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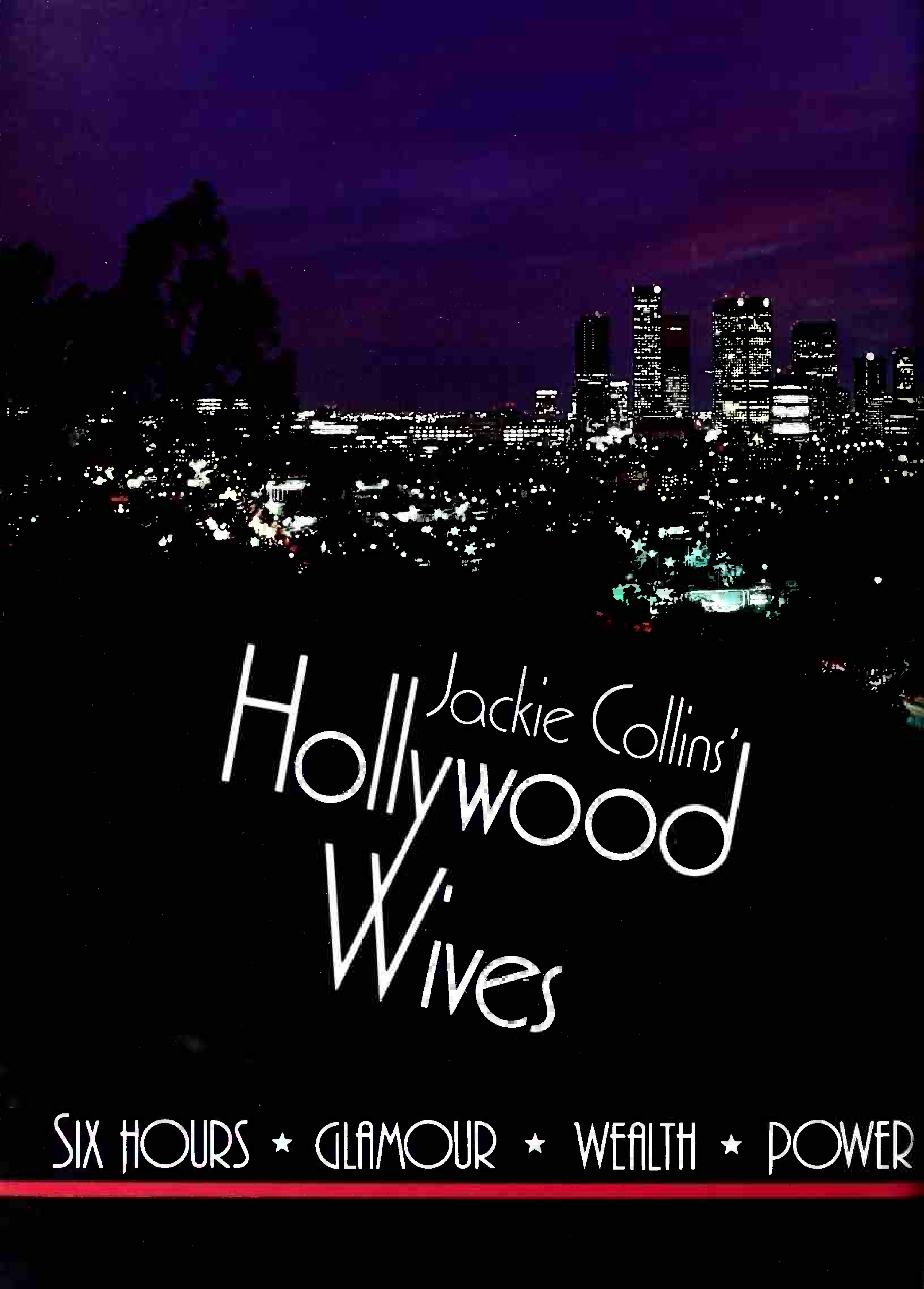
Jackie Collins'
Hollywood Wives
SIX HOURS ★ GLAMOUR ★ WEALTH ★ POWER

Television/Radio Age

October 27, 1986 *Volume XXXIV, No. 7*

DEPARTMENTS

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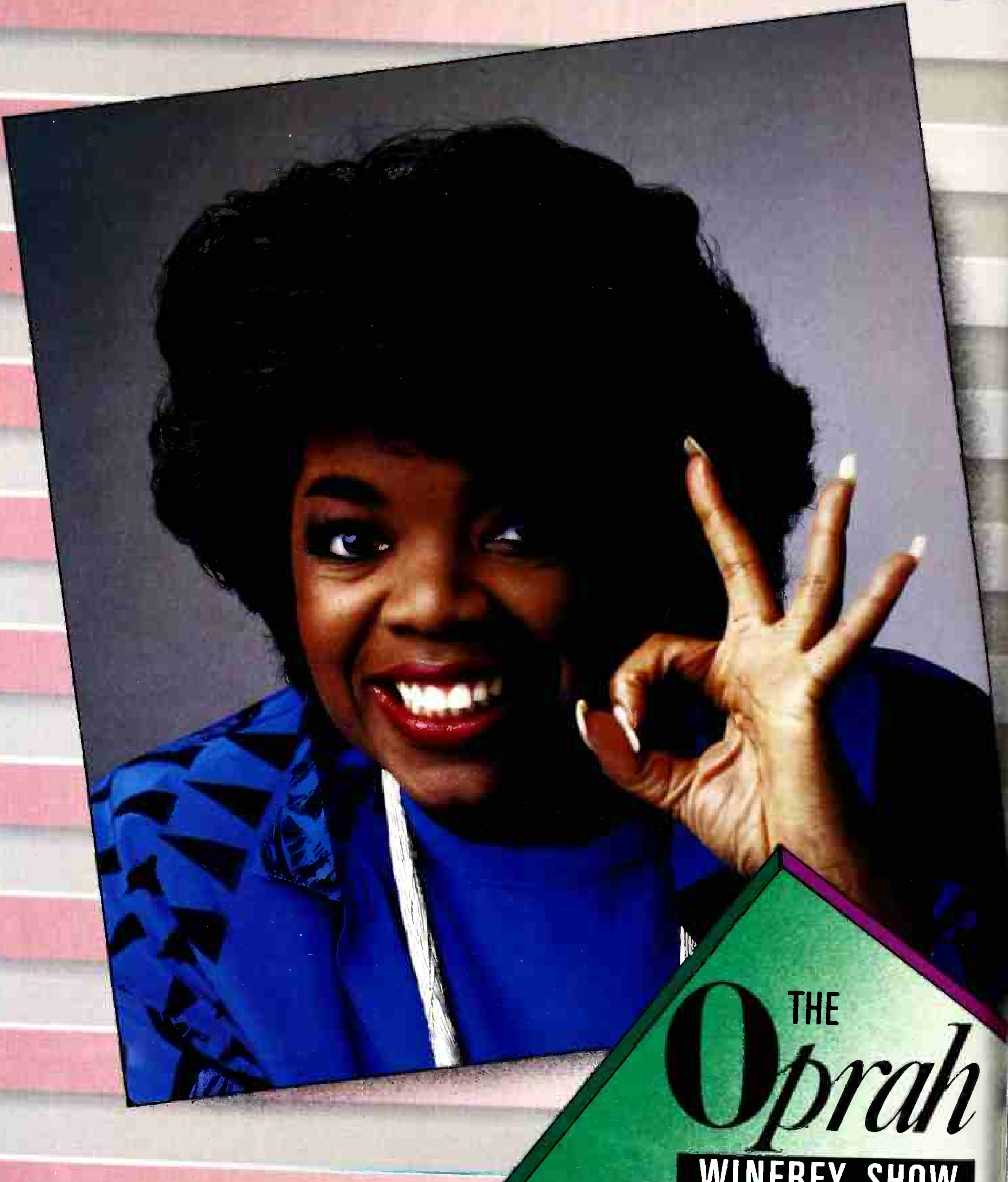

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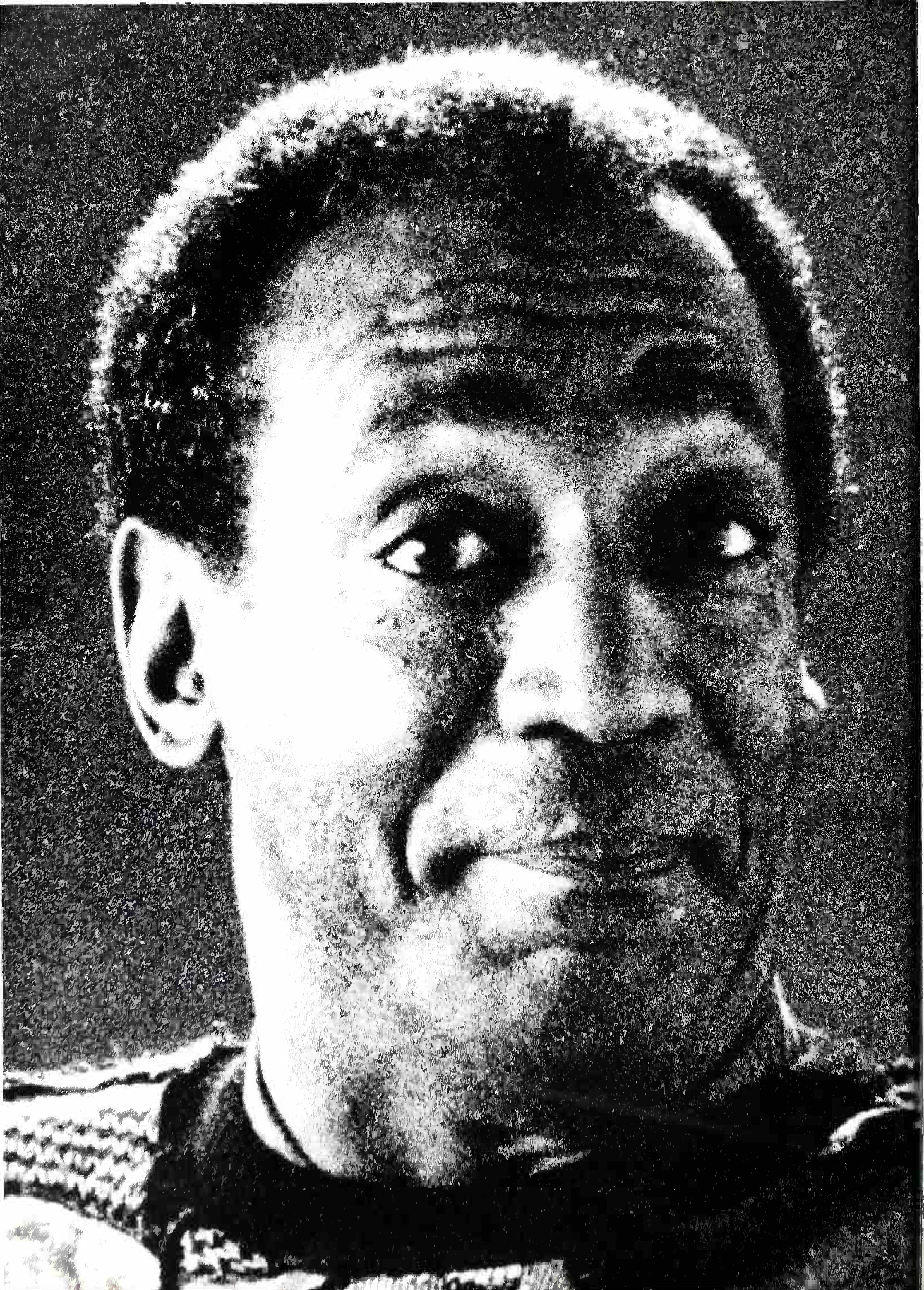
Turnaround.



