11 rating points a week, we probably won’t use it. If they want 50, there’s a good chance we will.”

Matter of planning

Hadassa Gerber, senior vice president at McCann-Erickson, says use of cable spot is dependent on the specific client and whether the agency’s planning department writes it into the media plan. She notes this function has primarily gone to the agency’s regional offices.

As for the rates being charged, she contends, “They’re charging a premium for what they’re selling. Sometimes for a little bit more you can get the entire marketplace. But someone who hasn’t used broadcast is going to look at out-of-pocket costs, not premiums.”

Peggy Green, senior vice president and director of spot buying operations at Dancer-Fitzgerald-Sample, says, “We look at local cable opportunities all the time.” She notes buying primarily in sports—for example, the local Toyota dealers on Sportschannel in the New York market. She also reports buys with CNI and the Bay Area Interconnect.

“Cable representatives are very aggressive today,” Green reports. “If we have a client in New York who can buy a local avail on the financial report of Cable News Network, we feel it may be worth it.”

Gottlieb at Doyle Dane Bernbach speaks of buying cable on a psychographic basis, which may mean placing commercials on a specific sporting event. Advertisers the agency has placed in cable spot include Weight Watchers, Volkswagen and Universal Pictures. The last of these did a unique promotion for the movie, *The Best Little Whorehouse in Texas* on Manhattan Cable two years ago, she recalls, noting it could be a forerunner for future buys.

As part of a larger buy, two spots in a single day offered the first 500 callers a free premiere of the movie, a T-shirt on showing up and a half-price meal at the Lone Star Cafe. She recalls filling up those 500 seats within a day, making for confidence that the advertiser was on the right medium. The campaign appeared on MTV local availabilities.

What they’re buying

For the most part, though, the agencies have some reservations about what they’re getting for their money on spot cable. Says Pranzo of Y&R, “The best you can do is take the national cable network ratings and bring them down on a local basis—but this is not a very good technique.”

“There are no ratings,” says Gerber of McCann-Erickson, “so how do spot

buyers know what they’re getting? But if the market has a high penetration of cable, as they do in San Francisco, you can’t ignore it either.”

“There’s a tremendous need for Nielsen, Arbitron or another service to come along and meter a market,” holds Gottlieb of Doyle Dane Bernbach.

Sassos at CNI says the answer is more likely a smaller company developing the local cable research business. He points out that Western International Media, out of Los Angeles, has done telephone coincidentials in a few markets and that CNI is looking over its techniques. He estimates this kind of survey would cost about \$15,000 for a market like Atlanta (see *System audience measurement takes a measured path*, CABLEAGE, March 18).

As for measurement by one of the larger services, he notes Arbitron has characterized itself as out of the cable research business, so Nielsen would be the best bet: “If Nielsen puts its stamp on something, it’s automatically believed. It would take some convincing at the agencies with Western International Media.”

Hill of CAB sees the local diary as the best source of data, noting it may be possible to calibrate it to account for its underreporting of cable audiences.

Cable operators have also been heavily criticized by some agencies for their lack of professionalism in handling the necessary paperwork. This came under heavy discussion during a breakout session of the recent Cable Advertising Conference in New York. For one, Yolán Toro, senior vice president and director of local broadcast at Wells, Rich Greene, asserted, “Without adequate proof of performance there is no way we can purchase local cable. We need timely affidavits with the exact time the spot ran, or we can’t buy local cable.

“It’s hard to convince a client to go into cable when they’ve never used it and then not get the paperwork they require.”

Along with low market coverage and lack of research, Sassos sees this administrative deficiency as the third major barrier to cable spot’s growth: “The systems are going to have to act like grownups and get their quality control up to snuff. They have to effectively get the advertiser on the air and have good billing and affidavit procedures.”

CNI handles the paperwork for most of its systems, he notes, but says that some operations, like Bay Area Interconnect, “do the billing on their own and have good, clean procedures.” He also points out that CAB is attacking the problem, having formed an ad hoc committee to put out an instructional booklet on handling paperwork. □

“The systems are going to have to act like grownups and get their quality control up to snuff. They have to effectively get the advertiser on the air and have good billing and affidavit procedures.”



Tom Sassos
Vice president and general manager
Cable Networks Inc.

Big parties, curiosity seekers give way to serious convention-floor talk

Trade shows enter new era of 'quality' vs. lavish 'quantity'

Trade shows will be tamer and more focused on the business of cable television than in past years, say some of the people involved in running the major cable shows. Gone are the days of curiosity seekers in the triple figures showing up to "kick the tires" of the industry's new products. Also becoming nostalgia are the lavish bashes in the Las Vegas desert or on an ocean liner.

As the growth and popularity of the industry slows, so has the attendance of the conventions. But those who call the shots at cable's top shows are not so sure that is a bad thing. Generally the thought is that the concentration should be shifting to quality of the show experience from quantity of the number of people who show up.

Program services, which in past years tried to outdo each other with eye catching exhibits, new program announcements and the biggest party, are cutting back with an eye toward the bottom line. "We have decreased the number of employees we send to the shows," says Sandy McGovern, vice president of affiliate sales and marketing, The Weather Channel. "There is less attendance at the shows and we don't need as many people there as we once did. It just doesn't make financial sense any more. There is very little business actually written at the shows, but there are a lot of contacts made. The payback just isn't there."

Yet McGovern feels compelled to assure that The Weather Channel has some kind of presence at all the top

shows. "No vendor can afford not to participate," she says. "Your absence would be more noticed than your presence." TWC's exhibit itself hasn't changed that much over the past few years, McGovern says, although there has been some consideration of making the booth smaller and less expensive to transport, build and maintain.

"One area we have definitely cut back on is the parties," she says. "We used to throw big splashes for the whole convention. We found the return was limited. Now we concentrate much more on individual contacts at the MSOs."

For the most part, TWC sends only its regional directors, show coordinators and senior management to the national shows as National Cable Television Association, Cable Television Administration and Marketing Society and Western Cable Show, while territorial representatives go to smaller regional shows, McGovern says.

At Home Box Office, there are fewer executives going to the shows, but the top people in the HBO hierarchy are still attending, says Bob Grassi, senior vice president of affiliate operations and administration. "With fewer people attending the shows, we just don't need as many people to cover the event," says Grassi, echoing comments made by The Weather Channel's McGovern.

Different purpose

Grassi explains that HBO has changed its focus at trade shows and in a way is using the convention differently

than the company did several years ago. "In the early days, we were in a distribution mode where the trade show was an important tool for us in signing new affiliates," he says. "But now, we are virtually universally distributed in the cable industry, and the trade show is an opportunity for us to share changes in our service with our affiliates."

The change in focus at HBO hasn't meant, however, a change in HBO's booth. "We have been using pretty much the same booth for the last 2½ years," Grassi says. "It was designed specifically for trade shows. This year we might upgrade it a bit to make it more spectacular, but the amount of money we spend on the exhibit will remain pretty consistent from year to year."

Grassi doesn't see any change in philosophy in respect to HBO's use of the party at trade shows. Consistently the program service throws one of the two or three biggest, most expensive bashes at each show. Grassi, however, contends HBO's parties are not extravagant. "They have been done at a reasonable price," he says.

NCTA plans

The show put on by the NCTA, the industry's annual showcase, is going to be different this year, says those supervising the planning of the show. "The most significant development in the evolution of the NCTA show over the past five years is the shift from the "gee whiz, blue sky technology" atmosphere of the early 1980s to what can help the operators make money," says Ed Dooley, NCTA public relations director. "I think the low point came in 1982, when we had 16,000 attendees, but a lot of them were people who came to find out about the cable television industry rather than learn about new products and buy."

In 1985 the NCTA show will have a more pragmatic tack, with emphasis on how to improve your bottom line and develop strategies for competition in a deregulated environment, Dooley says. For exhibitors, this year's show will cost 50 cents per square foot more, Dooley says.

The show is one of the main sources of income for the trade association, which could collect anywhere from \$500,000 to \$1.5 million this year, says Trygve Myhren, chairman of American Television and Communications and chairman of the NCTA show this year.

Planning for this year's show began three months earlier than for past shows, he says. "We want to present the best information on the key issues, focus harder and not be quite so scattered," he explains. "We recognize the staleness of the past few years. We've got to make the show a better learning place and a

National Cable Television Association convention



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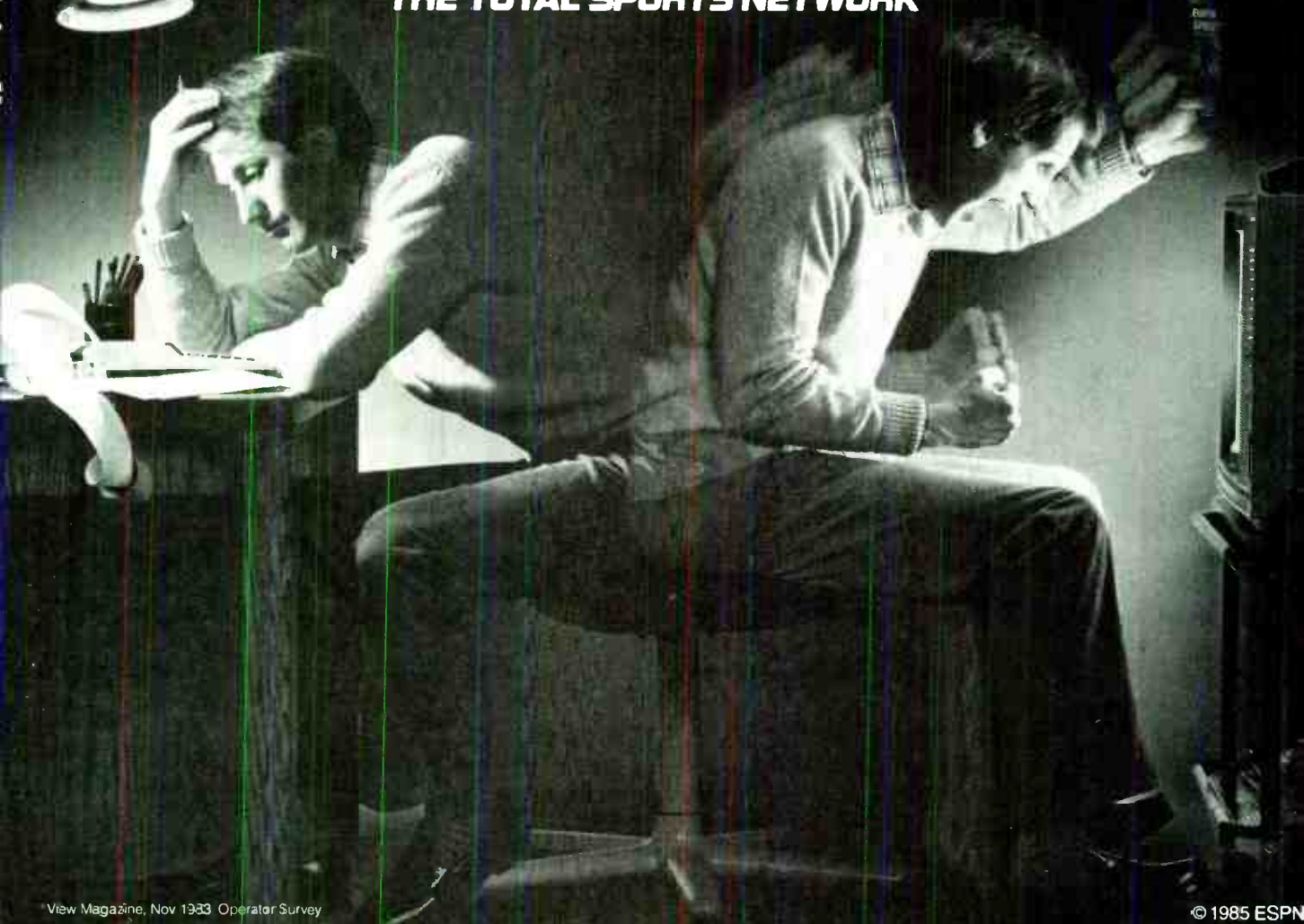
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*View Magazine, Nov 1983 Operator Survey

better marketplace.”

One of the ways the NCTA hopes to make the show a more effective tool for the operator is to concentrate the general sessions on new federal legislation affecting the industry. “We are not talking about interpretation of what the law means but what people have done with it in the areas of rate deregulation to franchise renewal: what has worked and what has caused problems. On the technical side, the emphasis will be on the interface between consumer electronics and cable television, specifically in the areas of VCRs, multichannel stereo sound, high definition and digital television. The sessions will be geared not only for engineers, but also lawyers, general managers, and marketing people. There will be discussion of changes in the programming industry, particularly in the areas of copyright, values added to channel lineups and First Amendment.”

Although Myhren doesn't expect any growth in attendance over last year's national show, some planned changes in floor layout and convention hours will enhance the show's performance, he says. “We are going to have primetime exclusive exhibit hours,” he says. “We are going to serve food on the floor instead of diverting the traffic during meal times to a big dinner hall and a famous speaker. We are trying to shepherd traffic to the exhibit floor.”

Myhren says NCTA is responding to a mood in the industry. “You are talking about people getting down to brass tacks. People want to spend money at the show to make money. Exhibits are a more effective way to get a return on your investment than throwing a big party.”

Burt Staniar, chairman of Group W Cable, and a member of the NCTA's convention committee, explains that NCTA's early planning of the show involved polling operators to find out what they are interested in. “We are going to deal in real operator issues that are at the gut level, and we are concentrating on getting people who are involved in solutions. We are getting away from the theoretical and moving toward talk of hands-on solutions.”

The show is being designed this year to not only interest top, middle and system operation management, but also Wall Street, Madison Avenue and the international community, he says.

Regional consolidation

The sprouting up of the industry throughout the nation has created growth in several regional shows, including the Western Show, the Eastern Show and the Atlantic Show, as well as numerous others. All the shows are planned to cover the burning issues



Atlantic Cable Show exhibit floor

facing the industry and many have the same speakers saying the same thing about the same subjects. Is all this necessary? Can there be consolidation into one to two or even three shows that would save the operators travel money, program suppliers exhibiting funds and those who attend some duplication?

Staniar vehemently defends the existence and the value of the regional shows, pointing out the audiences vary from region to region and that the regional shows allow many people who wouldn't travel to a distant place to view the latest in the industry. Ed Dunbar, vice president of Convention and Show Management, which since 1980 has produced the Eastern Show and puts on trade shows for other industries as well, points out, “The trade show industry as a whole nationwide is moving toward more regional shows. This shortens the travel distance for exhibitors and operators as well as the cost for both, but it also presents the exhibitors a more targeted audience for their exhibits.”

Second national show

One of the biggest “regional” shows is the Western Show. “We call ourselves the second national show,” says Jerry Yanowitz, vice president for administration of the California Cable Television Association, the sponsor of the Western Show.

Yanowitz says the Western Show still attracts top executives of the top MSOs. With a slowdown nationwide in cable construction, exhibits by equipment manufacturers are down, but not substantially, Yanowitz says. “Companies in all parts of the industry are taking a hard look at their expenses,” he says. “They are no longer taking everybody but their grandmother to the shows. The trend away from extravagance in exhibits and entertainment is a healthy one. The deals in the hotel suites are still being made.”

Yanowitz acknowledges there is a duplication problem. “But it only seems to be a problem for the people who go to all the shows,” he says. “Most people go only to one or two shows a year, not four or five.”

Another highly successful regional show is only three years old. The Atlantic Show is a consolidation of efforts of the New York, New Jersey, Maryland-Delaware and Pennsylvania State associations. “I think our attendance is steady and growing because we are on the East Coast,” says Jan Sharkey, meeting manager. “We have enough people so that the exhibitors are not standing around looking at each other.”

The Atlantic show managers have cut down on curiosity seekers at the show by imposing a one day attendance fee of \$125. “Off-the-streeters don't pay that kind of money to pass around their resume,” she says.

Diane Quinton, associate executive director of the New Jersey Cable Television Association, adds that attendance has been helped by the draw of Atlantic City. “We also try to arrange it so there are new products introduced at the show,” she says.

The Eastern Show in Atlanta has not been so fortunate. “The last few years have been flat,” acknowledges Dunbar. “We are not showing the growth we had in the early 1980s, but you can't sustain the growth of 100 per cent we had in those years.”

The show still has value as a sales tool, since, “92 per cent of all visitors to trade shows have not been visited by a sales person individually.” Dunbar points out that it costs a sales person an average of \$200 to visit a contact face to face, while it costs only \$40 to \$50 per contact to exhibit at a regional show.

Ultimately the question of whether regional cable television trade shows will thrive individually or consolidate is a marketplace decision, Yanowitz of CCTA says. “I hear more complaints from exhibitors than from operators. It will continue this way as long as it is a profitable thing.”

HBO's Grassi says the regional shows are a permanent fixture of the cable industry now. “Each one of the regional shows has its own character,” he says. “The regional shows are very important for the smaller regional operator, who might not travel farther away to a consolidated event.” □

Movie Lineup

Pay service buys, June

Title	Distributor	Play Status
HBO		
Bachelor Party	Fox	P*
The Great Caruso	MGM/USA	P
Greystoke: The Legend Of Tarzan, Lord Of The Apes	Warner Brothers	P
Hambone And Hillie	New World	P
Kelly	Paramount	P
Midnight Madness	Buena Vista	P
The Natural	Tri-Star	P
Over The Brooklyn Bridge	Cannon Films	P
Rhinestone	Fox	P
Sixteen Candles	Universal	P
Something Wicked This Way Comes	Buena Vista	P
Ten From Your Show Of Shows	Lee Haber	P
Testament	Paramount	P
Up The Creek	Orion	P
The Amityville Horror	Orion	E**
Amityville II: The Possession	DeLaurentiis	E
Amityville: The Demon	DeLaurentiis	E
Bananas	MGM/UA	E
The Beastmaster	MGM/UA	E
Brainwaves	Atlantic	E
Coma	MGM/UA	E
The Dark Crystal	Henson	E
Easy Money	Orion	E
The Exterminator	Embassy	E
Forced Vengeance	MGM/UA	E
The Glitter Dome	Telepictures	E
Harry Tracy	Quartet	E
Heart Like A Wheel	Fox	E
Jaws III	Universal	E
Krull	Columbia	E
My Tutor	Universal	E
Nine To Five	Fox	E
Octopussy	MGM/UA	E
Romancing The Stone	Fox	E
Savannah Smiles	Embassy	E
The Secret Of Nimh	MGM/UA	E
Silver Dream Race	Almi	E
Splash	Buena Vista	E
Sudden Impact	Warner Brothers	E

The Survivors	Columbia	E
Valley Girl	Atlantic TV	E
Yellowbeard	Orion	E

Cinemax

Bachelor Party	Fox	P
Sixteen Candles	Universal	P
Beat Street	Orion	P
Rhinestone	Fox	P
Under The Volcano	Universal	P
The Playbirds	Private Screenings	E
Cops And Other Lovers	Cinema Signal	E
Screwballs	New Horizons	P
The Amateur	Fox	P
Scarface	Universal	E
Revenge Of The Ninja	Viacom	P
Death Hunt	Fox	E
A Boy And His Dog	Film Gallery	P
Bill Cosby "Himself"	Fox	P
Revenge Of The Pink Panther	MGM/UA	P
Wholly Moses	Columbia	P
D.C. Cab	Universal	E
Royal Wedding	MGM/UA	P
Where The Boys Are	MGM/UA	P
Napoleon	Universal	P
White Witch Doctor	Fox	P
A Song Is Born	Goldwyn	E
Hambone & Hillie	New World	P
All Fall Down	MGM/UA	P
Melanie	Simcom	P
Walk On The Wild Side	Columbia	P
Beyond The Reef	DeLaurentis	P
Moon In The Gutter	Columbia	P
Rumble Fish	Universal	P
Halloween	CMP	E
All The Right Moves	Fox	E
Gorky Park	Orion	E
Lassiter	Warner Brothers	E
Seems Like Old Times	Columbia	E
Eddie Macon's Run	Universal	E
Mr. Mom	Fox	E
The Quest	Columbia	P
Money On The Side	Columbia	P
Arabian Adventure	AFD/EMI	E
Adam's Woman	Warner Brothers	E
The Outsider	Paramount	P
O'Hara's Wife	O'Hara Productions	E
Dog Day Afternoon	Warner Brothers	E
Crackers	Universal	P
Class	Orion	E
Last Plane Out	New World	P
The Lady In Red	Viacom	E

They Call Me Bruce	Film Ventures	E
Strange Invaders	Orion	E
Slow Dancing In The Big City	MGM/UA	E
The Unseen	Viacom	E
The Gift Of Love	Time-Life	E
Deal Of The Century	Warner Brothers	E
Come And Get It	Goldwyn	E
Lenny	MGM/UA	E
Let's Spend The Night Together	Embassy	E
Moonlighting	Universal	E
Angelo, My Love	Film Gallery	E
The Real Glory	Goldwyn	E
The Secret Life Of Walter Mitty	Goldwyn	E
Goin' All The Way	Four Rivers	E
Huckleberry Finn	MGM/UA	E

Showtime

Greystoke: The Legend of Tarzan, Lord Of The Apes	Warner Brothes	P
Bachelor Party	Fox	P
Top Secret	Paramount	P
Rhinestone	Fox	P
Sixteen Candles	Universal	P
Something Wicked This Way Comes	Touchstone	P
Nate And Hayes	Paramount	P
Experience Preferred But Not Essential	Goldcrest	P
9 To 5	Fox	E
Revenge Of The Pink Panther	MGM/UA	E
Porky's II: The Next Day	Fox	E
Class	Albacore	E
Mr. Mom	Fox	E
The Star Chamber	Fox	E
Richard Pryor Here And Now	Colbumia	E
Cheech And Chong Still Smokin'	Paramount	E
The Escape Artist	Zeotrope	E
Warlords Of The 21st Century	Viacom	E
Witches' Brew	Viacom	E
Uncommon Valor	Paramount	E
The Osterman Weekend	Davis-Panzer	E
Laura	Group S	P
The Divine Nymph	Muller Media	P
To All A Good Night	Intercontinental Releasing	P
The Lady In Red	Viacom	E

It All Came True	MGM/UA	P
Nancy Goes To Rio	MGM/UA	P
Tennessee Champ	MGM/UA	P
The Power And The Prize	MGM/UA	P
Girl With Green Eyes	MGM/UA	P
The Black Hand	MGM/UA	E
Gold Is Where You Find It	MGM/UA	E
George Washington Slept Here	MGM/UA	E
The Princess And The Pirate	Goldwyn	P
Dodsworth	Goldwyn	E
Kelly	Paramount	P
Danny	Castle Hill	P
Little Boy Lost	Summit	P
The Secret of Nimh	MGM/UA	E
Gizmo	Film Gallery	E

Grand Baby	Rainbow	E
Footloose	Paramount	C***
Tex	Touchstone	C
The Wicked Lady	Viacom	C
Caged Heat	Viacom	C
Tendres Cousines	Crown	C

The Movie Channel

Greystoke: The Legend of Tarzan, Lord Of The Apes	Warner Brothers	P
Bachelor Party	Fox	P
Friday The 13th—The Final Chapter	Paramount	P
Rhinestone	Fox	P
Sixteen Candles	Universal	P
Under The Volcano	Universal	P
Something Wicked This Way Comes	Touchstone	P
Testament	Paramount	P
Midnight Madness	Touchstone	P
Americana	Crown	P
Silver Bears	Viacom	P
Damien: Omen II	Fox	E
Clash Of The Titans	MGM/UA	E
Sorcerer	Paramount	E
The Omega Man	Warner Brothers	E
Risky Business	Warner Brothers	E
Mr. Mom	Fox	E
The Survivors	Columbia	E
The Lonely Lady	Universal	E
The Dark Crystal	Henson Associates	E
Strange Brew	MGM/UA	E
Savannah Smiles	Embassy	E
Melanie	Simcom	E

Silver Dream Racer	Almi	E
Big Mo	Wescom	E
All Night Long	Universal	E
Zelig	Warner Brothers	E
Bluebeard	Tri-Star	P
Cross Country	New World	P
Curtains	Simcom	P
Real Life	Paramount	E
One Trick Pony	Warner Brothers	E
Let's Spend The Night Together	Embassy	E
The Kentucky Fried Movie	UFD	E
Vertigo	Universal	P
The Man Who Knew Too Much	Universal	P
Rope	Universal	P
Rear Window	Universal	E
I Love You, Alice B. Toklas	Warner Brothers	E
The Beach Girls	Embassy	E
The Party	MGM/UA	E
Slumber Party Massacre	Viacom	E
The Omen	Fox	E
The Little Foxes	Goldwyn	P
Down Argentine Way	Fox	P
Cluny Brown	Fox	P
The Best Years Of Our Lives	Goldwyn	E
The Prince And The Pauper	Tri-Star	P
Thunderhead, Son Of Flicka	Fox	P
Treasure In The Caves	Satori	P
80 Steps To Jonah	Warner Brothers	P
Firestarter	Universal	C
Tex	Touchstone	C
The Trouble With Harry	Universal	C
Spring Fever	Comworld	C
The First Deadly Sin	Warner Brothers	C
White Dawn	Paramount	C
X-Ray	Cannon	C
Alligator	Cinema Signal	C
Dark Places	Castle Hill	C
A Boy And His Dog	Film Gallery	C
Battle Beyond The Stars	Viacom	C
Man On A Tightrope	Fox	C
Lonely Hearts	Goldwyn	C
A Little Romance	Warner Brothers	C
Piranha II	Viacom	C
Jaws III	Universal	C
Q	UFD	C
Liar's Moon	Crown	C

Runaway Island—Bush Grundy C
Ranger

Home Theater Network

Anna To The Infinite Power	Film Gallery	E
Cold River	Simcom	E
A Country Music Tribute To Kitty Wells	Caroge	E
Cross Creek	Universal	E
Easy To Love	MGM/UA	E
Eddie And The Cruisers	Embassy	E
Educating Rita	Columbia	E
Elvis On Tour	MGM/UA	P
Elvis That's The Way It Is	MGM/UA	P
Funny Lady	Columbia	E
Gandhi	Columbia	E
The Gondola	TEN	E
Haircut	Universal	P
Hank Williams: The Show He Never Gave	Simcom	E
Hemingway Play	TEN	P
Hot Stuff	Columbia	E
La Traviata	Universal	E
Liberace & The London Philharmonic	Berle Adams	P
Life Of Riley	Universal	P
A Man, A Car, A Legend	Filmoption	E
Mr. Mom	Fox	E
Never Say Never Again	Warner Brothers	E
Panda's Adventures	Turner	P
Power And The Prize	MGM/UA	P
Rear Window	Universal	E
Rope	Universal	E
Running Brave	Buena Vista	E
Seven Hills Of Rome	MGM/UA	P
Showbiz Ballyhoo	TAD	E
Sixteen Candles	Universal	P
Strange Brew	MGM/UA	E
Strange Invaders	Orion	E
Tex	Buena Vista	P
Thumbelina	Turner	P
Trenchcoat	Buena Vista	P
Trouble With Harry	Universal	P
Twice Told Tales	MGM/UA	E
Two Of A Kind	Fox	E
Vertigo	Universal	E
Yellowbeard	Orion	E
Zelig	Orion	E

* Premiere ** Encore *** Carryover

Wall Street Analysis



Multimedia insider buy

The founding families of Multimedia Inc. are offering to buy a larger share of the company. The members of the Peace, Jolley, Sisk and Furman families and senior management of the company already own 40 per cent of the outstanding stock of the firm. Under the proposal, the group is offering stockholders \$41.25 cash and \$36.54 principal amount of a new issue of the company's 16 per cent subordinated discount debentures. All public shareholders would have the right to elect to retain an equity interest in Multimedia after the transaction on the same proportionate basis as the founding families. Electing shareholders would be entitled to receive, on the same terms of the founding families, for each share as to which an election is made, one half of a new share of Multimedia common stock in lieu of about \$5.25 of the cash consideration. If a shareholder makes such an election, the shareholders will retain about 78 per cent of his original equity percentage ownership.