The Cosby Show.

It's a show with an ability to affect ratings and revenues that is unprecedented. A show that has such stunning power that it helped turn around a network, moving it from number three to number one.

Since it premiered two years ago, it's a show that has been first in its time period every single week. A show whose repeat episodes beat all other prime time programs in their original telecasts.

It's a show, in short, with a powerful extra dimension. We call this extra dimension The Cosby Factor.

Beginning September 1988, The Cosby Factor can work for you. If you're number one, it will keep you there. And make you stronger. If you're not, it will help get you there.

The Cosby Factor: Profit from it.

Viacom®

Publisher's Letter

Tv station revenues will increase by 9% in '86: Merrill Lynch

A significant profile of the economics of the broadcast business is given by Merrill Lynch in its October report, which covers the 1986 and 1987 outlook for networks, stations, and stocks. The report, issued under the direction of William P. Suter, arrives at these conclusions:

- Network scatter markets for the fourth quarter are very firm, but damage was done in the upfront market, which experienced the first price declines since 1971.
- Total network revenues are expected to increase by 2.5-to-3 per cent in 1986 and by 2-to-4 per cent in 1987.
- National spot and local slowed in July, but a strong pickup in August and September means good momentum going into the fourth quarter. Station revenues will rise by a more-than-respectable 9-to-10 per cent for 1986 and by 7-to-9 per cent for 1987. Local, helped by political advertising this year, should lead the way in both years.
- NBC will remain dominant in primetime network ratings, with ABC improving and battling CBS for second place, which ABC won in the first week of the new season. ABC and CBS will battle for first place in daytime.

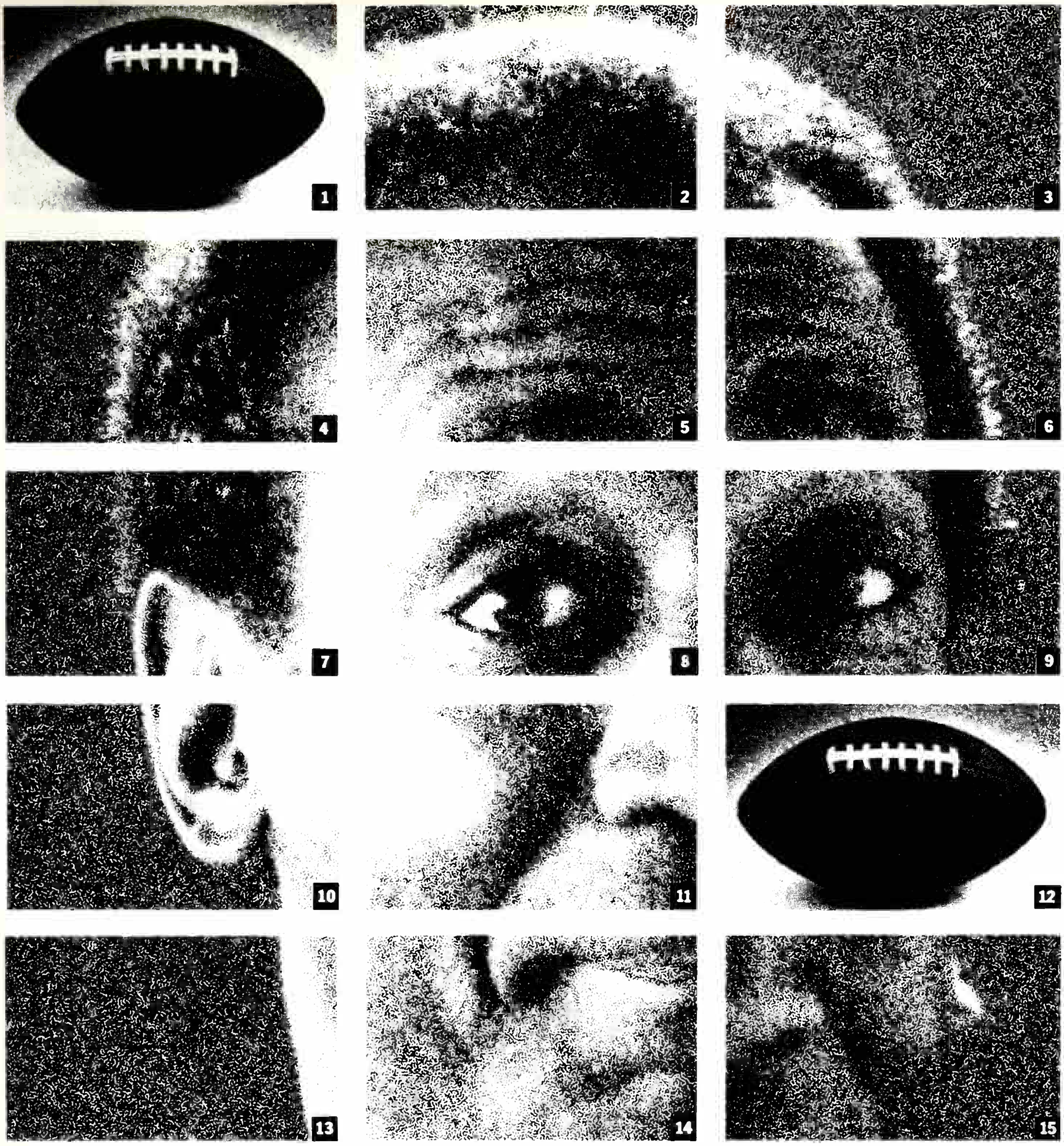
Rise in local. Local revenue, according to the TV/RADIO AGE *Business Barometer*, data from which was included in the Merrill Lynch report, rose by 18 per cent in May and 15 per cent in June. "Political spending increases with each successive election year," states the report, "as the power of television is more widely understood." Even with a slowdown expected in December, which was not a strong month last year, it looks like fourth-quarter station revenues will be up by around 10 per cent, with local a few percentage points above national, says M-L.

The demand in local has shown surprising strength in some categories. According to TvB, for example, food stores were up 16 per cent, banks and savings and loans were up 15 per cent, radio station and cable television advertising was up 13 per cent and appliance stores were up 26 per cent in the first half.

According to the exclusive TV/RADIO AGE *Business Barometer*, local time sales for the first eight months of 1986 were up 12.5 per cent over the previous year. Here is the breakout, month by month:

January	$302.1 million	up 13.7%
February	291.7 million	up 10.5%
March	464.2 million	up 9.4%
April	$461.4 million	up 7.3%
May	532.8 million	up 18.4%
June	387.6 million	up 14.7%
July	$383.5 million	up 7.5%
August	452.1 million	up 17.8%

On an overall basis, it seems that the industry in 1986–1987 is in good shape, with local leading the way. It should, however, be remembered there are almost 200 more stations on the air than there were in 1980. This opens up a tremendous amount of local inventory and intensifies competition.



Final score: 13-2.

The Cosby Show delivered 13 of the 15 highest program ratings in the 1985-86 season. Only Super Bowl XX and its post game show blocked a clean sweep. Regularly scheduled prime time programs don't have a sporting chance against The Cosby Show.

The Cosby Factor: Profit from it.

Viacom

Source: NTI

Letters

Cable programming

As always, TV/RADIO AGE is a leader in spotting a trend.

Your September 15 editorial (*Publisher's Letter*, "Cable begins to fulfill promise with more quality programming") about the quality of cable programming is an important recognition of the fast-changing face of cable television. Cable programming has not just evolved: it has vastly improved and diversified. In only five years, we have moved from inventing new program channels to producing a broad array of excellent original material to satisfy viewer demands.

The Cable Academy is proud to salute fine cable programs: On October 20, 1986, we announced the 1986 ACE nominations and our star-studded January 20, 1987, award show will be carried live on SuperStation WTBS at 9 p.m. ET. The Cable Academy's screening series was inaugurated with a summer *Faerie Tale Theatre* event in Washington, D.C., and a Los Angeles showing of The Learning Channel's *The Independents* October 6. Our sold-out mid-September New York topical luncheon, which explored critical program network issues, was the first of many.

We will also salute cable programs during National Cable Month, which is rapidly emerging into a major industrywide campaign to celebrate the value of cable programs. Much more is to come in the months ahead and will be announced shortly.

Thank you for the support of TV/RADIO AGE in recognizing the trend.

RALPH M. BARUCH
Chairman,
National Academy of
Cable Programming
(Chairman, Viacom International)

Wrong format

Who doesn't enjoy seeing their name in print!

And so it was at KSSN 96 FM, as we noted our frequent mention in your September 15th feature on *Radio Format Trends*.

However, it is our country music format which has made us Arkansas' Number 1 station, not adult contemporary as noted in your article.

Thank you for your fine publication, which keeps readers current in an ever-changing industry.

JOANNE SCOTT
Station manager,
KSSN Broadcasting, Inc.,
Little Rock

Creative credit

I thought I should point out a mistake in your article, *MTV-look in TV commercials: Is it wearing itself thin?*, in the September 29 issue. On page 48 you credit JWT with the Bounce commercial, which was created by the New York Office of DMB&B.

WILLIAM V. HANEY
Senior vice president,
D'Arcy Masius Benton Bowles, Inc.,
New York

Intermixed markets

I am writing in reference to the article in the August 4 issue regarding the *Spring Sweep Analysis*. Previously these rankings were based on all-VHF or all-UHF markets; now it is based on intermixed markets.

This change has affected our station's status. Prior to the change, we were consistently ranked in the top 10 affiliates and in the top five for NBC affiliates. With this change, we do not even show up! Obviously, this was a strong selling tool for our market and station.

Therefore, we are trying to ascertain the reason behind this change.

Any feedback you can provide us in this matter will be greatly appreciated. One suggestion is to compile two rankings. One ranking on the intermixed markets as you are currently doing, plus a ranking based on equal markets. This would allow us to illustrate our dominance among our equal competitors along with providing our status based on intermixed markets.

LIBBY SPENCER
Marketing director,
WYFF-TV,
Greenville-Spartanburg-Asheville

Ed. note: TV/RADIO AGE recently changed to including intermixed markets in our lists of the top affiliates in the top 100 ADIs. This was done after serious discussions following complaints from some stations. Among the reasons for not continuing with our policy of including only "equal facility" markets: The policy excluded about 25 per cent of all affiliates from consideration. It was also felt that cable was giving UHF stations better coverage and, hence, a better competitive stance.

As for using two lists—one with and one without intermixed markets—that would open the gates to other distinctions urged on us: top 50 vs. bottom 50, markets with more than two independents vs. markets with one or two independents, etc. All these proposals have some logic, but we feel a single list of leaders makes more sense.

Everybody wins.