The offer is for 3.2 million shares of common stock, and shareholders would be free to sell any or all of their shares. After the transaction, Multimedia would have about 11 million outstanding shares and will remain a public company continuing to be traded in the over the counter market. The members of the investor group said they will not be tendering any of their own shares in the exchange offer.

The debentures to be issued in the merger will not accrue interest until July 1, 1990 and thereafter will bear interest semi-annually at 16 per cent year.

ABC Video reduces losses

ABC reports slightly reduced losses during 1984 for its video enterprises division. The video division reported

revenues of \$54.4 million in 1984, compared to \$13.4 million in 1983. The increase in revenues in 1984 was due to the inclusion of ESPN in the division's revenues in the second half of 1984. ABC bought ESPN for \$213 million, and Getcom, a wholly owned subsidiary of ESPN, for \$14 million. ABC subsequently sold a 20 per cent interest for \$60 million to Nabisco Brands.

The video enterprises division's losses declined slightly in 1984 to \$44.6 million from the \$47.3 million recorded in the previous year, reflecting the absence of losses from Satellite News Channels, RSVP and TeleFirst.

Texscan rating lowered

Moody's Investors Service lowered its rating on the 8.5 per cent convertible subordinated debentures due 2003 of Texscan Corp. from B1 to B3 to "reflect the deterioration in balance sheet quality, operating losses and the likelihood that market conditions for its products will remain weak for some time," the service says.

"Texscan is suffering from industrywide overcapacity and a slowdown in orders for cable television addressable and non-addressable converters, its principal product line," according to Moody's. "Also, excessive inventories, which have resulted in increased short term borrowings, coupled with intense price competition and high fixed costs, are pressuring operating margins. We do not expect any near term improvement in the company's profitability, and credit quality could further erode."

Chyron reported off-target

Chyron Corp. reports that, based on the incoming order and shipping rates of its video products line during the third quarter ending March 31, the company will not meet its net income targets for the fiscal year ending June 30. Revenues from video products, although double the previous year's revenues, will be about 35 per cent less than the \$16 million target. Net income from Chyron's Telesystems and video products lines, originally targeted at \$6.5 million, or 71 cents per share, is now estimated at \$5.3 million, or 57 cents per share, which is flat with the prior year. "No significant net income is anticipated from the consolidation of CMX or DSC in the current fiscal year," said Alfred O. P. Leubert, chairman and chief executive officer. "While 1985 net income will show no growth over 1984, it will represent a 21 per cent return on shareholders equity as of June 30, 1984 and will compare with an average return of 23 per cent over the past five years.

"Product delays, cost overruns and the delayed entry of the video products line in the export market added up to lower revenues and higher than expected costs."

On the positive side, Leubert gives some perspective on the company's financial history. "Within the last two years, Chyron Corp. has made substantial progress in transforming the company from a single product line company, with revenues of \$17 million, into a company with four major product lines, each with revenue po-

tentials within a few years of between \$10 and \$20 million annually; each with a profit potential of 20 per cent to 25 per cent on markets through worldwide distribution networks including more than 150 dealers, distributors, and direct sales and marketing executive staff." The Chyron Group is currently spending in excess of \$4 million annually in product research and development and targeting \$50 million in revenues and net income of 85 cents per share for its fiscal June 30, 1986 year.

Chyron designs and manufactures digital electronics graphics equipment and systems worldwide for the broadcast, cable, video production and non-broadcast markets. Chyron also holds a 39.5 per cent equity interest in CMS Corp., a manufacturer of computer assisted video editing systems, and a 51 per cent interest in Digital Services Corporation, which develops, manufactures and markets digital effects equipment for the broadcast and cable industries.

CMS, formerly known as Orrox Corp., lost \$2.2 million in 1984.

Countryside Cable loan

Countryside Cable Inc. has secured a \$12 million revolving credit and term loan from Maryland National Bank. One of Countryside's subsidiaries, Community Cablevision has acquired Prime Cable, Portland, Texas 3,000-subscriber system. Cable Investments Inc., arranged for the placement of the senior secured notes, which provided the capital for the transaction.

Countryside Cable Inc. is a holding company based in Naperville, Ill. and has systems in Texas, Michigan and Indiana with 13,700 total subscribers. With the Portland acquisition, Countryside Cable consists of 505 total miles of plant, 12 headends, and 27 municipal franchises. Eleven of the franchises have been completely built.

A portion of the proceeds from the Maryland National Bank loan was used to purchase the Portland system. The remainder will be used to buy more cable systems.

United public offering

United Cable Television Corp. has filed a registration statement for the public offering of \$100 million principal amount of subordinated debentures due in the year 2000. Drexel Burnham Lambert will be the sole underwriter for the offering. The proceeds from the sale of the debentures will be used to pay outstanding indebtedness and to fund a possible offer to purchase up to two million shares of the company's common stock at \$40 per share that is under consideration by the company.

Meanwhile, the company reports record levels of revenues and cash flow for the three and nine months ending Feb. 28. Revenues for the quarter rose 18 per cent to \$42.6 million. For the nine months ending Feb. 28, revenues increased 21 per cent to \$124.7 million. Operating income for the quarter grew to \$16.7 million, an increase of 25 per cent over the \$13.3 million for the

third quarter of the prior fiscal year. For the nine months just ended, operating income increased 23 per cent to \$49 million. Net earnings for the quarter ending Feb. 28 increased 54 per cent to \$3.4 million, or 25 cents per share, compared to \$2.2 million or 17 cents per share for third quarter of last fiscal year. Net earnings for the current year nine-month period was reduced by the previously announced \$1.3 million writeoff of costs related to the unsuccessful attempt to acquire CommuniCom, a company which operates cable television systems in Los Angeles. This one time charge reduced net earnings for the nine months by \$1.1 million, or nine cents per share.

Cash flow for the nine months just ended grew to \$33 million, an increase of 20 per cent from the \$27.4 million for the nine months ending Feb. 29, 1984. Capital expenditures decreased 18 per cent to \$28.4 million for the nine months ending Feb. 28.

MGM/UA revenue increase

MGM/UA Home Entertainment Group reports revenues for the quarter ending Feb. 28 to be \$61.4 million, an increase of 26 per cent from the second quarter of fiscal 1984. Earnings for the quarter rose to \$11.8 million from \$11 million in the second quarter of 1984, a 6 per cent increase. Earnings per share for the three months ending Feb. 28 were 40 cents, compared to 38 cents for the three months ending Feb. 28, 1984.

Seymour Leslie, chairman and chief executive officer states. "These results, as in the first quarter of fiscal 1985, reflect a significant increase in revenues and profits of the Home Video Division, as compared both to fiscal 1984 and this year's earlier expectations. They also represent a reduction in pay television and non-theatrical revenues and profits due to a decrease in product availability during this quarter compared to fiscal 1984, although the results for this quarter represent an improvement over the first quarter of fiscal 1985."

Pay television results for the quarter, though still lower than fiscal 1984, improved substantially from the first quarter of fiscal 1985 as product availability improved, Leslie says. The second quarter results reflect the licensing to pay television of recent MGM/UA releases including *Yentl*, *Reckless*, and *Hot Dog*, supplemented by a number of titles from the MGM/UA library.

Microwave Filter progresses

Sales increased 13.5 per cent to \$1.1 million during the first quarter at Microwave Filter Co. Sales were \$1 million during the same period last year. Net income increased 17.5 per cent to \$81,033, or four cents per share, up from last year's \$68,953, or three cents per share.

"The increased net income can be directly attributed to increased sales volume," explains Richard Jones, vice president and treasurer. "Costs of goods sold and selling, and general and administrative expenses as a percentage of sales have remained relatively constant."

Corporate Profile

Cable systems lead activity among Viacom's operations

The recent sales and earnings figures of Viacom International Inc. indicate the growing importance of its cable television system operations, which lead other activities—including broadcast, program distribution and its part interests in Showtime/The Movie Channel and Lifetime—in both sales and earnings.

Overall, a recent vote of confidence came from the investment community when Viacom put out a 2 million share common stock offering with a provision to issue an additional 300,000 shares and all these shares were sold in little more than a day at 39⁵/₈. The company states the offering was made to reduce exposure to floating interest rates and strengthen the capital structure.

A recent price of the stock was 43¹/₈, and at that time the 52-week range of the stock was 43⁷/₈–25¹/₂. The indicated dividend rate is 42 cents per share, resulting in a yield of about 1 percent. The primary earnings for 1984 were \$2.27 per share, and on a fully diluted basis they were \$2.22 per share. On this basis the price/earnings ratio is 19 times and the earnings/price rate of return is 5.3 per cent.

At the close of 1984 the equity was \$244.7 million and there were 13.6 million shares outstanding, resulting in a book value of \$17.97. On this basis the indicated div-

idend rate has a yield of 2.3 per cent and the price/earnings ratio is 7.9 times, or an earnings/price return of 12.6 per cent. The revenues and earnings for 1984 were a record, and this was the 14th consecutive year of record performance.

Corporate opportunities

According to Terrence A. Elkes, president and chief executive officer, "1984 has been a year in which our strategic plans have begun to show significant results, and we have positioned our businesses to take advantage of opportunities in the communications and entertainment marketplace.

"Showtime/The Movie Channel, in which the company owns a 50 per cent equity interest, currently has 8.5 million subscribers and is a leader in the pay television industry. Our Cable Television Division, with nearly 800,000 subscribers, has achieved another year of record revenues and operating profits. Record operating results for 1984 were also attained by our Broadcast Group. The Viacom Enterprises Division has acquired worldwide distribution rights to NBC's *The Cosby Show*, the highest rated new series in television, and approximately 75 new episodes of Jackie Gleason's *The Honeymooners*, which have never before been exhibited in syndication. Viacom Productions has recently established long-term relationships with several independent television producers."

The occasion for the recent offering of stock is indicated by an examination of the balance sheet at the close of 1984. Total assets were \$769.8 million, and the leading

Viacom International Inc.

Years ending Dec. 31, (000\$)

	Revenues	Net Earnings	total Assets	Long-term Debt	Equity
1989	\$567,795	\$49,956	\$1,397,789	\$747,962	\$362,624
1988	523,816	46,295	1,283,191	668,226	338,621
1987	479,836	42,633	1,168,593	588,490	314,619
1986	435,857	38,972	1,053,995	508,754	290,616
1985	391,878	35,311	939,396	429,018	266,613
1984	320,366	30,597	769,791	315,025	244,691
1983	315,577	28,129	717,476	297,686	218,019
1982	281,418	25,963	669,098	209,169	191,826
1981	216,483	20,023	448,793	82,461	168,359
1980	165,854	16,920	372,850	44,708	150,130
Correlation coefficient with years	0.9633	0.9841	0.9629	0.9736	0.9974
Average annual gain compounded:					
1985–1989	9.7%	9.1%	10.4%	14.9%	8.0%
1980–1984	17.9	16.0	19.9	62.9	13.0

Note: Data for the 1985–1989 years are projected by applying the linear estimation method to the 1980–1984 historical data.

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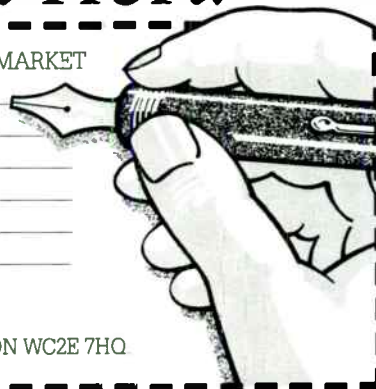
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category among them were net property and equipment at \$297.7 million, or 38.7 per cent; next was investments and advances in affiliates at \$135.2 million, or 17.6 per cent, and after that was distribution fees and program rights at \$132.4 million, or 17.2 per cent. Total current assets were \$120.2 million, or 15.6 per cent, and intangibles were \$78.1 million, or 10.1 per cent.

On the liability and equity side the leading item is long-term debt at \$315 million, or 40.9 per cent, followed by equity at \$244.7 million, or 31.8 per cent. When this is reduced by the amount of the intangibles on the asset side the proportion of equity to debt can be regarded as being slender. Total current liabilities were \$128.8 million, or 16.7 per cent of the total, slightly over total current assets.

“1984 has been a year in which our strategic plans have begun to show significant results, and we have positioned our businesses to take advantage of opportunities . . .”



Terrence A. Elkes
*President
Viacom International*

Revenues for the company were \$320.4 million in 1984, and the dominant contributor to them was cable TV, with \$183.7 million, or 57.3 per cent; next was broadcasting and other activities at \$83.6 million, or 26.1 per cent, followed by program distribution at \$53.1 million, or 16.6 per cent. The cable TV share of revenue in 1983 was 48 per cent, and in 1982 it was 40.1 per cent. The broadcasting share of revenue was 38 per cent in 1983 and 43.4 per cent in 1982. The program distribution share was 15.1 per cent in 1983 and 18.2 per cent in 1982.

Earnings from operations were \$72.5 million in 1984, and the leading contributor to them was cable TV with \$27.6 million, or 38.1 per cent, and this compares with \$22.2 million, or 49.4 per cent in 1983 and \$19.3 million, or 44.2 per cent for 1982. Next was broadcasting and other services with \$23.9 million, or 33 per cent in 1984 as compared to \$18.4 million, or 41.1 per cent in 1983 and \$16.8 million, or 38.4 per cent in 1982. Program distribution contributed \$23.1 million, or 31.9 per cent, in 1984 versus \$17.4 million, or 38.9 per cent in 1983 and

\$19.1 million, or 43.7 per cent in 1982. During 1984 equity in pre-tax earnings of affiliated companies added \$8.9 million, or 12.4 per cent, compared with \$1.5 million, or 3.3 per cent, in 1983. Corporate expense made a negative contribution of \$11.1 million, or minus 15.3 per cent, as compared to expenses of \$14.6 million, or minus 32.7 per cent, in 1983 and expenses of \$11.5 million, or minus 26.3 per cent in 1982.

Earnings from operations

Earnings from operations as a proportion of revenue for the company as a whole were 22.6 per cent in 1984, 14.2 per cent in 1983 and 15.6 per cent in 1982. For the cable TV segment the comparable figure was 15 per cent in 1984, 14.6 per cent in 1983 and 17.1 per cent in 1982. For the broadcasting segment the equivalent data is 28.6 per cent for 1984, 15.4 per cent for 1983 and 13.8 per cent for 1982. For the program distribution segment the data is 43.5 per cent for 1984, 36.6 per cent for 1983 and 37.4 per cent for 1982.

Assets of the company were \$709.6 million for purposes of reporting on a business segment basis, which is net of distribution fees and program rights committed, making for the difference from the total assets of \$769.8 million reported in the balance sheet.

At the close of 1984 cable TV had assets of \$293.3 million, or 41.3 per cent of total assets of \$709.6 million. This compared to assets of \$269.7 million, or 41 per cent, at the close of 1983 and assets of \$220.3 million, or 36.8 per cent of the total, in the segment account for 1982.

The broadcasting segment had assets of \$114.4 million, or 16.1 per cent for 1984, as compared to \$111.9 million, or 17 per cent for 1983 and \$128.1 million, or 21.4 per cent, for 1982. The program distribution segment had assets of \$158.3 million, or 22.3 per cent, at the close of 1984 versus \$145.4 million, or 22.1 per cent, for 1983 and \$129.8 million, or 21.7 per cent, for 1982.

The corporate segment had assets of \$143.5 million in 1984, or 20.2 per cent, versus \$131.2 million, or 19.9 per cent, in 1983 and \$120.9 million, or 20.2 per cent, versus \$131.2 million, or 19.9 per cent, in 1983 and \$120.9 million, or 20.2 per cent, in 1982.

When the interest expenses are allocated among the segments according to their use of assets and the net income is allocated among the segments according to their contribution to earnings from operations and the two are added for each segment and the total is divided by the assets used by the corresponding segment at the end of the period, it is possible to obtain an estimate of the return on assets for each segment as well as for the company as a whole.

On this basis the estimated return on assets for the whole company was 8.9 per cent in 1984, 7.4 per cent in 1983 and 5.9 per cent in 1982. For the cable TV segment the figures are 8.6 per cent for 1984, 7.5 per cent in 1983 and 6.8 per cent in 1982. For the broadcasting segment: 13.5 per cent for 1984, 13.4 per cent for 1983 and 9.4 per cent in 1982. For the program distribution segment: 10.8 per cent for 1984, 10.6 per cent for 1983 and 10.3 per cent in 1982. For the corporate segment the figures are 1.4 per cent for 1984, minus 3.9 per cent for 1983 and minus 4 per cent for 1982.—**Basil Shanahan**

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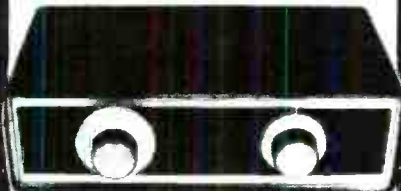
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Appointments

Charles C. Townsend III, president and chief operating officer, Colony Communications Inc., P.O. Box 969, 169 Weybosset Street, Providence, RI 02901. *From: Vice president of marketing, United Cable Television.*

Fred R. Nichols, president, TCA Management Co., TCA Cable TV Inc., 3027 S.E. Loop 323, P.O. Box 6840, Tyler, TX 75711. *From: Executive vice president.*

David G. Huey, executive vice president, Buckeye Cablevision Inc., 1122 North Byrne Road, Toledo, OH 43607. *From: Administrative vice president, Nicholson Industries.*

Rich Bieber, senior vice president, HBO Premiere Films and programming operations, West Coast, Home Box Office Inc., 2049 Century Park East, Suite 4100, Los Angeles, CA 90067. *From: Vice president, business affairs and Premiere Films acquisitions.*

Iris Dugow, senior vice president, HBO Premiere Films production, Home Box Office Inc., 2049 Century Park East, Suite 4100, Los Angeles, CA 90067. *From: Senior vice president, original programming, West Coast.*

Eugene Kelly, vice president, programming operations, HBO Premiere Films, West Coast, Home Box Office Inc., 2049 Century Park East, Suite 4100, Los Angeles, CA 90067. *From: Vice president and assistant controller.*

William Kerstetter, vice president, business affairs, HBO Premiere Films, West Coast, Home Box Office Inc., 2049 Century Park East, Suite 4100, Los Angeles, CA 90067. *From: Vice president, business affairs, HBO Pictures.*

Phil Harmon, senior vice president of programming and production, Madison Square Garden Network, Four Pennsylvania Plaza, New York, NY 10001. *From: Vice president in charge of production.*

Ruth Warren, regional vice president, operations, Jones Intercable Inc., 26-75 Cumberland Parkway, Suite 225, Atlanta, GA 30339. *From: Western divisional manager.*

Peter L. Jones, vice president and general manager, Gulfstream Cablevision of Pasco County Inc., P.O. Box 325, Port Richey, FL 33568. *From: Executive vice president and general manager, Rhode Island CATV.*

Jack Jacobson, vice president, sports and production, SelecTV, 4755 Alla Road, Marina Del Rey, CA 90291. *From: President, SportsVision.*

Joe Uva, vice president and sales manager, Cable News Network, Turner Broadcasting System, 1050 Techwood Drive, NW, Atlanta, GA 30318. *From: Sales manager.*

Art Cohen, vice president and sales manager, Cable News Network, Turner Broadcasting System, 1050 Techwood Drive, NW, Atlanta, GA 30318. *From: Sales manager.*

Bob Levi, vice president, Atlanta market sales, SuperStation WTBS, Turner Broadcasting System, 1050 Techwood Drive, NW, Atlanta, GA 30318. *From: General sales manager.*

Salvatore M. DeBunda, chairman, Cable and Communications Law Group, Fox, Rothschild, O'Brien & Frankel, 2000 Market Street, Philadelphia, PA 19103. *From: Vice president, cable television development for Greater Media Inc.*

Christopher P. Deering, senior vice president of marketing and sales, RCA/Columbia Pictures International Video, 711 Fifth Avenue, New York, NY 10022. *From: Vice president, international operations, Spinnaker Software.*

Thomas Klos, vice president and division manager, Mobile Communications Division, Compucon Inc., P.O. Box 809006, Dallas, TX 75380-9006. *From: Director, cellular services group, Mobile Communications Division, Compucon Inc.*

David M. Zumwalt, vice president and manager of resource management services, Mobile Communications Division, Compucon Inc., P.O. Box 809006, Dallas, TX 75380-9006. *From: Manager, development of applications software, Compucon Inc.*

Richard L. Jones, vice president and treasurer, Microwave Filter Co., Inc., 6743 Kinne Street, East Syracuse, NY 13057. *From: Comptroller and assistant to the president.*



Charles Townsend



David Huey



Rick Bieber



Iris Dugow



Tom Klos

Appointments *(continued)*

Rick North, national sales manager, SuperStation WTBS, Turner Broadcasting System, 1050 Techwood Drive, NW, Atlanta, GA 30318. *From: Account executive.*

Jay A. Doub, regional director of Florida, The Essex Group, 4571 Gulf Breeze Parkway, Gulf Breeze, FL 32561. *From: District manager, Group W Cable.*

Barry J. O'Donnell, public relations director, New York, Turner Broadcasting System, 5 Penn Plaza, New York, NY 10001. *From: Manager, corporate communications, ESPN Inc.*

Judy Neustadter, director of marketing/advertising sales, MTV: Music Television, VH-1, Nickelodeon, MTV Networks Inc., 75 Rockefeller Plaza, New York, NY 10019. *From: Manager, client services.*

David Del Beccaro, controller, Jerrold Subscriber Systems Division, General Instrument Corp., 2200 Byberry Road, Hatboro, PA 19040. *From: Manager of financial analysis, Broadband Communications Group, General Instrument Corp.*

Tom Cantrell, manager, affiliate sales, Texas Cable Network, 1301 Capital of Texas Highway South, Suite A-233, Austin, TX 78746. *From: Regional manager.*

Lavonne Bebler Johnson, marketing and customer sales coordinator, New York Times Cable TV, 1250 Haddonfield Berlin Road, Cherry Hill, NJ 08003. *From: Marketing coordinator (retains position in addition to new responsibilities).*

Jack Gallivan, executive producer of SportsCenter, ESPN Inc., ESPN Plaza, Bristol, CT 06010. *From: Producer, ABC Sports.*

Dodie P. Tschirch, director of governmental affairs and communications, Colony Communications, Inc., P.O. Box 969, 169 Weybosset Street, Providence, RI 02901. *From: Director of governmental relations.*

Anne Rodgers, director of station sales/media programming, Tribune Entertainment Co., 435 North Michigan Avenue, Chicago, IL 60611. *From: Account executive, Television Program Enterprises, TeleRep.*

Helene Hollander, director, advertising sales, MTV Networks Inc., 601 Montgomery Street, San Francisco, CA 94111. *From: Vice president, sales manager, Katz Independent Television.*

Sherwood S. Hawley, national sales manager, Broadband Engineering Inc., 1311 Commerce Lane, Jupiter, FL 33458-5636. *From: Design engineer.*

Mark J. Gosciminski, sales supervisor, Colony Interconnects Inc., 700 Kempton Street, New Bedford, MA 02742. *From: Account executive, Colony's Whaling City Cable.*

Tony Dempsey, account executive, Rogers Cablesystems, 7441 Chapman Avenue, Garden Grove, CA 92641. *From: Direct sales representative.*

Karen M. Krapf, advertising/magazine coordinator, Colony Communications Inc., P.O. Box 969, 169 Weybosset Street, Providence, RI 02901. *From: Advertising coordinator.*

John A. Kruse, division engineer, United Cable Television Corp., Central Division, 525 Tollgate Road, Suite D, Mona Loa Office Park, Elgin, IL 60120. *From: General manager, Carpentersville system.*

Mary Ann Tiernan, account manager, MTV: Music Television and VH-1, MTV Networks Inc., 303 East Wacker Drive, Suite 428 Chicago, IL 60601. *From: Midwest sales manager.*

Bernard J. Breheny, broadcast sales manager, Colony Interconnects Inc., 602 West Glen Avenue, Peoria, IL 61614. *From: Account executive, Greater Boston Cable Corp.*

Jeremy Janes, marketing communications supervisor, Continental Cablevision of St. Paul, 84 South Wabasha Street, Saint Paul, MN 55107. *From: Communications supervisor, Continental Cablevision of California.*

Constance W. Balthrop, executive assistant to president, Group W Cable Inc., 888 Seventh Avenue, New York, NY 10106. *From: Station manager of WBZ-AM*

Karen Davidson, associate buying director-network cable, Dancer Fitzgerald Sample Inc., 405 Lexington Avenue, New York, NY 10017. *From: Eastern sales manager for program syndication services (retains position).*



Dave Zumwalt



Barry O'Donnell



David Del Beccaro



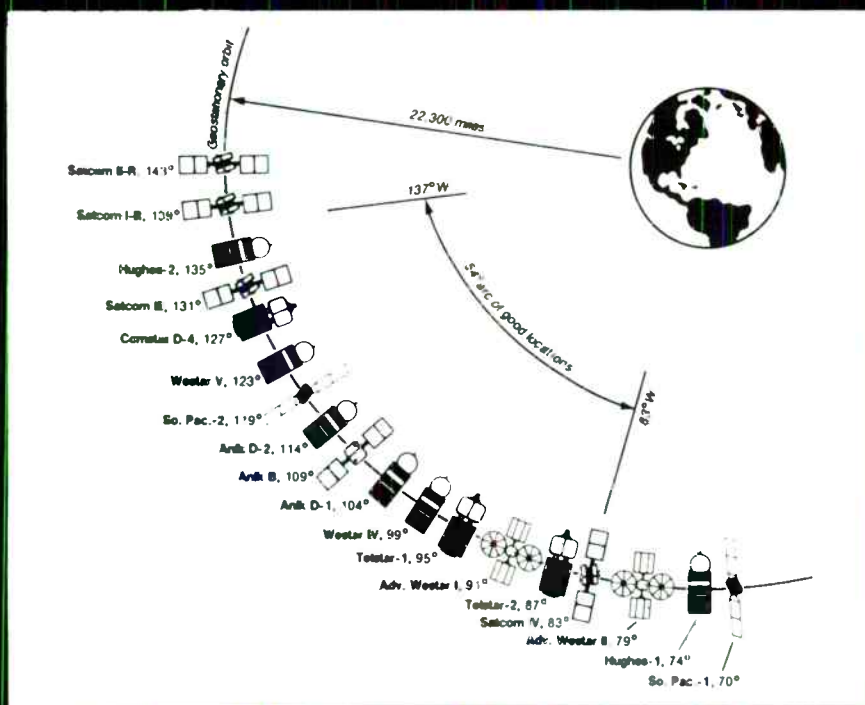
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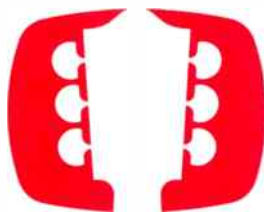


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Wall Street Report

RCA's earnings gains in first quarter helped by broadcast performance

RCA Corp. continued its 1984 gains into the first quarter of 1985. Net income for the three months ended March 31, 1985, rose 29 per cent to \$65 million, or 58¢ per share, from \$50.3 million, or 40¢ a share.

Sales increased to a record high of \$2.4 billion from \$2.36 billion a year earlier.

Robert R. Frederick, president and chief executive officer, reports NBC's first quarter earnings were the highest in its history, nearly triple its earnings for the like period of 1984, and with all NBC divisions contributing to year-to-year profit improvement. The television network, he notes, remains in first place in primetime in the 18-49 demographic.