Not only did NBC move from third place to first place after Cosby went on the air, but the number of its affiliates in the #1 position in prime time has more than tripled. The Cosby Show has television's broadest coattails.

31 NBC Affiliates in 1st Place

Before Cosby
1983

74 NBC Affiliates in 1st Place

After Cosby
1984

100 NBC Affiliates in 1st Place

1985

The Cosby Factor: Profit from it.

Source: Nielsen Household Report, PrimeTime, November, Primary Affiliates only

Viacom

Sidelights

Regionalization of spot

In the mid-1970s, recalls Tom Olson, president of Katz Continental Television, major agencies like Young & Rubicam, McCann-Erickson and J. Walter Thompson started to spread their spot buying outside New York and Chicago to regional buying offices in Los Angeles, Atlanta and Dallas. Today, this has been extended dramatically, particularly with the recent giant agency mergers, and Olson notes that, "Often, two or even three of our offices find themselves involved when planning on an account is done in one city and the buying is split up among others.

"Today, a station in California or Arizona might find 50 per cent of its national business bought out of Los Angeles. National spot for Benton & Bowles clients were placed 100 per cent out of New York until the merger with D'Arcy, which had already set up its own network of regional buying offices across the country. The result is that now much of the activity on Benton & Bowles accounts is placed out of Los Angeles, Atlanta and St. Louis, as well as Chicago and New York."

"A station in California *or Arizona," says Katz Continental's Tom Olson, "might find 50 per cent of its national business bought out of Los Angeles."*

Much the same also happened to national spot budgets for Kenyon & Eckhardt accounts when that agency teamed up with Bozell & Jacobs and its previously existing network of regional spot buying offices. And still more spot dollars started being placed regionally when DFS/Dorland shifted more of its spot buying to offices in San Francisco and elsewhere.

That's why Katz Continental reorganized its sales teams to give each one responsibility for station sales in each of six geographic regions.

Olson says that before this restructuring was enacted, "We looked at the common underlying economic factors that affect the markets and stations in each region." In the eastern region, for instance, growth of high tech industry was seen in areas like that surrounding Boston and some of the other New England markets, as well as "the growing volume of business coming out of buying centers in Boston, Washington and Philadelphia, in addition to New York."

Middle America. Olson observes that business in general "has always been good on both the East and West Coasts. But the closer we get to the middle of the country, the softer business seems to be. So in the south central region, to take one example, markets in Texas, Louisiana and Mississippi, with their commonality of energy and agricultural-based economies, present a set of problems that place a load of pressure on our manager for that area. When he comes up with corrective action to bolster the slower spot activity common to many of his markets and to help speed things up down there, an approach that he finds works when it's first tried in a couple of his slower markets can then be extended to his other markets with similar problems."

Also before the reorganization, adds Olson, "We asked ourselves where the buying was being done for each of our stations. We restructured in a way that now allows each station to deal with fewer of our offices. That makes our clients' national sales operation a more efficient one for them, too."

Boston breakfast

Advertisers of breakfast cereals have a big challenge in Boston, but those promoting coffee will find the market more receptive than Los Angeles or San Francisco. These were among the findings of a study by Dole during the product development stage for its new Dole Breakfast Juices, now being introduced in New England.

Dole surveyed more than 1,000 Boston residents and commuters intercepted on their way to work at strategic locations on Copley Square and Boston Common. An equal number were surveyed in Los Angeles and San Francisco in comparative surveys.

Generally, the breakfast habits in Boston and San Francisco were similar, while those in Los Angeles varied significantly.

For example, only 50 per cent of respondents in Los Angeles said they eat something in the morning, compared with 62 per cent in Boston and 60 in San Francisco. Where Boston varied most significantly from the other two markets is that, of those eating or drinking something in the morning, only 66 per cent did so at home—80 per cent for Los Angeles and 75 for San Francisco.

Nineteen per cent of the Bostonians breakfasted at work, 8 per cent on the way to work, 3 per cent at a coffee or donut shop, 2 per cent at a fast food restaurant and 1 per cent at a sit-down restaurant, while 11 per cent did not eat or drink anything for breakfast.

Coffee drinkers. In Boston, 43 per cent had coffee in the morning, compared with 25 per cent in Los Angeles and 30 in San Francisco. Only 17 per cent of Bostonians ate cereal, compared with 30 per cent each in the other two markets. But both Bostonians and San Franciscans appear to be cholesterol conscious, with 10 and 13 per cent respectively eating an egg dish. For Los Angeles, 25 per cent were exceeding their daily cholesterol allowance over breakfast.

The three markets were similar in the percentage just drinking a beverage in the morning—27 per cent in Boston and 30 in the other two markets. The most popular breakfast is pastry, muffin or toast—40 per cent each in Boston and San Francisco and 30 per cent in Los Angeles.

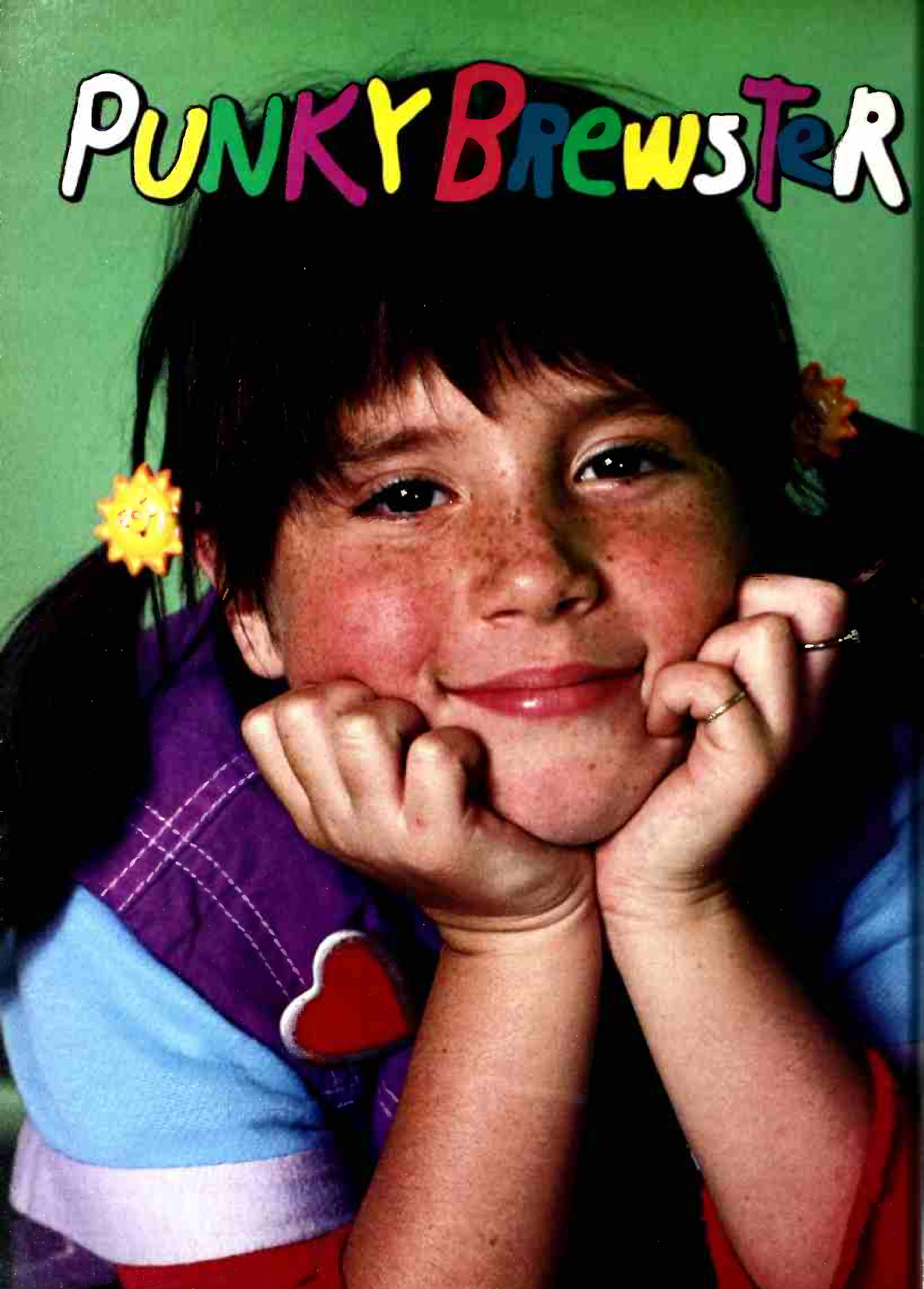
To Dole, the most important news of all is that 47 per cent of Bostonians drink juice in the morning, compared with 45 per cent in San Francisco and 52 in Los Angeles.

Creatures of habit

Habit is the most pervasive influence on what TV viewers watch, according to a recent Roper Report on television viewing. The study indicates 62 per cent of respondents choose programs on the basis of knowing that certain shows are on at certain times, and 25 per cent sometimes do so on this basis. Women are shown as more habitual viewers than men, with 66 per cent frequently choosing by habit vs. 58 per cent of men.

Other inputs used frequently are flipping channels, 33 per cent; local newspaper listings, 30; announcements of upcoming programs on TV, 28; *TV Guide*, 27; and simply watching whatever other household members are watching, 26. The lesser influences in terms of frequent use are: listings and reviews in cable guides, public TV guides and the like, 16 per cent; recommendations from other people, 11; printed ads, 10; and radio announcements, 8.

YOU COULD MAKE A DECISION THAT WILL AFFECT THE FUTURE OF AMERICA'S CHILDREN.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- You can have a show that's entertaining, a show with lots of heart.

THE DECISION:

☑ **I want "Punky Brewster."**

PUNKY BREWSTER

Available Fall '87

Columbia Pictures Television

A UNIT OF

Media to the left

The leftward tilt of the Fifth Estate has been quantified and dissected not only in an exhaustive manner, but with the help of some of the nation's most influential journalists in a new book, *The Media Elite: America's New Powerbrokers*. Published by Adler & Adler, the 342-page hardcover book is not another attack on the media from the far right but the result of a study of a team of social scientists led by S. Robert Lichter and Linda S. Lichter, co-directors of the Center of Media and Public Affairs (S. Robert Lichter is also research professor of political science at George Washington University) and Stanley Rothman, professor of government at Smith College.

Overall, the book confirms any suspicions that the major media are driven by those with liberal views. In fact, the TV networks, when compared with print media, often show up as more liberal than their print counterparts.

Part of a larger work on social and political leadership of the U.S., the study leading to this book involved interviews with 240 journalists "comprising the elite": staffers at the three commercial networks and PBS, *The New York Times*, *The Wall Street Journal*, *The Washington Post*, *Time*, *Newsweek*, and *U.S. News and World Report*. They were questioned about their backgrounds, voting habits and attitudes on a wide range of social issues. They were also given psycholoical tests to explore their motivations and perceptions.

Two paragraphs toward the end of the book pretty well sum up the major findings:

"The demographics are clear. The media elite are a homogenous and cosmopolitan group, who were raised at some distance from the social and cultural traditions of small-town middle America. Drawn mainly from big cities in the Northeast and North Central states, their parents tended to be well off, highly educated members of the upper middle class. Most have moved away from any religious heritage, and very few are regular churchgoers.