In 1984, NBC-TV was the first and only network to adopt a Ku-band satellite distribution system to transmit nearly all of its TV programs. The new system essentially eliminates the network's dependence on landlines and provides a better-quality picture, according to the company. At year's end, 119 affiliated stations were equipped with ground facilities to receive Ku-band satellite distribution, and another 53 stations were to be added early this year.

Equipment repositioning

RCA reports its Broadcast Systems operation continued to "reposition itself," with major emphasis on TV cameras, transmitters and antennas. Its new charge-coupled-device (CCD) electronic newsgathering camera, developed with the assistance of the New Products Division, RCA Laboratories and NBC, made its commercial debut in NBC-TV's coverage of the political conventions and the World Series.

RCA Americom's Satcom IV became the nation's

RCA sales and income by business segment

Years ended December 31 (millions \$)	1984		1983*		1982*	
	Sales	Pretax Income	Sales	Pretax Income	Sales	Pretax Income
Electronics						
Consumer products and services	\$ 2,187.7	\$ 20.8 ⁽¹⁾	\$ 1,802.4	\$ 86.9	\$ 1,530.6	\$ 73.1
Commercial products and services	1,312.2	73.8	1,139.5	(18.9)	1,189.0	26.7
Government systems and services	1,442.3	104.5	1,299.1	95.6	1,047.7	79.8
Total electronics	4,942.2	199.1	4,241.0	163.6	3,767.3	179.6
Entertainment						
Broadcasting	2,370.9	218.1	2,094.3	156.2	1,786.5	107.9
Records and video	621.8	31.5	599.3	30.0	586.7	4.5
Total entertainment	2,992.7	249.6	2,693.6	186.2	2,373.2	112.4
Communications	417.2	107.0	377.0	95.2	319.1	146.8
Transportation services	1,440.4	50.0	1,372.0	68.2 ⁽²⁾	1,333.8	67.9 ⁽²⁾
Other products	319.1	14.1	293.7	14.0	222.6	(6.6)
Business segment total	10,111.6	619.8	8,977.3	527.2	8,016.0	500.1
Consolidated total	\$10,111.6	\$377.8	\$8,977.3	\$258.1	\$8,016.0	\$252.4

(1) Includes the special VideoDisc provision of \$175 million. (2) Investment tax credits were included in pretax income prior to 1984.

NBC reports records in '84

For the full 1984 year, NBC reported record sales and earnings.

Sales increased 13 per cent to \$2.37 billion from 1983's \$2.09 billion. Pretax earnings gained 40 per cent to \$218.1 million, with all of NBC's operating units reporting higher profits. The television network advanced to a second-place finish in the November sweeps and held that position through the end of the year. The Television Stations Division reported record sales and earnings for the fifth consecutive year.

leading carrier of regional sports networks in 1984. Another satellite service, Digital Audio Transmission, is now being used by the major radio networks to distribute high-quality stereo signals to affiliates.

Significant in the company's overall financial position was the sale in 1984 of C.I.T. Financial Corp. to Manufacturers Hanover for \$1.51 billion, providing "a massive infusion of capital and [eliminating] the need for equally massive investments that would have been required to make C.I.T. competitive with other major financial services companies."

Seasonal (from page 50)

The smallest seasonal rating spread for adults during the four weekday dayparts was during afternoon drivetime, when listening levels are lower than during the morning. Only 0.6 of a point separates the average rating for women in the spring (20.0) and in the summer (19.4). Only 1 point separates the top and bottom ratings for men, which were 21.3 in the winter and 20.3 in the summer. The respective spreads percentage-wise for men in afternoon

drivetime were only 3.1 and 4.9.

The relatively low listening levels in the evening mean that fairly small seasonal spreads show up as noticeable percentages. For example, peak seasonal listening for men during the evening hours was during the summer last year, according to the RAB study, when the average quarter-hour rating came to 11.9. In the fall it dropped to 10.3, a difference of only 1.6 points. But the percentage spread came to 15.5. Likewise, among women, the listening peak

was during the summer—an 11.3 average—dropping to 9.8 in both the fall and winter. The spread of 1.5 points converts to 15.3 per cent.

The cume spreads for men and women were also higher during the evening. Among females, the peak came to 62.1 during the summer, with the low reach showing up in the winter with a 56.6. The 5.5 point spread amounts to 9.7 per cent. Among males, the 3.8 point spread amounted to 6.5 per cent. □

Radio audiences by seasons by daypart

	Average 1/4 hour ratings				Cumulative ratings			
	Winter '84	Spring '84	Summer '84	Fall '84	Winter '84	Spring '84	Summer '84	Fall '84
Monday–Friday, 6–10 a.m.								
Persons 12+	25.4	25.4	23.5	25.1	84.4	84.4	81.7	84.7
Men 18+	26.4	26.0	24.5	25.9	85.1	85.0	83.4	85.2
Women 18+	27.0	27.4	25.5	26.7	84.9	84.6	83.4	85.2
Teens	15.0	14.9	11.5	14.9	79.7	80.6	67.8	80.6
Monday–Friday, 10 a.m.–3 p.m.								
Persons 12+	21.6	22.0	22.8	21.0	68.5	69.7	72.8	68.2
Men 18+	23.2	22.7	22.7	22.4	67.8	67.4	67.7	67.2
Women 18+	23.7	24.4	24.1	23.3	73.9	74.9	75.6	74.2
Teens	6.5	8.8	18.2	5.6	48.5	56.8	80.8	46.1
Monday–Friday, 3–7 p.m.								
Persons 12+	20.4	20.4	19.5	19.9	79.5	79.9	79.4	79.4
Men 18+	21.3	21.0	20.3	20.8	80.9	80.5	80.3	79.8
Women 18+	19.6	20.0	19.4	19.5	77.0	78.0	78.0	78.2
Teens	20.1	19.4	17.0	18.9	85.0	85.3	81.6	83.3
Monday–Friday, 7 p.m.–midnight								
Persons 12+	10.9	11.7	12.0	10.7	60.7	62.5	64.1	60.3
Men 18+	10.6	11.7	11.9	10.3	59.6	62.1	62.2	58.4
Women 18+	9.8	10.4	11.3	9.8	56.6	58.5	62.1	57.2
Teens	16.6	16.6	15.1	16.2	82.3	80.9	79.7	81.2
Monday–Sunday, 6 a.m.–midnight								
Persons 12+	18.4	18.7	18.2	17.9	96.2	96.2	95.6	96.3
Men 18+	18.8	18.9	18.3	18.2	96.2	96.2	95.5	96.0
Women 18+	18.8	19.3	18.8	18.5	95.9	95.8	95.5	96.2
Teens	14.8	15.2	15.4	14.1	97.6	97.8	96.7	97.7
Weekend, 6 a.m.–midnight								
Persons 12+	16.0	16.3	15.5	15.4	84.1	83.5	81.9	83.7
Men 18+	15.6	15.8	15.0	14.8	83.0	81.9	80.2	81.9
Women 18+	16.3	16.8	16.2	15.8	83.8	83.6	82.5	84.2
Teens	16.4	16.4	15.2	15.7	89.4	89.2	85.8	88.5

Source: Average of total radio ratings for 12 markets measured four times per year by Arbitron.

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▲ On demand screening rooms are available to delegates free of charge from 9:00 a.m. until midnight daily. Watch a program at your convenience, or bring your own material with you to show to other delegates.

▲ On Saturday, June 8, we'll screen all the winners at Banff '85, followed by a round table discussion with the jury, festival delegates, and the international media in attendance.

THE PROGRAM:

The Banff seminars, workshops, and case studies regularly attract some of the best minds in our industry. This year's line-up promises to be the strongest ever.

Seminars:

▲ A Producer's Guide to New Media: Global Opportunities for Quality Programs

▲ Public Television Around the World: Facing the Conservative Wave

▲ Sesame Street — At Home In Any Language

▲ Wendy Wacko Goes to Market: Can She Make It Internationally?

▲ Acting Up — The Profession of Living Dangerously

Additional workshops: Programs for Youth; Sound; Animation; Training for Television

Canadian Television Workshop: a selection of new, innovative Canadian programming and an opportunity to meet the key creative people involved.

International Showcase: selected highlights from the Banff '85 competition, followed by group discussions featuring leading international television critics.

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SPECIAL EVENTS:

"The Rockies" Awards: the decisions of the 1985 International Jury; the Award of Excellence; and the Awards Ball, Friday, June 7

Marshall McLuhan Address

Tribute to Granada Television: Thursday, June 6 sponsored by Global Television Network

Pioneer Day: Sunday, June 2: kick-off celebration in the town of Banff

Casino Night: Monday, June 3: sponsored by the City of Edmonton

Alberta Barbecue: foot-stompin' fun sponsored by Alberta Culture, with k.d. lang and the reclines (Shoshona Media) Wednesday, June 5

Prime Time, Take 2: Saturday, June 8: Fashion Show sponsored by The Snowflake

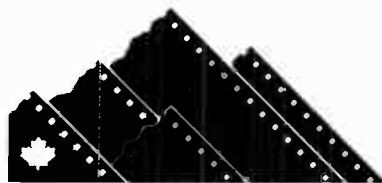
Wrap Party: Saturday, June 8: Entertainment, Mr. Edward Duke

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Low rated (from page 49)

To do this, he says his sales force "used a combination of tools. At the agencies, the INTV presentation was useful, and at both agencies and with local retail advertisers, we were able to use the research created by Frank Tuoti, who originated the idea with his 'Blue Ribbon Spots' when he was with Kaiser and with WPIX in New York. Now he does research for us and for our sister station, KZAZ-TV Tucson."

Steffens credits Tuoti with showing his salespeople how to use Arbitron AID and Nielsen-Plus runs to show the station's actual delivery with combinations of lower-rated spots, "and how they add up to solid reach and frequency in a perfectly valid way. It took some doing, and some time to complete this educational process, but it's been largely accepted now. There are," he adds, "still a few holdouts, who still prefer to limit themselves to our higher-rated availabilities, even though they're now familiar with the cume performances we show them."

New UHF's

Tuoti himself, who is currently research manager at KZAZ-TV, calls acceptance "still a problem for all these new UHF stations that are coming on the air today with 2s and 3s for ratings. And it's a never-ending job of re-education because even though hundreds of buyers have been shown the absolute validity of cume spot packages ever since we started them for the Kaiser stations back in 1970, there's constant turnover among buyers. New buyers keep coming into the business and have to be shown all over again."

Tuoti adds that no buyer "is going to go out on a limb the first time he's exposed to this and say 'Yes' when you walk in and tell him you're offering him a 20-rated spot made up of 10 different two-rated spots.

"He's just going to come back at you with the old argument that all your 20 cume spot does is 'inherit all the statistical error of each of your 10 two-rated spots' that go to make it up.

"So Step 1 at any agency that's never seen it before is to start at the top. First you have to start with the head of media research and get him to okay it for the head media director. Then the media director has to okay it for the buyers."

Tuoti also warns about "the problems on your own end." If some of the station's own salesmen don't quite believe in it or don't understand it, "they're going to be defensive about it in front of the buyer, and they aren't going to get very far. Your own people have to believe it, get behind it, and push it for all they're worth. How it's sold is just as

important as the idea itself. And then, once your station has succeeded in selling a cume package, no spot that's part of that package can be preempted, for any reason, no matter what. That just destroys the package's delivery and the people who bought it will never let you in their door again."

And if nothing else works, there's always creativity. Lloyd Low, general sales manager at KCPQ-TV Seattle-Tacoma dreamed up the *Dick and Jane Reader* (see box below) that he delivered before a session on "Combatting Prime Bias" at the INTV convention in January in Los Angeles.

Meanwhile, even those major agency media and media research heads who accept the idea of cume packages in general add a number of reservations. Marschalk's Collins, for instance, observes that, "In the real world, when and if a market goes soft, buyers will still gravitate to the higher rated spots and avoid the lower rated ones. It's where

a market is tight that we'll look at cume spots, if and when the rep salespeople become well versed enough to explain them to our buyers."

'Pure to its daypart'

Also, she adds, Marschalk buyers would consider a cume package "only if each spot in the bunch is pure to its daypart." That is, she explains, "If it's a primetime package, we want every spot in that package to run in primetime. Otherwise, if some of them are pushed up into late night, we feel that attention levels are likely to drop off and the individual pieces of the whole will lose some of their value."

Collins also notes that in any computer system like Donovan's SpotPak, the Arbitron tape is going to show actual delivery of the package. This, she explains, may add up to a 20, even though the buyer would buy that package as a 15. "So we have to footnote the cume

Lloyd Low's 'Dick and Jane Reader'

See Dick and Jane and three friends watching a movie on KCPQ-13! Therefore, this movie has a rating of 5. See the 5? It's gross, but it's still a 5!

"The next night, Dick and four different friends watch another movie on KCPQ-13. Now, nine different people have seen a KCPQ-13 movie. Dick has seen two. Now KCPQ-13's movies have a rating of 10. It's gross but still 10.

"On the third night, Dick, Jane and three other friends watch the movie on KCPQ-13. Now, 12 different people have seen a KCPQ-13 movie. Dick has seen three, Jane has seen two.

KCPQ-TV's 13's movies have now been seen 15 times, grossly speaking.

"On the fourth night, Dick and Jane went bowling, but five different friends watched KCPQ's movie. If you've been reading carefully, now you know that KCPQ's movies have had 20 gross viewers so far this week.

"On the fifth night, Dick and Jane went rollerskating, but five of their friends who hadn't seen a movie this week watched KCPQ's *Prime Movie*. This brought the gross total of viewers to KCPQ's movies to 25.

"Dick told his dad, who runs an ad agency, about how he and Jane had caused KCPQ's movies to have 25 viewers. 'What's the net?'

asked Dick's dad (he came from the media side). 'Net? What's that?' asked Dick. Patiently, Dick's dad explained: 'Net is the number of people who saw at least one movie and were counted only once.'

"Dick drew a chart for his dad. 'Now let me get this straight, Dad. If a total 25 viewers watched KCPQ's movies, and three of those counted were me and two of those counted were Jane, that means the movies had 22 unduplicated viewers!'

"'Right,' said his dad. 'KCPQ's movies had a reach of 88 per cent that week.'

"'Wow!' said Dick. 'Great!' said Jane.

"Dick was really getting into the cume business. He borrowed one of his dad's rating books and soon discovered that KCPQ's five movies had a better cume rating than a whole list of primetime shows on network stations. Dick asked: 'Dad, wouldn't it be better for your clients at the agency to buy five movies on KCPQ instead of one spot on a network station?' His dad replied: 'Sure, Dick, but my clients might not understand.'

"'Show them my chart, Dad,' said Dick. 'It makes sense even to a little kid like me.' And so he did. And now Dick's dad has the most successful advertising agency in town." □

go

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go

packages on the post evaluation so that they don't show up as over-delivery."

The same point is made by J. Walter Thompson's Kostyra. Says he: "There are three caveats we watch closely in the practical application of cuming a group of lower rated spots. One is mechanical. Suppose the buy is four units in a movie that may total 15 GRPs. INTV's proposal is that those four be combined as a package priced as a net of 12. So far, that's fine. The client gets his 12 and some extra frequency."

However, he adds, "Because we're computerized, there's a problem as to how to enter this in our system so that the four units are processed as one, and then make sure it shows up on the post analysis as a 12 instead of a 15. This means it's an extra effort on the agency's part to insure that the required adjustments are made to the package as entered, to make the bottom line come out as intended on the post analysis."

Sweep hyping

Kostyra says that a second point Thompson watches for is the result of hyping during sweep periods. He points out that in most markets there are only 16 sweep weeks a year, and that in any of the other 36 non-sweep weeks, "That 15 total of your four spots may not really be as much as 15, and your net of 12 may not really be as much as 12."

Kostyra's third caveat is that, "Buyers should always keep in mind the commercial formatting of movies that promote a limited number of commercial interruptions. Fewer interruptions too often mean *longer* interruptions when they do come—sometimes as long as six minutes. The advertiser often suffers because you can't expect people to sit through that many commercials in a row and not leave the room, or, for those so equipped, not to zap."

Back at SSC&B, Roslow warns buyers that "including lower rated spots in the buying mix is fine, so long as the buyer spreads the risk among several different programs. The trouble with putting all your eggs in the same basket is that in the case of a five-a-week strip, for instance, you don't get a lot of audience turnover. Most of the same people tend to watch every episode everyday. That way, if the statistical error is on the downside, you multiply the error. On the other hand, if you spread your lower rated spots across a number of different programs, you're cutting your risk because the statistical errors on the high side will have more chance of washing out the errors on the low side. And at the same time, you're increasing your reach."

Roslow adds that spreading enough buys like this over time "should even-

tually produce enough satisfactory post analyses to prove to the buyers that they can trust those of us in media research who agree with INTV's general premise, and forget about worrying about using lower rated spots."

Ogilvy & Mather's Swallen believes that INTV's emphasis on the statistical reliability, "though valid, may have been a smokescreen to gloss over what I think may be some advertisers' greater concern over another aspect of it—their suspicion that small audiences translate into low viewer interest, and therefore, into low commercial effectiveness. However, past research, by Television Audience Assessment as well as by INTV, throws this assumption into question."

Swallen explains that the assumption assumes a three-way link between au-

Katz's Cathy Egan asks how advertisers can "discriminate against relatively low ratings in some dayparts on television, when some of them settle for such small ratings on cable."

dience size, program involvement and commercial effectiveness. "TAA has found evidence of the link between program involvement and commercial effectiveness, and I agree with that part of it. But another TAA study turned up evidence that there's no correlation between the size of a program's rating and its appeal and impact on those viewers who do watch it. And INTV's study indicated that the commercial effectiveness of a spot is the same, whether it's on an independent station or on a network affiliate."

In other words, he adds, "A rating measures the breadth of a program's popularity. It does *not* measure the depth of viewer interest in the program among those viewers who do watch it. But the reason clients give buyers guidelines against buying low rated spots is that they're not sure that the

three-way link between audiences size, program involvement and commercial effectiveness does not exist, no matter what the research has shown."

Back at Katz, Egan asks how advertisers can "discriminate against relatively low ratings in some dayparts on real, over-the-air television, when some of them settle for such small ratings on cable—especially when what we're doing with our Flexpak come packages is offering advertisers more options to expand the available supply of commercial inventory."

"Egan also reports that to combat such discrimination," INTV has set up a rep advisory panel, with the reps dividing up the agencies so that each rep is assigned two or three agencies to, first, find out whether or not they sanction use of the come concept, and, if not, to explain its advantages to their clients, "both horizontally and vertically." This, she says, means that she calls on the agencies' media research and media directors and planners, while the rep's sales staffers visit the buyers. In all of this, says Egan, "We find INTV's minimum rating point presentation very helpful."

Looking both back and ahead, SSC&B's Roslow sees use of lower rated spots as "approaching the end of an evolution that started when independents were only in Chicago, New York and Los Angeles, and everywhere else there were only the three networks, and the industry used household ratings. The household figures always gave us big numbers for each of the three stations in most markets. Then, when we switched from household numbers to demographic splits, a 15 household rating could get knocked down to something like an 11 for women 18 to 49 in primetime. And outside primetime, there were dayparts where you didn't get so much as a 3 for some demographics, and agencies with minimum cutoffs found themselves shutting themselves out of some dayparts and programs they might have wanted their clients in for good reasons besides just audience size." Roslow explains that a buyer might want to put a product in such a show "because it might fit in well with what the program was about, or because the station's inventory situation was such at the time that the pricing was low, and why pass up a good bargain? Or there may have been some worthwhile merchandising extras offered by the station."

And back in Cincinnati, WXIX-TV's Rudnick offers one more reason why he thinks the come package idea is likely to spread. "If the networks keep putting on turkeys like *Berrenger's*, I wouldn't be surprised to see the affiliates forced to start offering come packages in self-defense." □

RADIO MARKET REPORTS

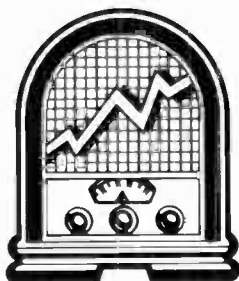
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•TOP MANAGEMENT BRIEFING•

Retailers (from page 47)

named sales."

When asked how they learn about stores, he says, nearly 50 per cent attributed "residual awareness." Other major factors were location, word-of-mouth and "some form of advertising." Only 16.5 per cent mentioned advertising, Ritter says, "but that's the only reason named that the retailer can control." In a multiple response to a question about what *kind* of advertising, 70 per cent said newspaper and 40 per cent television. As for ad recall, Ritter says, "People remember sales." But, he points out that if only 7 per cent of shoppers are motivated by sales and 25 per cent are motivated by quality, "then the overall message that seems to be getting through is the need to be on television on a regular basis with image advertising.

"There seems to be a tendency," he continues, "to say, 'Let's advertise our sale.' That may get people into the store one time, but not on a regular basis. A TV campaign should make people aware of the store on an ongoing basis."

While the only product tracked in all five ABC markets so far is apparel, Ritter says the company is looking at other categories such as fast foods, financial services and home electronics.

Multiple items

A retailer that believes in item selling on TV is C. R. Anthony, Oklahoma City-based merchant with more than 300 stores in 21 states. Describing his units as "similar to the type of neighborhood stores J.C. Penney used to have," Bill Overstreet, broadcast manager, says that where Anthony ads previously "stuck to one item per 30, we now have two or three items per 30." The store has also added a spokeswoman—Karen Carney, as well-known TV celebrity in Oklahoma, who was formerly co-host on *PM Magazine* in Oklahoma City.

And, although the thrust of Anthony's campaigns is to sell merchandise, Jeff Nauser, senior vice president of its agency, Oklahoma City-based Ackerman & McQueen, points out that other attributes of the retail operation also find their way into the commercials. Anthony's, he says, has always emphasized such things as personal service and its many locations (more than 30 in Oklahoma City alone), and it's able to incorporate these elements into TV by mentioning that they are "part of the bargain," which is the store's advertising slogan.

Store executives generally feel broadcasters have improved in their knowledge of the retail business and willingness to provide service. But they do see a need for more general market

information and data about competitors.

"Newspapers," says Joske's Hinkelman, "provide more generic information on our competition and on the marketplace than broadcasters." And, she adds, "there's been a diminishing of good promotional ideas that would tie a station into the store, particularly in radio."

The Broadway's Lowry says, "What concerns me most is that with newspaper and direct mail, you always know what the competition is doing." Broadcasters, she says, "need to pull out more competitive information." For instance, "the following year, we need to know what happened in the market the previous year." Some broadcasters, she says, provide this competitive data once in awhile "as an exception," but she says, "it should be an ongoing report."

One effort, on the radio side, to provide more information—other than age and sex—about listeners is a new service from Management Horizons, the Columbus, Ohio-based research firm.

Its Media Marketing System attempts to match potential advertisers in a market with a radio station's listeners. Among the program's major elements:

- A situation analysis, which identifies the station's potential ad clients.
- A consumer market survey, which describes the station's audience in detail, ranging from the traditional age and sex to such other characteristics as shopping patterns, marital and family status and leisure activities.
- A marketing plan, which theoretically develops that information into a "high-yield sales campaign."

Management Horizons has proposals out to about 20 stations, according to Sally Havilland, senior consulting manager, but, so far, the only outlet using the system is KVIL AM-FM Dallas-Fort Worth.

David Spence, vice president and general manager of the Blair stations, says he is "very pleased" with the service so far. "It positions the radio station with the retail community," he says. "It tells the retailers that the medium does care about their business and is willing to spend money to generate the type of information they need. The feedback has been excellent."

Another plus, according to Spence, is the education of his sales staff about retail advertising. Now, he says, "they're more knowledgeable about what the retailer really wants." KVIL, Spence says, made an initial presentation, based on MH data, to the retail community in November and is now in the process of meeting with individual retailers to present specific data.

At the NRMA Sales Promotion and Marketing Conference, store advertising

executives will be barraged from all media fronts. And while the Newspaper Advertising Bureau leads off with the first session on Thursday morning (May 2), the broadcast media will have more than a passing presence.

Not only will the Radio Advertising Bureau host a luncheon to present the annual NRMA/RAB awards for the outstanding retail radio commercials of the past year, but RAB will follow that up with a panel presenting some of the winners, talking about how they use the medium.

The Television Bureau of Advertising will have its formal presentation on Friday, entitled, "Television: A Powerful Marketing Tool For Your Future." And that night, TvB will follow up with a banquet honoring the NRMA/TvB winners in TV commercials competition.

In addition, TvB, which traditionally has a meeting of its Retail Development Board on the day preceding the conference, will, this year, hold a co-op and vendor support sales clinic for station personnel. At presstime, about 70 stations were slated to be represented. (See *Sidelights*, page 22, for more on TvB, RAB awards and TvB clinic).

Other media represented on the program include: cable with a presentation called "The Liberated Viewer: Now in Control of Television;" outdoor advertising via a session called, "Signing: The 4th Medium;" and direct mail in a workshop on "How to Develop a Direct Mail Business."

And the CBS Owned & Operated Stations are on the agenda as host of one of the official cocktail parties.

Retail perception

Regardless of their individual needs and marketing thrust with regard to broadcast advertising, retailers interviewed do generally feel the attitude among television and radio stations toward has improved perceptibly over the years, as evidenced by the response to TvB's clinic.

This attitudinal change is duly noted by C. R. Anthony's Overstreet, who says: "The three major affiliates in our market (Oklahoma City) now all have some type of specialist or consultant to help us with co-op. And," he adds, "in the old days the sales reps were all older men. Today, they're younger, aggressive men and women. And they realize that the retail business is viable."

Prange's Straus adds a final word of advice for broadcasters eager to develop more retail sales. "They should probably be calling on the chief executive officer as opposed to the advertising people," he says, because the CEO, in his opinion, is going to be the ultimate decision-maker with regard to media selection. □

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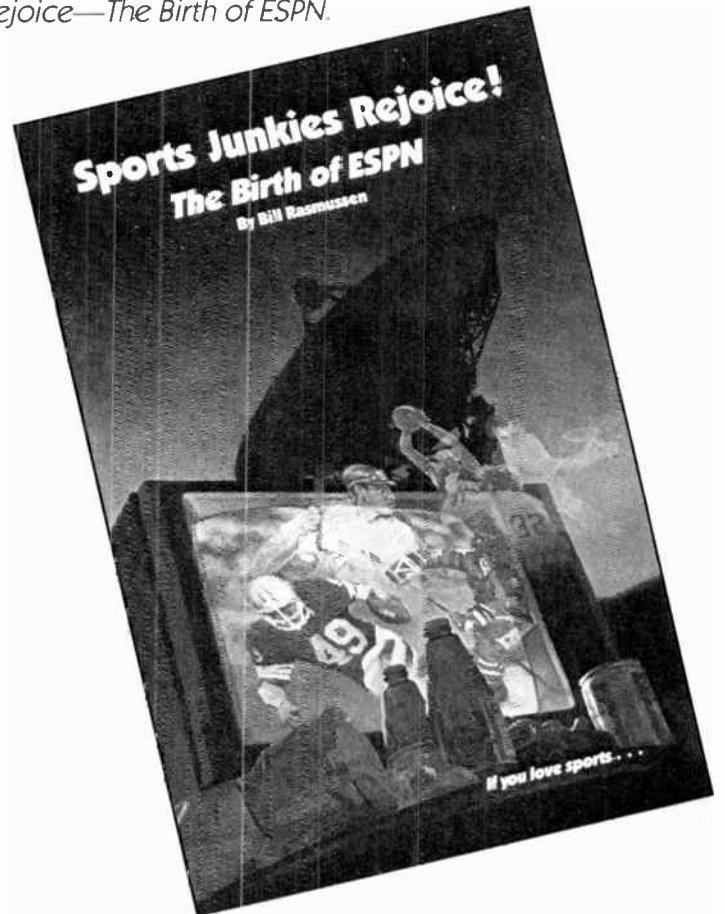
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TV 1

Home dish (from page 45)

the following provisions:

- Immediate access by earth station users to scrambled signals.
- Reasonable rates for subscription to scrambled signals.
- Prohibition of bundling of rates or services by programmers.
- Barring exclusive distribution of descrambler software by cable television operators in cable franchised areas.
- Prevention of any company from becoming a monopoly source of receivers with built in descrambling devices.