"The dominant perspective of this group is equally apparent. Today's leading journalists are politically liberal and alienated from traditional norms and institutions. Most place themselves to the left of center and regularly vote the Democratic ticket. Yet theirs is not the New Deal liberalism of the underprivileged, but the contemporary social liberalism of the urban sophisticate. They favor a strong welfare state within a capitalistic framework. They differ most from the general public, however, on the divisive social issues that have emerged since the 1960s—abortion, gay rights, affirmative action, etc. Many are alienated from the "system and quite critical of America's world role. They would like to strip traditional powerbrokers of their influence and empower black leaders, consumer groups, intellectuals, and . . . the media."

In the area of economics, the study shows, the "media elite" tend to be somewhat middle-of-the-road, with 70 per cent stating that private enterprise is fair to workers but 68 per cent saying the government should reduce the income gap and 48 per cent concluding the government should guarantee jobs. In other areas, 49 per cent say the structure of society causes alienation, 80 per cent believe in strong affirmative action for blacks, 90 per cent assert the woman has the right to decide on abortion, only 25 per cent hold that homosexuality is wrong, 56 per cent say the U.S. exploits the Third World and causes poverty, and 45 per cent say the CIA should sometimes undermine hostile governments.

Mostly Democrats. The "elite" press corps was found to be heavily Democrat in voting records: 94 per cent voted for Johnson vs. Goldwater, 87 per cent for Humphrey vs. Nixon, 81 per cent for McGovern vs. Nixon and 81 per cent for Carter vs. Ford.

Network journalists were found to present in their coverage more negative views on nuclear safety issues than their print counterparts. With the survey analyzing coverage of 151 areas of controversy, the TV journalists served up negative judgments 66 per cent of the time, compared with a 55 per cent negative rate for both *The New York Times* and the news magazines. ABC News, in particular, was identified as having a predominance of anti-nuclear over pro-nuclear content.

The study also quantified the degree to which certain media presented probusing arguments vs. those against it. It was found that 60 per cent of the arguments presented by CBS were probusing, compared with 58 per cent for *The New York Times*, 59 for *Time* magazine and 54 per cent for *The Washington Post*.

In coverage of the oil industry, the networks collectively carried arguments portraying it as monopolistic 18 per cent of the time in 140 stories, compared with 3 per cent for *Time* and 32 per cent for *The New York Times*.

Media elite attitudes and voting records

	Agree
Economics	
Big corporations should be publicly owned	13%
People with more ability should earn more	86
Private enterprise is fair to workers	70
Less regulation of business is good for U.S.	63
Government should reduce income gap	68
Government should guarantee jobs	48
Political alienation	
Structure of society causes alienation	49
Institutions need overhaul	28
All political systems are repressive	28
Social-cultural	
Environmental problems are overstated	19
Strong affirmative action for blacks	80
Government should not regulate sex	97
Woman has right to decide on abortion	90
Homosexuality is wrong	25
Homosexuals shouldn't teach in public schools	15
Adultery is wrong	47
Foreign policy	
U.S. exploits Third World, causes poverty	56
U.S. use of resources immoral	57
Goal of foreign policy is to protect U.S. business	50
CIA should sometimes undermine hostile governments	45

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MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1986

November 3–7	The London Market, Gloucester Hotel, London Television/Radio Age International, October/November Issue
November 17–19	TVB Annual Meeting, Century Plaza, Los Angeles November 10, 1986 Issue
December 3–5	Western Cable Show, Anaheim November 24, 1986 Issue

1987

January 7–11	INTV, Century Plaza, Los Angeles December 29, 1986 Issue
January 21–25	NATPE International, New Orleans January 19, 1987 Issue
February 7–10	Radio Advertising Bureau Managing Sales Conference, Hyatt Regency, Atlanta February 2, 1987 Issue
February 9–13	International Television, Film & Video Programme Market, Monte Carlo Television/Radio Age International, February Issue
March 28–April 1	National Association of Broadcasters, Dallas March 30, 1987 Issue
March 29–31	Cabletelevision Advertising Bureau, New York March 30, 1987 Issue
April 21–27	MIP-TV, Cannes Television/Radio Age International, April Issue
May 9–16	Golden Rose of Montreux, Montreux Television/Radio Age International, April Issue
May 13–16	Second Annual Music & Media Conference, Montreux Television/Radio Age International, April Issue
May 17–20	CBS-TV Affiliates Meeting, Century Plaza, Los Angeles May 11, 1987 Issue
May 17–20	National Cable Television Association Convention, Las Vegas Convention Center May 11, 1987 Issue
May 31–June 2	NBC-TV Affiliates Meeting, Century Plaza Plaza, Los Angeles May 25, 1987 Issue
June 9–11	ABC-TV Affiliates Meeting, Century Plaza, Los Angeles June 8, 1987 Issue
June 10–14	BPME Convention, Peachtree Plaza, Atlanta June 8, 1987 Issue
September 1–4	RTNDA Conference, Orange County Civic Center, Orlando, Florida August 31, 1987 Issue
September 9–12	NAB Radio '87, Anaheim Convention Center August 31, 1987 Issue

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


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The Answers Are:
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THE PROVEN WINNER!
Improved key demos over May '86
Miami - WCIX - 6:30 P.M.
Providence - WPRI - 4:00 P.M.
Wash., D.C. - WDCA - 6:30 P.M.
Austin - KBVO - 5:00 P.M.
Macon - WMAZ - 5:00 P.M.
Improved time period share over May '86
New York - WOR - 11:00 P.M.
Detroit - WXYZ - 10:30 A.M.
Houston - KTXH - 12 Noon
Nashville - WZTV - 11:30 A.M.
Greensboro - WGGT - 1:00 P.M.
Improved over initial performance
L.A. - KCOP - 11:30 A.M.
Atlanta - WATL - 6:00 P.M.
Green Bay - WXGZ - 11:30 A.M.
Norfolk - WAVY - 4:30 P.M.
Cleveland - WOIO - 2:30 P.M.
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CBS 'preparing case' to head off SBN network service

The CBS legal department is "preparing a case" to head off the efforts of Satellite Broadcast Networks to provide a broadcast TV network service to satellite dish owners via the superstation route. Meanwhile, SBN took a step forward recently in announcing it had signed agreements with 12 satellite equipment distributors to market PrimeTime 24, the name of the service.

CBS, as well as the other networks, is not happy about SBN since the webs intend to scramble their signals so dish owners can't receive them directly, the premise being that the network signal is properly distributed only through contracted local affiliates. But SBN will pick up terrestrial signals from individual affiliates, one network each in New York, Chicago and Atlanta, scramble them via VideoCipher II, transmit them by satellite and sell the service to consumers at $49.95 per year.

The proposed SBN program service raises many legislative and regulatory issues, not least of all the copyright aspect. A bill before the House Copyright Subcommittee this past session would have provided the specific legal right to superstation carriers to scramble their signals and sell them to dish owners via a compulsory license. The carriers would pay to the Copyright Royalty Tribunal a fee of 12 cents per subscriber per month. However, the bill died in committee.

Janet Foster, SBN executive vice president for operations and programming, says her company doesn't require such legislation, that it was introduced with the support of such carriers as United Video and Eastern Microwave to remove the last bit of doubt about their right to scramble a paid service to dish owners. SBN, she says, qualifies as a cable service under the Copyright Act and will be paying approximately 2 per cent of gross revenue as a copyright fee to the CRT.

As for network concerns that direct reception of a network signal would undercut the local service concept, Foster counters that the SBN service is aimed primarily at households that cannot now receive a network signal or receive an inadequate network signal. SBN estimates this amounts to little less than half the number of dish-owning households, or about 700,000. (CBS estimates the number at 400,000.) Hence, Foster says, SBN is doing the networks a favor.

Transponder negotiation. Meanwhile, SBN is negotiating for three C-band transponders. The company has a letter of intent from Hughes for three transponders on Galaxy III, but Foster says the situation has changed with the expiration of an option Hughes had on the transponder leases held by Equatorial Communications Co., Mountain View, Calif., which is relinquishing a number of transponders. SBN can now negotiate with Equatorial directly, Foster explains.

PrimeTime 24 will be uplinked by National Gateway, a division of Pacific Telecom, and Foster expects to be on the air by the end of November. However, she admits that there is some delay in the installation of VideoCipher equipment by Gateway because of the "natural" problems attending the takeover of M/A-Com's scrambling operation by General Instrument, which is calling its new division the Cable Home Group.

SBN has not notified any station of its intention, and Foster will not say which ones it has in mind.

There is some feeling in Washington that the issues raised by SBN's service could result in the latter being tied up in regulatory or legal challenges. While SBN does not have to get permission to pick up and retransmit a TV station, its contention that it qualifies as a cable system may be disputed. Other aspects relate to whether SBN may be considered a DBS service or to what extent it fits into a common carrier or broadcast category.

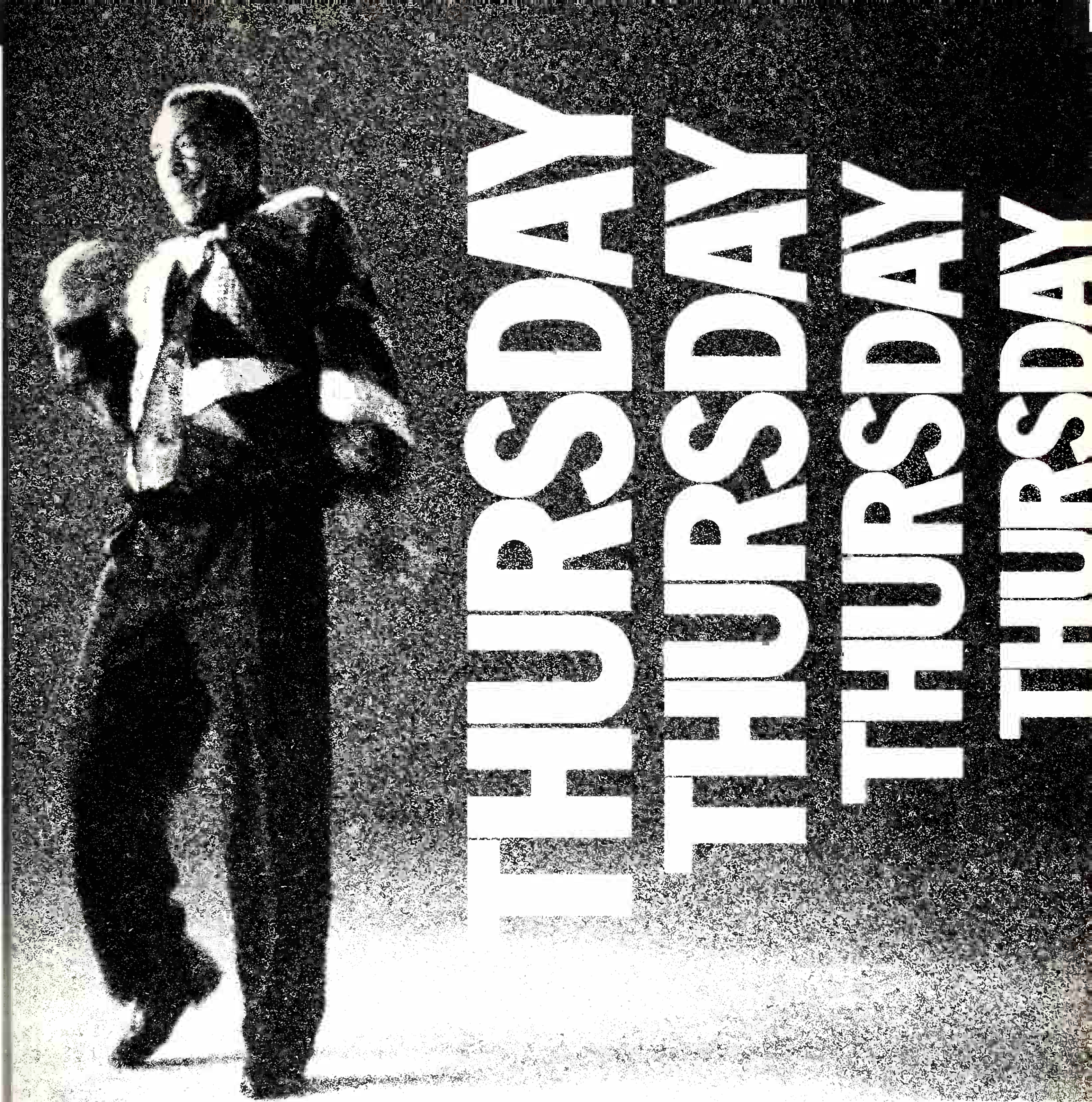
Menwhile, the Copyright Office of the Library of Congress has issued a Notice of Inquiry regarding the definition of a cable system. While this action may not be related to the SBN situation, its results will certainly affect it.