Brown was asked to meet with the Department of Justice and other appropriate governmental officials on these issues.

Brown was charged with establishing a committee to negotiate fair and appropriate methods of serving earth station consumers with the names of ser-

consumer awareness out there.

"There are a few pre-conceived ideas the consumer had that are gradually being dispelled," Hewitt points out. "One is that the earth stations are illegal. The public (now) knows that is not true. Secondly, that these systems are prohibitively expensive. They can get one for as little as \$2,500. Though some people insist the price will remain stable, there are a few indications that the price may continue downward, at a decidedly slower rate.

"There have also been some technological advances made in antenna design that permit reception of as many as 100 channels. Though there are those who insist continued growth is predicated on the maintenance of a strong economy, the TVRO industry thrived during the most recent recession."

He adds that January and March of this year were "tremendously strong

Real and projected earth station sales

Year	Systems sold	Total systems sold	Growth %
1980	4,000	4,000	—
1981	20,000	24,000	500%
1982	60,000	84,000	250
1983	225,000	309,000	268
1984	411,000	720,000	133
1985	500,000	1,220,000	69
1986	725,000	1,945,000	59
1987	825,000	2,770,000	42
1988	700,000	3,447,000	25
1989	400,000	3,870,000	12
1990	300,000	4,170,000	08

Source: "Home Satellite Newsletter"

vices likely to scramble.

Chuck Hewitt, executive director of SPACE, believes that the earth stations' growth is just beginning and pay cable organizations like HBO, and traditional networks like CBS, NBC, and ABC will have to adapt to its existence.

"I don't think anyone, including us, really knows exactly how much this industry has grown over the past year," Hewitt begins. "But those who accuse us of inflating the numbers by 15 per cent, may be right. There may well be 15 per cent fewer owners of earth stations than we estimate, but we have seen estimates that are higher than our own.

"By the end of '84, we figure that there was a low of 850,000 earth stations but our figures show about 1.1 million in the ground.

"We believe growth will continue during 1985. The rate of growth may not be as high, but right now there is more

months for TVRO sales."

Hewitt insists that the potential TVRO market ranges from 25-35 million, and that with this kind of effort, both the pay networks and the traditional webs will have to deal with the growth. "Nielsen says that there will be 95 million TV households by 1990. Being optimistic, cable may be able to access 75 million; that leaves at least a 20 million shortfall, and a good percentage of our customers are cable customers as well.

"Even today," Hewitt says, "there are seven to 10 million houses that are signal starved. We don't think that networks should be permitted to scramble their signal, while these consumers get no television, or maybe one network affiliate. They deserve equal and fair access to programming for a reasonable price."

Hewitt looks into his crystal ball and sees a veritable potpourri of pro-

the marketplace

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Graphic artist to create storyboards and prepare art for electronic computer animation. Must be proficient in TV adv. and network quality graphics. Ability to create and prepare mech for print ads helpful. Non-smoker. Excel future for creative person with exp. in TV/computer animation. Send resume to Dolphin Productions, Inc., 140 E. 80 St., NYC 10021.

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WCVB-TV
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"There's going to be a greater amount of programming available at a lower price than ever before, and it isn't that far down the road. There's going to be narrowcasting on subjects that you can't afford to do on network television or on cable."

Some earth station seers envision a world where most American homes will receive at least 50 per cent of their programming by satellite. Other observers believe the dishes will be used more for academic purposes—courses offered and accredited by universities.

Hewitt believes the satellites, now anywhere from three to four degrees apart, will be joined during the next decade by additional birds, that will attenuate the spacing from three to 2.5 degrees. "There will be improved technology," he believes, "that will permit, perhaps an eight-foot antenna to interpret the signals from the satellites at this spacing."

Broadcaster interest

Chapparal's Taylor Howard believes "both broadcast and cable are going to become very interested in our market, once they see how lucrative it can become.

"Every home is going to have at least one of the three systems—access to satellite, cable over the air, or conventional television. Many of these homes will have two or even three communication modes. There's going to be a market of 20 million homes that network

and cable television haven't really been reaching," Howard continues. "When these broadcast executives realize what has been going on they are going to want a piece of that action.

"The broadcast people still don't understand this technology," Howard insists. "There is an immense consumer base untouched by advertising, 10 to 20 million rural homes."

Cox Cable Communications in Atlanta evinces an interest in serving uncabled markets outside of franchised areas, according to a company spokesman. Cox is currently lining up equipment vendors for a specified test period. Declining to say just what tests it plans to employ, Cox merely concedes the attractiveness of seeking an alternative source of revenue.

As far as the business for Chapparal is concerned, Howard reports activity is brisk.

"We manufacture a feed horn that collects the energy at the center of the antenna, and distinguishes between the horizontal and vertical signals. We recently have come up with a low noise receiver." Howard says interest on this item has also been high.

"There's also been a marked improvement in our distribution network," Howard continues. "There has been a weeding out process. The ones that are members of SPACE are service oriented, avail themselves of the many education programs offered by the Society and are proven professionals. Before long," he adds acerbically, "the fly by nighters will have flown."

Bill Stark is marketing coordinator for Uniden Corp., a manufacturer of a

full line of TVRO accessories including a 10-foot mesh antenna.

The company has six types of receivers: "The UST 5,000, the UST 6000, the UST 7000, the 'good' 'better' 'best' of our current line, as well as the UST 1,000 UST 3,000 and the UST 2,000." The prices are moderately tiered to reflect component additives.

When it comes to the growth of the industry, Stark is a little more conservative than Howard. "I think the number of homes that will afford the system will be about 6 million. There are those who simply don't watch that much television, because they don't like it; and others who are satisfied with the one-station affiliate television that they are receiving; and others that either can't afford it nor want to make the substantial investment required to purchase an earth station."

Though Uniden has been in the earth station business for scarcely more than a year, Stark says the company "is making excellent progress. We had an exceptional fourth quarter. We've been able to establish our distribution pattern, and maintain a good quality product."

Stark does believe the earth station industry is in a growth oriented mode, but he believes that the members of the industry are going to have to work for it.

Retail sales base

"We're going to have to expand our retail sales base. We're going to have to become more sophisticated in our sales approach. That's what we're doing here at Uniden. We're going to have to have distributors and dealers with sales ability, savvy and a sense that the business is there if they want to work for it.

"Virtually every home now has two television sets. Research tells us that most people watch at least seven hours a day of television.

"These TVRO systems can be sold by forward thinking dealers who can follow through with quality installation. One of the problems that is appearing within the dealer network is a shortage of solid personnel to do those installations."

Stark believes that aggressive advertising, combined with more knowledge of the technology will also help move the TVRO industry along. Of the 24-25 million audience suggested earlier by Howard and Hewitt, Stark believes a little more than a third, 7.7 million are realistic estimates for TVRO homes, and that in five years, by 1990, six million homes might *actually* be equipped with earth stations.

As far as price-per-satellite receiver is concerned, Stark believes it might drop

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In the Picture

Arthur A. Simon



Marketing man since 1937 and part-time educator for the last 18 years is now senior vice president-director of marketing and research at Dawson, Johns & Black, Chicago. Here he reflects on some of the changes in the business and discusses use of focus groups and the trend to more price promotions at retail.

Veteran marketing man brings a long view to his new agency

In spite of all the changes in marketing research in the past 40 years, many of the basic principles remain much the same as they always have, in the opinion of Arthur A. Simon, recently named senior vice president-director of marketing and research at Dawson, Johns & Black, Inc., Chicago. But among the major changes, he adds, have been the increase in the numbers of companies in the market research business today and the volume of information and speed with which computers now let the human beings sort it out. "It's a far cry," he says, "from the days when Marion Harper's wife, Virginia, did it by standing over a bank of card-sorting machines."

When Simon entered the business in 1937, he recalls, the depression was still dragging along, so there were few if any jobs to be had doing what he had trained for, which was to be a financial analyst. Someone suggested he try MRCA—Market Research Co. of America, but the owner was out of town, so he tried the telephone book. "I found the names of just 12 companies in the yellow pages under 'market research'," he recalls.

"This year I went to the Advertising Research Foundation convention, and I thought I must be caught up in a cattle drive. There must have been 3,000 or 4,000 people in that crowd."

At Dawson, Johns & Black, where he had been acting as a consultant before going on staff full time, Simon explains that research "is only part of" what he'll be doing: "I stick my nose in wherever I can be of help. I'm essentially a marketing man familiar enough with research to know when it can be helpful and when it's not needed. I'm here to look into situations, sort out the intelligence from the marketplace and make marketing recommendations." These recommendations, he adds, will be in such areas as the best ways to split available funds between one medium and another, and between media advertising and sales promotion.

Trend to price-off deals

Simon expresses a big dose of misgivings over the trend to "more and more price promotion (at retail), and less media advertising," and calls it "scary." As he sees it, the ideal mix would be to emphasize image-building advertising and limit price promotion to stimulation of initial brand trial, "because too much reliance on price-off tears down brand loyalty and does nothing for your brand image. But today, if your product is in a category in which six competitors are running cents-off deals, you don't have a lot of choice to do much beyond going along with it and doing the same. But it puts a real premium on creativity to try to build back some of the brand loyalty lost in the blur of multiple competing price-off deals."

Simon finds focus groups useful in triggering hypotheses, "and for listening to the ways that consumers think and talk about products." But he warns that what comes out of any one group should "never be accepted as gospel," and "should not be substituted for real research." "Real" research to Simon is something that produces results that are duplicated "each time you ask a different group the same questions about the same product, and results that can be quantified. But with a focus group, you can end up with four different sets of results if you run the same questions by four different groups."

Of his early career at MRCA, Simon recalls that the company developed the first commercial national probability sample. It was designed by Ed Deming, who had previously been with the U.S. Census Bureau. And in the early '40s, says Simon, "Sam Barton developed a diary panel of consumers who kept track of both the products they bought, what radio shows they listened to and what magazines they read. It wasn't too far from what Simmons and MRI do today—and what BehaviorScan, Nielsen's ERIM and Burke and Arbitron, are now starting to do." Simon's first agency job was being the first research director for Blackett-Sample-Hummert. That agency was the forerunner of Dancer Fitzgerald Sample, and the Hummerts were the husband and wife team that invented the radio soap opera.

Part time professor

Simon has taught marketing for 18 of the 20 years since the Chicago Council of the 4As got together with Northwestern University and hammered out a four-course advertising curriculum covering media, research, creative and marketing, which is Simon's course. The other three are also taught by agency professionals, one from Leo Burnett, one from J. Walter Thompson, and the other from Simon's new agency, DJ&B. For Simon, the teaching involves one evening a week for 16 weeks at the Institute for Advanced Advertising Studies, Lake Forest School of Management and Northwestern's Medill School of Journalism.

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Though estimates may vary among various segments of the earth station industry, all of these segments are intent about working to solidify the infrastructure. The channel through which all these modifications to the infrastructure are being made is SPACE.

The Society has four tiers of membership, with the manufacturers, as in most organizations, assuming the bulk of the fiscal load. The SPACE 'Pioneers,' "primarily involved as a manufacturer distributor, or as a dealer in the satellite earth station industry, pay a \$500 monthly tab.

An affiliate pioneer, suppliers, publishers, and vendors, who participate fully in the Society but do not fulfill the criteria for primary membership, are assessed \$300 per month.

Distributors of each satellite equipment are charged \$500 a year, and the affiliate company category, which allows

reaffirming the legal right to manufacture, distribute and sell satellite earth stations, as well as the legal right of home owners to view unscrambled satellite delivered programming on their earth stations. (SPACE as well as many industry practitioners, believe the telling of this story will improve not only the image but the sale of TVRO receivers.)

■ Zoning regulations in all states are being monitored by SPACE, its legal counsel, and a new task force in order to provide immediate and up-to-date information and advice to dealers facing zoning problems. The organization is also preparing a new publication on zoning issues to offer information and assistance to zoning boards in preparing ordinances on earth stations.

The fate of two pieces of legislation now pending in the Congress, namely (HR 1769) calling for a two-year moratorium on scrambling; and (HR 1840) requiring programmers who encrypt their

Among SPACE's programs is a dealer certification course, enabling the dealers to gain expertise in all areas of earth station installation and operation.

participation in the association by manufacturers, publishers, suppliers and general supporter who are not inclined to belong at the Pioneer level, are also charged \$500 per year. The dealer members of the Society pay \$95 per year, and the consumers, described as "owners of backyard earth stations" who wish to support the aims of SPACE, can participate for \$35 each year.

Among SPACE's current programs:

■ Education program and dealer certification courses, enabling the dealer to gain expertise in all areas of earth station installation and operation. The program is designed to increase the number of qualified dealers.

■ Standards program comprised of a committee of industry experts developing performance testing and measurement standards for earth station components which will help dealers in identifying performance levels of equipment of various manufacturers.

■ Statistics program aimed very candidly to collect and publish reliable data on the earth station industry, eliminating the 15 to 20 per cent "swing" in estimates of earth stations sold, and of earth station homes.

■ Legislative and legal counsel to members, explaining the ramifications of the Cable Telecommunications Act

signal to sell their services under reasonable terms and conditions, are crucial to the future of the industry, according to SPACE's legal counsel Richard Brown, and to many industry observers.

Meanwhile, the earth satellite industry remains an unsettled and constantly shifting terrain. Rural electronic co-ops in territories where electricity is provided to so-called "signal starved" households, have undertaken a study by the National Rural Utilities Cooperative Financial Corporation, as a preparation to entering the field.