'Cosby' marketing plan

The selling of *The Cosby Show* for syndication, as introduced by Viacom Enterprises, carries some interesting and innovative features, based on control of the product by the company and by licensees. These include: offering the off-network program, which will be available to stations beginning in September, 1988, on a cash basis with barter; bidding by stations based on a weekly license fee and an alternative bid; requesting concurrent airing of the same five episodes each week, thereby fixing a common expiration date; delivering the programming via satellite on a day-and-date basis, licensed for one play per day; and giving an initial license term of 3½ years/182 consecutive weeks, based on five seasons having been produced by the end of the 1988–89 broadcast season. If *Cosby* goes beyond the five-year production period, Viacom will automatically extend the license term six months/26 weeks for each additional season produced, for up to a maximum of eight broadcast seasons and a five-year/260 week license term.

In an interview, Dennis Gillespie, Viacom Enterprises senior vice president, marketing, says that various features in the marketing of *Cosby* as initiated by Viacom are centered on ensuring an element of control for both the company and the stations that has been absent in the normal way of syndicating off-network series.

"By planning that the same five episodes will run each week in all markets of the country and in the licensing of the program on a-day-and-date basis, which is usually associated with first run made for syndication shows, we have an opportunity to prevent over-exposure, which sometimes comes with cash licensing and burning of product."



Follow the leader.

The Cosby Show boosts programs all Thursday evening long including the local late news three hours later. Think of what it could do for you five nights a week.

The Cosby Factor: Profit from it.

Source: NTI, February 1986, Top 20 Markets

Viacom®

Viacom's *Dennis Gillespie, l., Joseph Zaleski, c., and Jules Haimovitz at recent press conference announcing syndication plans for 'The Cosby Show.'*

Co-terminating *Cosby* in all markets at the same time gives Viacom control over the product and is useful in preserving its options, says Gillespie. "Also, we believe the marketplace has adjusted to the idea of barter being an offset to cash licensing, and there's no logical reason, other than someone's mind-set, that off-network product can't be marketed that way as well. I'm not saying that the price of *Cosby* will be lower because we are retaining a barter minute. But I'm saying that the market is accustomed to cash-plus-barter in first-run shows such as *Family Feud, PM Magazine* and *Entertainment Tonight*." Under Viacom's *Cosby* proposal, each *Cosby* episode is formated for 6½ minutes of commercial time, with Viacom retaining one minute for national sale.

Bidding to open. Gillespie says that the *Cosby* product is also controlled for advertisers by offering the series on a weekly licensing arrangement, in the same way that a network series is kept under control. He says that the weekly license fee also allows the company to know in the first 3½ years of licensing what Viacom will get when the bidding is ended, on a per-episode basis. Bidding on *Cosby* was to open this week in New York, with a total of 10–12 markets to be opened before the end of the year. The remainder of the markets to be launched will follow after NATPE 1987.

Viacom will set a minimum weekly price in each market as it is opened, and higher bids will be accepted in 5 per cent increments of the minimum price, with a 10 per cent down payment, the remainder to be paid out over a 42-month period on a pay-and-play basis.

Gillespie wouldn't reveal which markets will be opened following New York, says that the company has a pro-forma order, with other markets to be notified at least one week in advance. He adds, however, that "our goal is to have as many stations as possible in every market to be players for *Cosby*," thus in major markets where stations are going through transition of license and change of ownership, openings for *Cosby* will not be made until after the specific market has stabilized. "We want all the stations to have an equal opportunity to bid for *Cosby*, so these conditions will have an impact on which markets we will go to and which markets we won't go to at the beginning. Stations in four major markets are among the top 12 that are awaiting FCC approval on buys. These are Los Angeles, Boston, Cleveland and Pittsburgh.

Market analyses. In the market-by-market bidding process, Viacom arrived at a minimum through several ways, say Gillespie. This encompasses doing "a comprehensive analysis of every market in the country, including the economic conditions of each market for national spot and local; what we think historically the syndication marketplace has produced in that market; competitive information on what the product sold for in that market; and an analysis of what *Cosby* will do in terms of ratings and what the revenue potential is for stations in the market."

Regarding the alternate bidding concept, Gillespie continues that Viacom is offering stations a second bid on *Cosby*, which puts the highest bidder in a position to make changes in Viacom's requirements so they aren't locked into the standard provisions. "We don't want to cut off possibilities for the station to be flexible in terms."

When it comes to time periods for *Cosby*, Gillespie says the series has no time period requirements. "This is a cash-driven syndication launch, and we are looking for the highest per-week cash license bid in the market. However, it's hard for us to imagine that a station will make a winning bid and will get its money back by running *Cosby* in something other than a premium time period. So we aren't concerned about what time period *Cosby* will run." Gillespie continues that, obviously, *Cosby* will not run in primetime on affiliates, but that most likely it will air in early fringe on affiliates in the top 50 markets. He believes that it's "perfectly logical" for an affiliate to run *Cosby* in the 5:30–6 p.m. prior to the early news, looking for *Cosby* to add three or four points to the news program. "Considering that the affiliate will get higher ratings, it would help his advertising immensely and mean a lot of dollars." Independents most likely will air *Cosby* in the access time period, he notes.

As to prices, speculation in the industry is that Cosby will wind up with a take of $400 million during its initial airing over 3½ years. If *Cosby* goes that long, Gillespie anticipates that, based on 125 episodes, it will have run 7.28 times on average, and over five years, it will have run six times on average.

Two sign for Fox web

Johnson & Johnson and Playtex are the first two advertisers to sign on for the Saturday–Sunday primetime schedule on the Fox Network starting March 1. John Lazarus, vice president of sales for Fox Broadcasting Co., added that he is also working out some final details with General Foods.

Meanwhile, the fourth quarter is nearly sold out for *The Late Show Starring Joan Rivers*. Lazarus notes there are 14 upfront advertisers for the show, with commitments averaging between $750,000 and

Good neighbor.

After NBC added The Cosby Show to its Thursday night lineup in the 1984-85 season, Family Ties' rating jumped 48%. In 1985-86 Family Ties jumped another 34% to become television's number two show. Now that's being downright neighborly.

The Cosby Factor: Profit from it.

Viacom.

Source: NTI

$1 million.

Programs slated for the new primetime schedule include *Jump Street Chapel* from producers Stephen Cannell and Gary David Goldberg, *Duet* from Goldberg, *Down and Out in Beverly Hills* from Touchstone Television, *Mr. President* from Carson Productions and a yet untitled show from Embassy Communications.

Wometco Cable sale

The pending sale of Wometco Cable TV Inc. to a group comprised of the Robert Bass group, Taft Broadcasting Co. and some executives of Wometco's cable division is being taken in some quarters as another healthy sign for the cable systems business.

Wometco is owned by Kohlberg Kravis Roberts & Co., the firm which two years ago orchestrated the leveraged buyout of the parent company, Wometco Broadcasting Inc.

The agreed-to selling price is $625 million, which amounts to nearly $1,800 a subscriber for the 350,000-submultiple system operation.

Indeed, Ken Noble, broadcast analyst at Paine Webber, believes the pending sale may indicate that in an increasing number of cases, investment in cable system properties is more highly valued than investment in broadcast stations. The soft advertising climate has hit broadcasting hard, but cable system operators, being in a subscription business, depend on subscriber revenues for financial health, with local advertising at this point little more than a side business—although that category, too, is reported to be growing well.

Taft's involvement in the deal is especially interesting. The company, which two years ago acquired Gulf Broadcasting's TV stations, has been trying to sell five of its independent TV properties for sometime, and those stations remain on the market. The original asking price was said to have been about $500 million, but Noble believes Taft would be happy to take $300 million.

Taft, Noble believes, sees wisdom in increasing its stake in cable operations because "there is a real question about the prospects for advertising on broadcast stations on a sustained basis." Fierce competition among TV media, he theorizes, may be diminishing the growth prospects for independents. Meanwhile, cable, while still garnering small ratings, is showing signs of real staying power, he says.

MIPCOM: How many buyers?

Despite some controversy over the number of buyers who attended this year's MIPCOM show in Cannes, most participants agreed that those who did come were there to conduct serious business.

Bernard Chevry, the market's organizer, said he was quite satisfied with the number of buyers, claiming that 700 out of the 1,100 invited were in attendance. Not everyone was as content, as many exhibitors took issue with Chevry's figures.

Most program sellers indicated, however, that they would return to MIPCOM next year, with the U.S. contingent remaining particularly loyal.

The best news for the Cannes show and equally disheartening news for the London Market, to be held next month, came from Lorimar-Telepictures. Michael Jay Solomon, president, told TV/RADIO AGE that his company will skip London next year in favor of MIPCOM. "There is a need to have MIPCOM," he said, "but as far as we are concerned, there is no need for the London Market."

Local anchors' high appeal

Question: If you were to compare the appeal of the three network TV news anchors with the three most popular local news anchors in each of the top 50 markets, who would come out on top?

Answer: It's a dead heat.

That's the result of the latest News Talent Search study of Herb Altman Communications Research, Inc., Port Washington, N.Y. (see also *Tele-Scope*, August 18 and September 29). The survey measured viewer awareness and the appeal of news personalities on a TvQ-type scale with the appeal score showing the percentage of people familiar with the personality who say that he or she is one of their favorites.

The average appeal score of the network anchors in the top 50 market was 36. The comparable score of the three most appealing local anchors in each of the markets was 37. Awareness scores were identical at 77 for each group. And the number of "wins" by market was very close.

However when *all* local anchors were compared with the web personalities, the Jennings-Rather-Brokaw trio came out on top 36 to 27. The average awareness score for all local anchors was 68 vs. the network personalities' 77. Further, the network anchors "won" in 48 markets out of the 50—that is, their average appeal score in each of those markets was higher than that of all local anchors in each of those markets.

Wall Street faith in CC/ABC

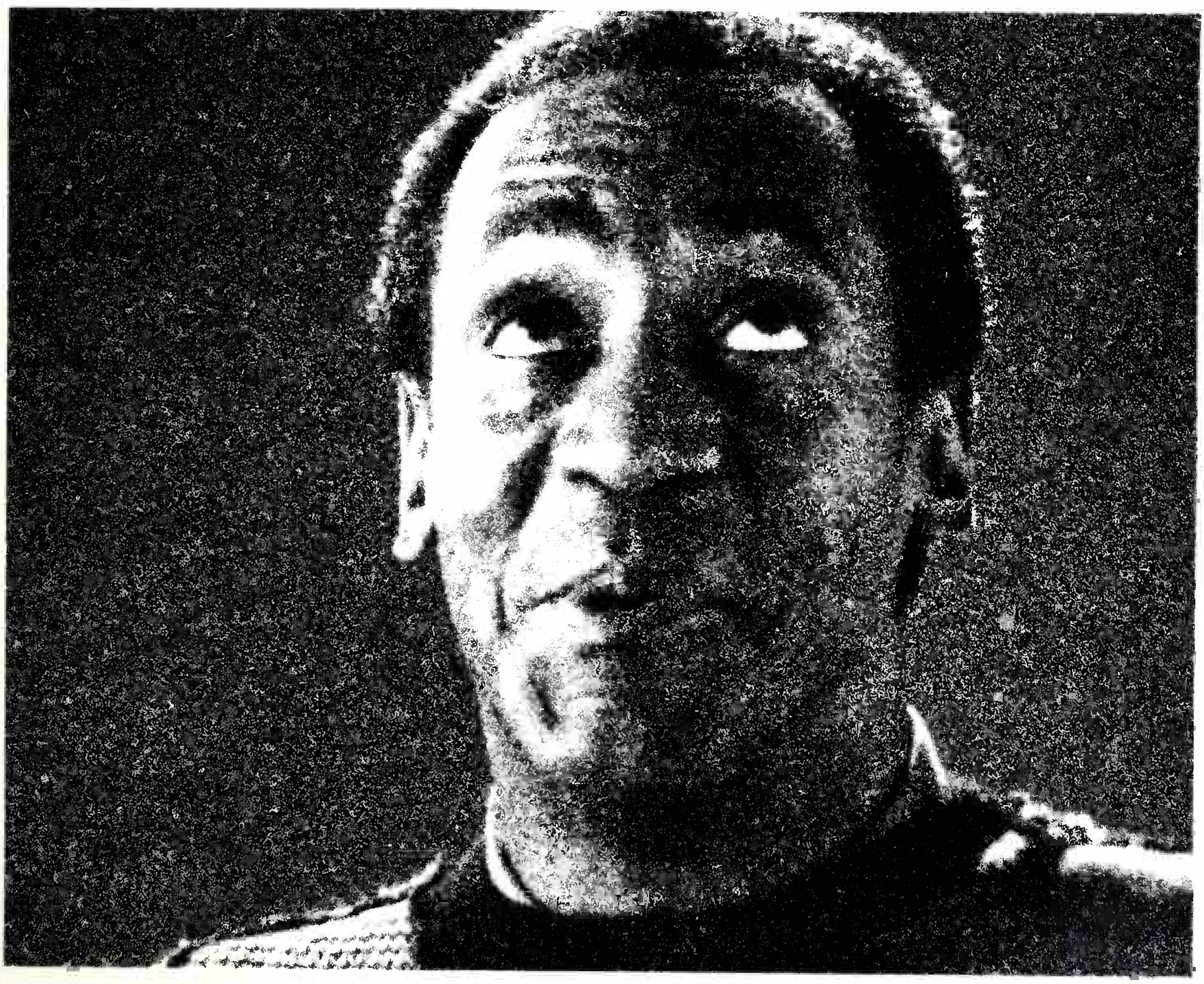
Although Capital Cities/ABC has indicated its television network will probably experience a "modest loss" in 1987 on top of a deficit in 1986, Wall Street apparently has a lot of faith in the current management.

Says Steven Rattner at Morgan Stanley: "I still have tremendous confidence in these guys. The situation was uglier than they thought going in, but they're doing their damndest to make something out of it all. They're caught in a difficult situation that they inherited at the network."

Adds Fred Anschel, Dean Witter Reynolds: "It's hard to really try to appraise their performance be-

To your health.

In 1983-84, before Cosby, Cheers ranked 54th for the season. In the 1985-86 season, with Cosby leading the night, Cheers became the number 3 show. Bottoms up!



The Cosby Factor: Profit from it.

Source: NTI

Viacom

cause they inherited an awful lot of stuff, including major ratings problems, and they ran into a lousy [advertising] environment."

But, "they're pretty smart people. In time, they will turn it around. It became obvious very early on that it would take longer than anyone expected to turn it around."

Burke's projections. At a recent press luncheon in New York, Daniel Burke, president and chief operating officer of CapCities/ABC, reiterated past statements, saying the network "will not be profitable in calendar '86." In response to a question about 1987, he said that, although the financial plan for next year was not finished, "the suspicion is that we will forecast another modest loss."

Thomas Murphy, chairman and chief executive officer, emphasized, however, that the company's television and radio stations, newspapers and magazines "are profitable."

John Sias, president of the ABC network division, estimated that total network television revenues in 1986 will only be up about 2 per cent over the previous year and that 1987 will be another year of "modest growth" with increases ranging from 1–4 per cent. He added that the total network advertising pie in 1986 will be about $8 billion, less than 40 per cent of the TV/cable total of $22 billion.

The big growth, he said, is coming in local TV sales (one reason for the health of CC/ABC's stations).

Murphy referred to the term "lean and mean" saying it was created by financial writers to describe CapCities/ABC's management philosophy, but he insisted that the company's fiscal prudence will "in no way affect the quality of shows on the air. We have not done anything to cut the cost of programming."

Asked about rumors that ABC plans to drop *Monday Night Football*, Murphy said, "We're very anxious to keep it; if anybody thinks otherwise, they're wrong." But, "it's obvious all three networks have to decide how much we can pay for NFL football."

On the subject of programming costs and how they can be cut, Sias said it represents a problem "we will eventually have to solve, but there are no *quick* fixes."

Confidence in Stoddard. All three executives expressed continued confidence in Brandon Stoddard, president of ABC Entertainment. Said Murphy: "We [Capital Cities] have traditionally been a highly decentralized company. We believe in delegating responsibility and authority for running things to people operating the various profit centers.

"We don't have daily or weekly contacts with Brandon. He shared with us all the programming [selections], but he made the final decisions."

Added Sias: "The interface is consultative. We're observers and monitors; we don't bring extra strength to that party."

Overall at the network and/or company, Burke said he doesn't foresee "any significant need for any further downsizing; it's largely complete."

Selling King World short

Short sellers may be less likely to play their game with King World Productions stock now that *The Wall Street Journal* has run an article pulling these speculators up short. In a recent "Heard on the Street" column, *WSJ* points out that the syndicator of such hit shows as *Wheel of Fortune* and more recently the *Oprah Winfrey Show* continues to defy bears who consider syndicator stocks overpriced.

The company's stock has gone up thirteenfold, adjusted for two splits, from its initial offering price of $1.67 in December, 1984, recently listing at 16⅝. One diehard, according to the article, is Michael Murphy, editor of the Overpriced Stock Service, who points out the stock sells at 14 times book value, 26 times earnings and 3.4 times revenues based on estimates for the year ended August 31. But the article informs readers that syndicators can't necessarily be measured by such criteria. For example, book value, according to Stuart Hersch, King World chief operating officer, isn't an appropriate yardstick because the stated value of the company's assets doesn't recognize their income potential.

Syndication press day

At presstime, 11 syndicators had agreed to participate in a first-run syndication day on January 14, 1987, during the Television Critics Association (TCA) press tour in Los Angeles. They are: MCA TV, Gaylord Production Co., SFM Entertainment, Fries Distribution, Buena Vista, D.L. Taffner, Colex, LBS, Paramount, Television Program Enterprise and Viacom.

The syndication press day is a joint project of the Association of Independent Television Stations (INTV) and NATPE International.

Sexual harassment panel

The thorny issue of sexual harassment in the workplace provoked pointed and sometimes divergent exchanges at a recent regional conference of the Radio-Television News Directors Association, held in New York.

The question, as posed by panel moderator Mary Alice Williams, a vice president of Cable News Network and its New York bureau chief: In a "touchy-feely business" like television news, just what constitutes sexual harassment? And what preventive steps should management take to ensure against opening itself up to legal liabilities—while at the same time not stifling natural human relations in the office setting?

Debate over the question has intensified since a recent unanimous Supreme Court decision stating that sexual harassment is a form of discrimination, and thus is prohibited under the law.

Kathy Bonk, of the legal defense and education

A magnum effect.

Head to head with The Cosby Show, Magnum P.I. plunged from its position of 6th highest rated program in the 1983-84 season to 51st in 1985-86. Even superstars fall to the megaforce of The Cosby Show.

The Cosby Factor: Profit from it.

Source: NTI

Viacom

fund of the National Organization for Women (NOW), noted that the federal Equal Employment Opportunity Commission has issued a definition of sexual harassment, which covers verbal comments as well as other acts, such as unwanted touching, requests for sexual favors, etc.

A matter of interpretation? Panelists also noted that the determination of whether legally actionable sexual harassment has occurred usually depends on interpretation of a certain set of facts. While most of the discussion hinged on male supervisors' alleged harassment of females, panelists agreed that it is possible for a female supervisor to harass a male employee—or for harassment to occur between co-workers.

As moderator, Williams pointed out that sometimes it's difficult to separate clear-cut cases of sexual harassment, such as rape, assault, harassment from more ambiguous circumstances—for example, a supervisor luring a young and innocent employee to dinner by using the pretense of discussing business, or the telling of dirty jokes in the office.

"Is that harassment, or is that human?" Williams asked. "I wouldn't call that harassment," she said of the supervisor who makes veiled advances over dinner. "He's just being a jerk."

She added that to ensure equitable treatment, "we have to make a distinction" between true harassment and clumsy attempts at romance.

Bonk of NOW, however, appeared to take a more absolutist position, stating that if a woman feels harassed, chances are that harassment has occurred. She maintained that display of nude photos in an office or the telling of jokes derogatory to women could constitute harassment.

She feels companies can be held liable for the actions of supervisors, even if higher-ups were unaware of the actual acts of harassment. That is why, she said, companies must have a clearly stated policy against sexual harassment, rather than simply stating, "we do not discriminate."

Bonk warned that, "Legally, we are not at sea," noting that the recent sexual harassment decision was written by current Chief Justice William Rehnquist.