Cox is currently lining up equipment vendors for a specified test period. Declining to say just what tests it plans to employ, Cox Cable merely concedes the attractiveness of seeking an alternative source of revenue from a subscriber base that has yet to be tapped. Cox could be the forerunner of a number of electronic conglomerates that might consider the satellite receiver industry as a diversified business activity. □

Oops

The ad that ran on page 7 of the April 1st issue was not a part of the Johnny Carson spread that followed.

Inside the FCC

Erwin G. Krasnow



Member of Washington, D.C., law firm, Verner, Liipfert, Bernhard, McPherson and Chand in recent speech before Edward R. Murrow Symposium at Washington State University.

The phrase 'broadcast deregulation' means different things to different people

The phrase "broadcast deregulation" means different things to different people. It has been used to describe situations ranging from a cosmetic reordering and renumbering of FCC regulations to the elimination of virtually all regulations. Most articles in the general press proceed on the assumption that broadcast deregulation and the end of public trustee responsibilities are synonymous. Indeed, this assumption is made by FCC Chairman Mark Fowler, who has urged Congress to abandon the "public trusteeship" model and impose no affirmative obligations on broadcasters to serve the public interest. But unlike Chairman Fowler, broadcasters—through the National Association of Broadcasters—support the public trusteeship concept. NAB has testified before Congress in favor of retaining the public interest standard contained in the Communications Act. Broadcasters recognize—and wish to preserve—their unique status as public trustees and their special responsibility to serve their local communities.

The FCC's decisions on radio and television deregulation are not as far sweeping as you might believe. The FCC:

- Eliminated the requirement of maintaining detailed program logs.
- Eliminated the requirement of formal ascertainment surveys (a process one FCC Commissioner described as a ritualistic dance).
- Eliminated processing guidelines governing commercial and nonentertainment programming; these guidelines, described by the courts as "raised eyebrow" regulations, were used by the FCC to determine which renewal applications required action by the full commission rather than staff action.

The thrust of the FCC's decision is best summarized by FCC Commissioner Anne Jones, who at the time of the vote on radio deregulation, said: "I think the time has come for the FCC to stop treating

broadcasters like little children."

The debate on broadcast deregulation is often flawed as a result of a misunderstanding of the terms of the FCC's radio and television deregulation decisions. I would like to review some of the general statements made about broadcast deregulation which are at best misleading and in some instances, wrong.

License renewal procedures

A common misconception is that broadcast deregulation has guaranteed licenses in perpetuity, and has eliminated avenues by which the commission and the public can ensure that broadcasters deliver service in the public interest.

The FCC has not abandoned the petition to deny process, which allows members of the public to challenge the renewal of a broadcast license. The petition to deny allows interested parties to request the commission to review the past performance of a broadcast station. The process enables the commission to designate for hearing the renewal application of a station which may have violated FCC rules and policies. Revocation of license may result, enabling new parties to compete for the license. Also, the commission has not eliminated the comparative renewal process which allows any party to challenge the renewal of a license by filing a competing application.

While Daniel Schorr expresses concern over the dangers of hostile takeovers of networks and other media companies, the fact is that in all of the history of the FCC there has not been one hostile takeover. Section 310 of the Communications Act—a provision that the FCC must obey—requires that a change in control of any company holding a broadcast license be approved in advance by the FCC. Thus, before a hostile group could take over a corporation which is the licensee of stations, an application must be filed with the FCC and the commission must make a determination that a grant of the application would serve the public interest.

News and public affairs

Another common misconception is that the FCC, in its radio and television deregulation decisions, announced that broadcasters need no longer be responsive to the needs and interests of their communities. The commission's decisions, however, made clear that each licensee retains public interest obligations, including an obligation to provide programming "responsive to community issues." The thrust of the commission's decisions is the recognition that in a dynamic and expanding telecommunications marketplace, competitive forces have ensured and will continue to ensure that broadcasters will be responsive. The commission abandoned an outdated and overly intrusive form of regulation for a method better tailored to the realities of the broadcast industry.

Studies of the broadcast industry both before and

after the 1981 radio deregulation decision support the FCC's action. NAB studies in 1980 determined that radio stations in all sized markets were substantially exceeding the commission's guidelines for nonentertainment programming, on average by a two to three-fold margin. Studies conducted in 1982 by the Radio Television News Directors Association determined that for nine out of 10 stations, the radio deregulation decision had no impact on the amounts of news and public affairs programming presented. And for those stations reporting changes in the amounts of news programming, there was only a 1 per cent net decrease in news coverage. According to a study released last month by the Radio Television News Directors Association, television news staffs grew by an average of one person in 1984 and radio news staffs stayed about the same as in 1983.

An August, 1983, study of the impact of radio deregulation on the diversity of radio formats determined that the total number of radio formats increased 5.2 per cent between 1980 and 1983. Across the country, the number of radio stations providing black format programming more than 20 hours per week increased by about 15 per cent, Spanish language programming increased 56 per cent, all-news formats increased 73 per cent, and religious programming formats increased over 20 per cent.

Similar trends are present with respect to the video marketplace. In the past decade, most television markets have experienced an influx of new video technologies and services which are changing dramatically the diversity of available programming. A glossary of existing and authorized new video services—pay per view, superstations, subscription television and direct broadcast satellites—have forever altered the status of competition in the video marketplace.

Community responsibility

The FCC, in its radio and television deregulation decisions, did not free broadcasters of the obligation to ascertain the needs, interests and problems of their communities. Indeed, the commission reaffirmed the continuing obligation of broadcasters to maintain contacts with their communities, to determine issues of concern, and to broadcast programming responsive to those issues. The commission distinguished this obligation from the formalized ascertainment methodology, whose extensive procedural detail had the effect of obscuring the "underlying purpose of ascertainment—to foster relevant programming relating to community issues."

While the FCC decided to eliminate formal ascertainment procedures for radio and television stations, it expressly rejected a more comprehensive proposal to eliminate ascertainment obligations completely. The commission made clear that "broadcasters will have to maintain familiarity with their community in order to be kept apprised of the issues facing it."

Marketplace approach

Broadcasters are divided over many of the decisions made by the FCC in the name of deregulation. I'd like to cite three examples.

Standards setting. Three years ago, the FCC backed away from its obligation to select a single technical standard for AM stereo. Two years ago the commission made the same error by taking a marketplace approach to teletext. Broadcasters believe that when it comes to technical standards, it is folly to say that the marketplace will decide. Consumers are not in a position to make such decisions, and the antitrust laws prevent manufacturers and broadcasters from getting together to select a uniform standard.

Allocations. The FCC was created over 50 years ago to act as a traffic cop. Too often it has acted as a vice and morals squad. Now, faced with sharp reductions in its budget and the loss of experienced staff engineers, the commission has backed away from its congressionally-mandated role of acting as the traffic cop of the airwaves.

Comparative renewal standards. Over a decade ago, FCC Chairman Dean Burch made the following statement at the International Radio & Television Society's Newsmaker Luncheon: "If I were to pose the question, what are the FCC's renewal policies and what are the controlling guidelines, everyone in this group would be on equal footing. *You* couldn't tell me, and *I* couldn't tell you—and *no one else at the commission could do any better*, least of all the long-suffering renewals staff."

Unfortunately, the same statement can be made today with respect to comparative renewals. Until clear standards are established, every broadcast license is at peril.

Program content

Broadcasters are still subject to a wide variety of restrictions on programming, including the Fairness Doctrine, the personal attack and political editorializing rules, the equal opportunities statute, and the requirement that candidates for federal office be afforded "reasonable access" to a station's facilities. In the area of news, the FCC will take punitive action against a broadcaster if presented with extrinsic evidence of an intent to deliberately distort the news. Thus, there are a wide variety of rules and policies dealing with program content to which broadcasters must adhere.

In sum, broadcast deregulation does *not* sound the death knell of public interest obligations for the broadcast industry. There has been very little, if any, change in the amounts of news and public affairs programming broadcast by radio and television stations.

And the news and public affairs programming broadcast will be responsive to real community needs and interests, not to the dictates of a government bureaucracy.

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As Washington, D.C.'s leading classical music radio station, WGMS-AM/FM is devoted to the four B's—Bach, Beethoven, Brahms...and benefitting its listening area. For almost 40 years, WGMS has involved itself in a broad range of community activities as varied as the styles of classical music it broadcasts.

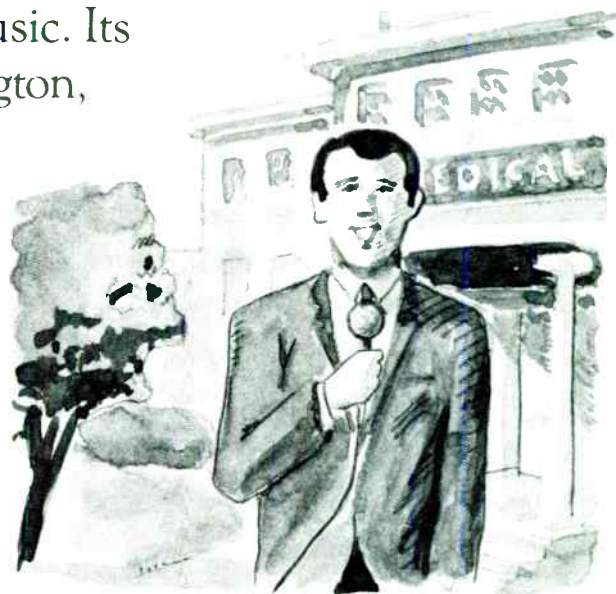
The cause of live classical music has been one of the major beneficiaries of this involvement. Annual radiothons sponsored by WGMS have raised an impressive \$1.5 million for the National Symphony Orchestra during the last ten years. Each year, the station solicits funds for Washington's Children's Hospital National Medical Center. This year's campaign brought in over \$18,000 for the hospital. Other appeals have raised similar amounts for the March of Dimes and a group of five metropolitan health care centers. The daily weekday prime-time program "Dialogue" airs interviews with local leaders dealing with all the public affairs issues. A listener service feature called "Career File" has a listing of job opportunities in the Washington area.

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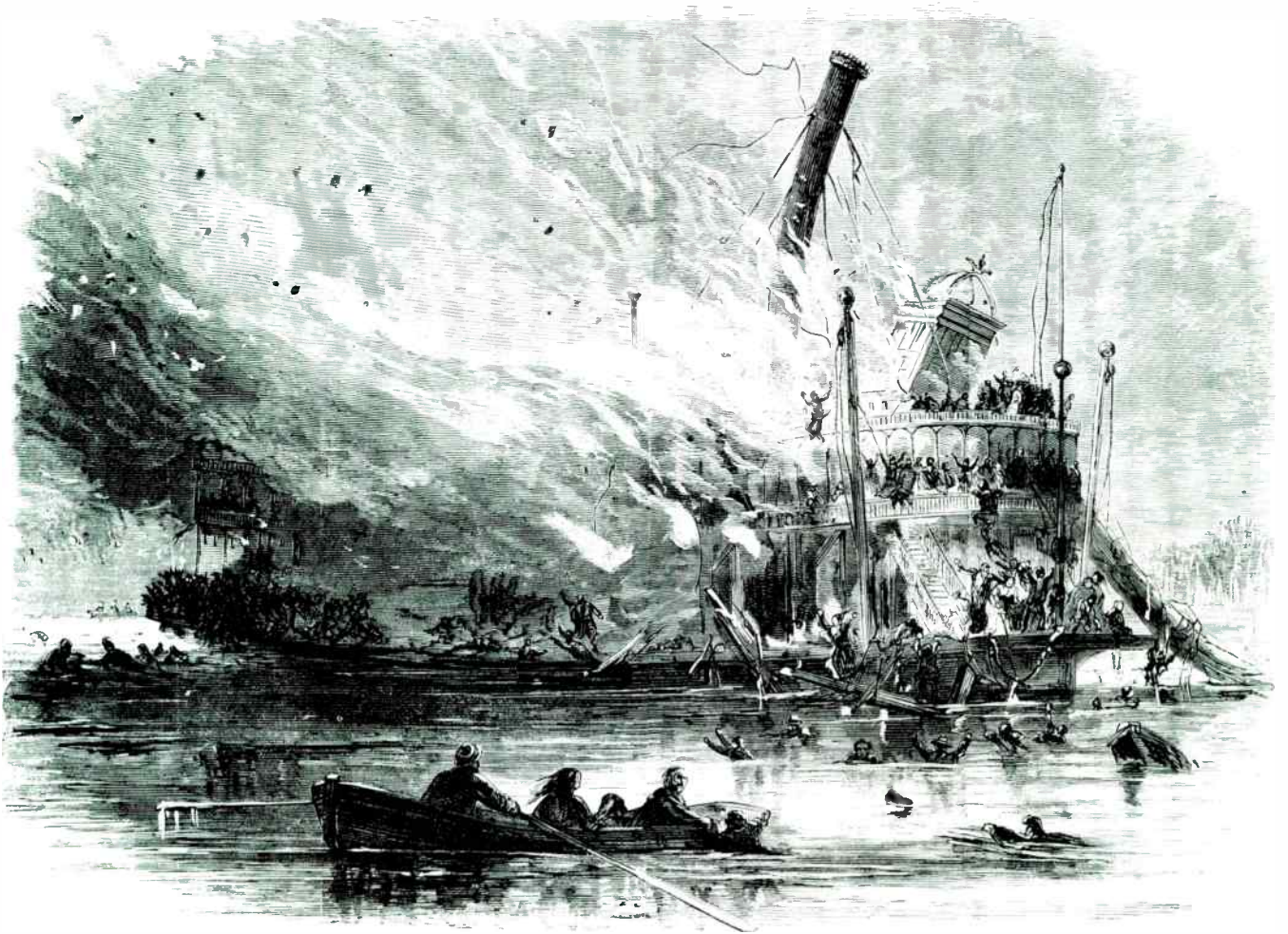
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*TVB 1984 National Spot Revenue Report