Some panelists were troubled at trying to paint the issue as a simple black and white. George Watson, vice president and Washington bureau chief of ABC News, noted that he got involved in an office romance with the secretary of another news executive about 10 years ago and that the woman now is his wife.

If that situation were repeated today, he wondered, an "infestation of lawyers" might "discourage" such a relationship. "That would be unfortunate," Watson added. "There is a difference between 'sex' and sexism.' The law is a blunt instrument," he added, and may not be equipped to deal with such distinctions if applied too stringently.

INTV officers elected

New chairman of the board of Association of Independent Television Stations (INTV) is Charles Edwards, executive vice president at Gaylord Broadcasting and vice president & general manager of KTVT(TV) Dallas-Ft. Worth. Edwards was elected to the post at INTV's recent board meeting along with three others: vice chairman, John Serrao, president & general manager of WATL-TV Atlanta; secretary, Ted Baze, president & general manager of KGMC(TV) Oklahoma City; and treasurer, Bob Wormington, general manager of KSHB-TV Kansas City.

INTV has also appointed a new director of research, Susan Rynn, formerly manager of research at the USA Network.

Rynn fills a post that has been vacant since the departure of Donna Miller.

Web August billings +5.8%

Network TV billings in August continued a second quarter pattern established in July with a modest (single-digit) increase over the year before (see September 15 *Tele-Scope*). Overall billings in August were up 5.8 per cent, compared with a rise of 7.1 per cent in July, according to Broadcast Advertisers Reports. However, daytime revenues dropped 8.6 per cent in August, as against an increase of 2.4 per cent in July. In primetime, the 10.9 per cent increase in August copied the 9.3 per cent rise in July. Brightest spot was weekend daytime, up 20.5 per cent in August, compared with a drop of 3.7 per cent the month before.

Network TV dollar revenue estimates—August, '86 vs. '85

	Three-network totals	
Dayparts	Estimated $ (000)	% change
Prime: Sun 7–11 p.m. & Mon–Sat 8:00–11 p.m.	$301,287.8	+10.9%
Mon–Fri daytime 10 a.m.–4:30 p.m.	117,286.5	−8.6
Mon–Sun late night 11 p.m.–sign off	34,152.3	+9.2
Sat/Sun daytime Sign on–6:00 p.m.	55,777.0	+20.5
Mon–Fri early morning Sign on–10 a.m.	13,454.0	−1.9
Mon–Fri early fringe 4:30–8:00 p.m.	26,319.4	−2.3
Sat/Sun early fringe Sat 6–8/Sun 6–7 p.m.	9,083.6	+6.5
Subtotal early fringe	35,403.0	−0.2
TOTALS	$557,360.6	+5.8%

Source: Broadcast Advertiser Reports, Inc. Copyright 1986 BAR

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Television sells better than any other medium. It reaches more people, with greater impact. *Spot TV* is the big winner. Provides added prestige and awareness...enables advertisers not only to select the best audiences, but the best markets as well. Spot Television takes top honors in the media derby. When you think of Spot TV, think of Petry.

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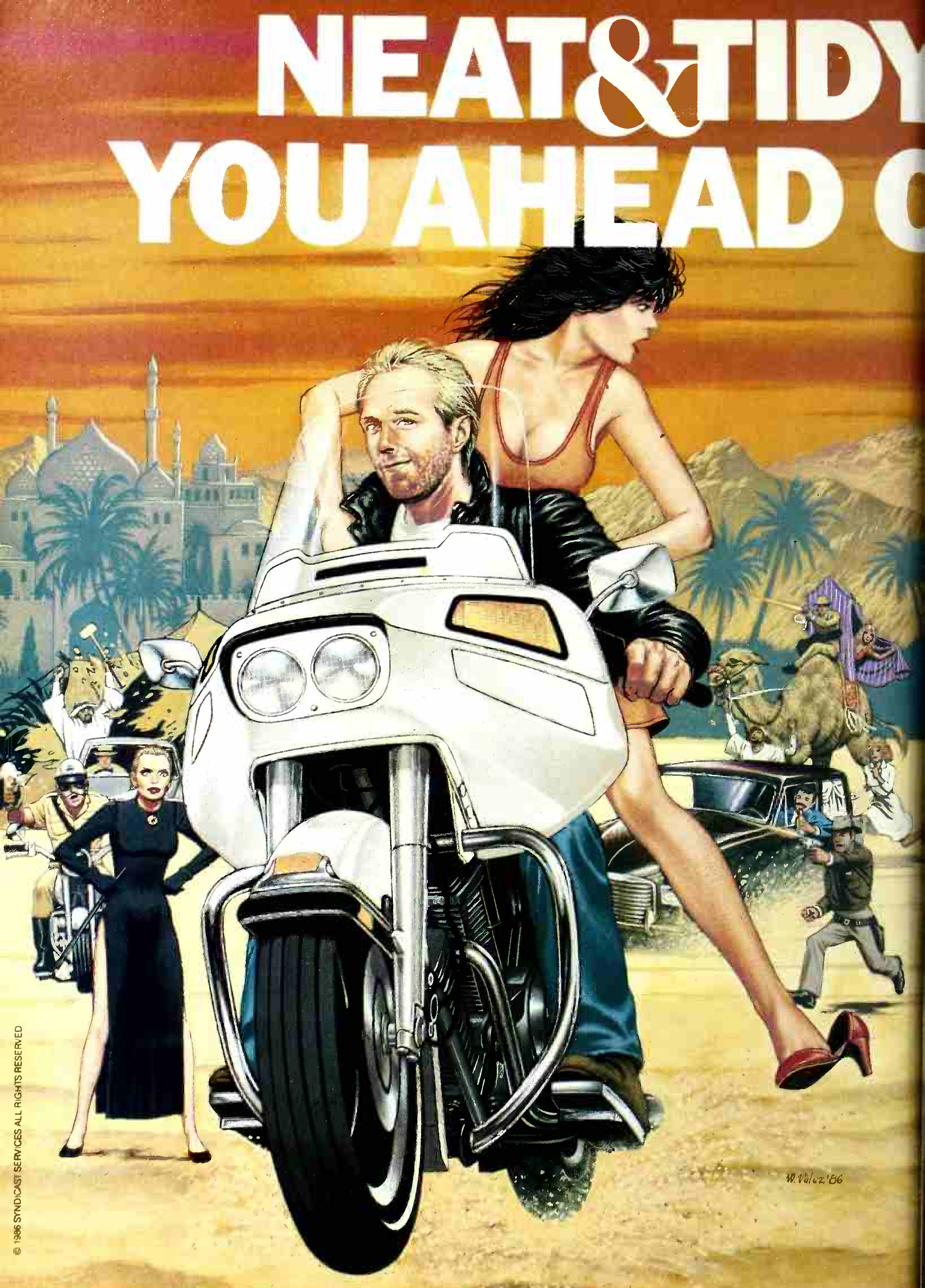

NEAT&TIDY
YOU AHEAD O

TV Business Barometer

August rose 17.8% in local

Local TV billings picked up in August, as did spot, hitting the double digit level in percentage increase. It was the fifth month this year that local business was up in double digit terms, while spot could only boast that accomplishment three times.

However, as noted in the last *TV Business Barometer* report (October 13), August was the first month in '86 in which there was a difference in the Standard Broadcast Month (SBM) compared with the year before. This time, the August, '86, SBM was five weeks vs. four weeks for '85.

The August local billings rise came to 17.8 per cent, compared with 15.0 per cent for spot in August. Local time sales reached $452.1 million, as against $383.8 million for August, '85. The '86 level is about double that of local time sales five years ago.

For the eight months to date, local time sales topped the $3 billion mark, totaling $3,275.4 million, compared with $2,912.4 million in '85. That represents an increase of 12.5 per cent, while the increase for spot during that period came to 8.6 per cent.

Network compensation was up a little, but that little was about par. The August rise was 1.9 per cent—lower than most months this year, but not that much lower. The station take came to $40.0 million vs. $39.3 million in August, '85.

For the eight months, network comp was up only 2.0 per cent, reaching $304.3 million vs. $298.3 million in '85.

Overall, in August the combination of spot and local time sales plus network comp totaled $921.6 million, while the '85 figure was $796.6 million; the increase amounted to 15.7 per cent.

The eight-month overall total of time sales plus network comp was up an even 10.0 per cent. The billings were $7,164.1 million through August this year as against $6,512.6 million in '85.

The smaller- and medium-bracket stations did much better with local business than the larger outlets during August, compared with the '85 level. The under-$7 million revenue bracket performed best, possibly reflecting the growth of independents as a factor in the *Barometer* sample.

Local biz vs. spot

The *TV Business Barometer* has showed August local billings topping those of spot since '84. The difference this year was a little over $20 million, but the comparison is complicated by the SBM question since some stations report spot on a calendar year basis and local on an SBM basis—or vice versa.

Putting that aside, the local share of the combined time sales plus network comp total was 49.1, compared to a local share of 45.7 for the eight months. The comparable figures for spot are a 46.6 share for August and a 50.0 share for the year through August. Network comp is running a little over 4 per cent through August.

Local business +17.8%

(*millions*)

1985: $383.8 **1986: $452.1**

Changes by annual station revenue

Under $7 million	+32.9%
$7–15 million	+27.7%
$15 million up	+13.6%

Network compensation +1.9%

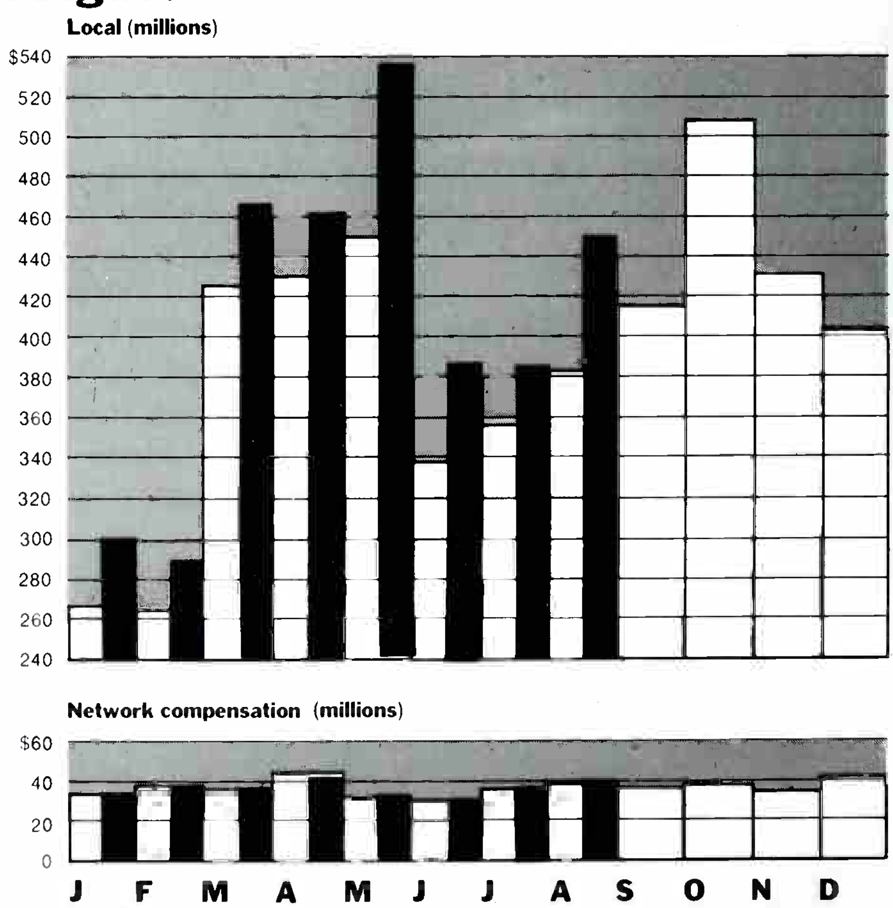
(*millions*)

1985: $39.3 **1986: $40.0**

Changes by annual station revenue

Under $7 million	−2.7%
$7–15 million	+6.7%
$15 million up	+1.3%

August



Why Television Age International is the world's leading broadcast publication.

Cable Report

TNN's bingo-like gambit

A close copy of all-night bingo—complete with instant winners and jackpots in the thousands of dollars—has come to the transponder carrying The Nashville Network from 3 a.m. to 9 a.m. ET, in the form of outside-produced paid programming.

The block, *Money Mania*, debuted October 17. It is produced live from Nashville by Media Arts International Ltd. of Phoenix, Ariz., which is buying the time from Group W Satellite Communications and is leasing production facilities from Nashville Network, a property of Gaylord Broadcasting.

The firm's president is Raymond Lindstrom, who takes credit for bringing to cable the "home study seminar" show—essentially a protracted commercial for a home audio course on a particular subject, typically involving the quick accumulation of personal wealth.

Money Mania is played with cards that look like bingo cards, except that the word to be spelled out by way of a lucky-number drawing is not "b-i-n-g-o," but "m-o-n-e-y." The letters are drawn in the manner of a state lottery drawing; winners must call the show within ten minutes to claim their prizes, which range anywhere from $500 to $5,000. Winners are verified instantly by computer. The firm says it will give away $344,000 in prize money through the end of the year.

'Get rich quick' experts. Media Arts is the firm responsible for a variety of "home study seminar" paid cable programs, such as *Get Rich Quick with Real Estate*, *Get Rich Quick with Penny Stocks*, and *How to Win at Blackjack*. The shows urge viewers to purchase home-study courses on audio tape. Media Arts also produces a newsletter, *Lottery Buster*, which imparts tips on how to pick numbers for lotteries (presumably, the legal variety run by states).

But *Money Mania* is a contest, an entertaining game show, not a lottery, states Pamela Daily, general manager of the Media Arts Nashville office. She says the game has been thoroughly lawyered to avoid problems with state regulators and the Federal Communications Commission, whose rules on contests and promotions extend to cable.

"There is no consideration. If there was consideration, it would be a lottery," Daily says. However, she adds, state law prohibits the game in Vermont, and the company has to modify its contest procedures to meet legal requirements of the state of Washington. The general rules of the game require that viewers send a self-addressed, stamped envelope to receive a free game card (there is no limit on the number of requests). In Washington, the firm is waiving the self-addressed stamped envelope requirement, which in that state apparently is regarded as consideration.

So what's in it for Media Arts? Daily says the firm hopes to make money by selling advertising in the block. At this writing, the firm has no advertisers, but is pitching its own "home seminar" products with per-inquiry ads.

Its backers see the bingoesque marathon as a viewer draw; they note that Nashville's signal reaches some 26 million homes.

However, there is no requirement that local cable operators carry the program; unlike the various home shopping channels springing up on cable, *Money Mania* isn't offering operators a cut of its revenues.

TVRO scrambling ruckus

The last thing a pay TV programmer needs is an equipment snafu that roils thousands of brand-new home satellite subscribers. But given the complexities of signal scrambling of satellite services, it was bound to happen—and it did, for a couple of days starting on the weekend of October 3.

October 3 was the day when the major pay services, Home Box Office/Cinemax and Showtime/The Movie Channel, began feeding encrypted Motion Picture Association of America rating data on their satellite feeds. The Videocipher II home TVRO decoder units used to unscramble the feeds are equipped with a parental lockout feature; by tapping in a certain code, a viewer can prevent adult-rated films from being passed by the device.

Problem was, the decoders shipped by General Instrument's Videocipher division to satellite dealers were preset at the factory to filter out any films rated hotter than "G"—in other words, most of the service's prime titles. "We figured people wouldn't want to turn on and get R-rated movies if they didn't want them," explains Mark Medress, the Videocipher division vice president of new business development.

Customer confusion. While it wasn't a technical flaw, home users apparently couldn't figure out how to reset the parental control. HBO spokesman Alan Levy says the service received a "substantial number" of telephoned complaints from irate home TVRO subscribers locked out of the movies they wanted to see most. A Showtime official also reported complaints to that service.

Rather than try to educate the consumers about the settings over the telephone, the pay services simply deactivated the control feature on their satellite feeds, letting all films pass. The "lockout" apparently lasted only a couple of days.

An HBO spokesman said the feature will remain turned off until the pay service is satisfied that satellite customers know how to reset their units. The pay service isn't planning to credit customers for the days they couldn't get the adult-rated films.

The Videocipher official says new units now are being factory-set to pass all programming, leaving it up to the customer to reset for limited access. He notes that customers already have the information they need to reset the units, as outlined in their owner's manuals. And he's urging programmers to reactivate the control feature sometime soon.

IMPACT!

THE NHL ON ESPN.® NOTHING HITS UPSCALE MEN HARDER.

For explosive speed and hard-hitting action, nothing beats ESPN's coverage of the National Hockey League.

With last season's upset-filled finish still fresh in everyone's minds, the 1986-87 campaign promises to be the most exciting in memory.

And with ESPN carrying up to 33 regular season and 30 playoff games—live and in prime time—it's not surprising that millions of upscale men are turning to ESPN to watch a sport they can't find on the broadcast networks.

And these men are a pretty hard-hitting group themselves. For instance, ESPN's typical hockey viewer buys 30% more imported cars, 44% more life insurance and does 82% more business traveling than his national counterpart.*

Without ESPN, your television budget is underdelivering these upscale men. Just 10% of your national TV budget allocated to ESPN will dramatically increase its effectiveness. You'll be reaching the men who spend and do more, and you'll be doing it at a much lower cost-per-thousand.

So give us a call at (212) 661-6040. You supply the message, we'll supply the impact.

*MRI 1985

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Sat firm merger impact

The principals who engineered the pending merger of Communications Satellite Corp. (Comsat) and Contel Corp., owner of American Satellite Co. (ASC), say the deal will give Comsat improved financial muscle to further develop the worldwide communications satellite system.

Contel is the third-largest independent telephone company in the U.S., and a much larger company than Comsat. The telephone division and several others, including the satellite operation, market products and services worldwide. Last year, the telco had revenues of $2.6 billion, compared to Comsat's $459 million.

Concerning the potential for reduced competition among satellite providers, the view from Wall Street is that the satellite business remains highly competitive—and that competition from outside the industry should increase as more telco-based providers of fiber optics transmission vie for segments of the market.

The fact remains that both Comsat and Contel are among less than a dozen companies offering a broad array of satellite transmission services, and are direct competitors in such growing sectors as KU band transmission, increasingly utilized by the business community for VSAT, or very small aperature terminal, telecommunications services, and by the cable and broadcast industries for distribution of programming.

Federal regulatory hurdles. The firms, both of which provide various regulated and non-regulated telephone, data and video telecommunications services, entered into a definitive agreement to merge on September 29, with the intent of finalizing the deal sometime next year. The merger must be approved by U.S. federal regulatory authorities, principally the Federal Communications Commission and the antitrust division of the Justice Department. Under the terms of the pending agreement, Contel would become a wholly-owned subsidiary of Comsat.

While Comsat is principally involved in the satellite operations and private networking businesses, the core business of Contel, based in Atlanta, is residential and business telephone service divisions serving 2.3 million customers in 30 states. Like Comsat, Contel also provides various telecommunications and information services abroad, to both governments and to the private sector. Its American Satellite Co., based in Rockville, Md., provides satellite transmission services to large businesses.

Representatives of the firms believe the merger represents a "unique opportunity" because the firms operate diversified businesses which are "highly compatible."

"When we combine Comsat's technical strengths, especially the highly regarded Comsat Laboratories, with Contel's marketing expertise, the individual businesses will be strengthened," a spokesman said.

Specifically, he went on, "The merger will greatly improve Comsat's ability to fulfill its statutory responsibility to develop and improve the worldwide communications satellite system, meeting both "public needs and national objectives.""

First Boston Corp. and the Blackstone Group are financial advisors to Comsat in the transaction; Goldman Sachs is financial advisor to Contel.

Management shifts. Although Contel would become a wholly-owned subsidiary of Comsat in the transaction, Contel chairman Charles Wohlstetter would take the helm as chairman of Comsat, while Irving Goldman, Comsat chairman and chief executive officer, would become vice-chairman. Similarly, John Lemasters, president and chief executive officer of Contel, would retain those titles under the newly-merged Comsat.

Neil Yelsey, telecommunications analysts at the Salomon Bros. investment brokerage house, said he does not expect the merger to have a material impact on the markets covered by either firm.

"There may be some operating efficiencies, and obviously, a much greater degree of financial muscle, but for Comsat's existing customer base, it will continue to be business as usual," the analyst said.

While the merger plan is likely to face close scrutiny by U.S. regulatory authorities, the analyst said the odds are "very high" that the merger will be approved as proposed. "Neither company yields sufficient market power to monopolize the market, nor has a history of acting in ways that would result in a substantially non-competitive entity emerging from this transaction," the analyst said.

Why Showtime chief left

The resignation of Neil Austrian as president and chief executive officer of Showtime/The Movie Channel mirrors in some ways the departure of Robert Pittman and chief of MTV Networks Inc., insiders are saying.

Showtime's Movie Channel Inc. and MTV Networks were properties of the former Warner Amex Communications Inc. before its sale last year to Viacom. Both executives desired to participate in a buyout of their companies, and were chagrined when their individual efforts to retain equity positions came to naught.

And while the official story says Austrian was offered the chance to participate in the current attempt by Viacom management to effect a leveraged buyout, insiders say the deal that Austrian was offered may not have been sweet enough.

And both Pittman and Austrian are said to have been bothered by what they apparently regarded as heavy-handedness on the part of Viacom in its oversight of the newly acquired properties. Both executives liked to operate autonomously, and resented what they apparently regarded as meddling in day-to-day affairs, according to sources at the divisions.

Ironically, several months ago Austrian and Pittman reportedly were vying for the top spot at the cable networks' group.

Rocky Balboa, James Bond, Inspector Clouseau and Dick Cignarelli

You know Mr. Balboa, James
and the Inspector.
They are only the beginning
of one of the most wonderful
libraries of titles ever.

You know Dick Cignarelli, too.
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syndication at MGM/UA.
Good titles, good people, good company.

Good Company.

MGM/UA™

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Radio Report

'Target-ability,' lower costs make radio hot: O&M

Radio's "target-ability" and its lower costs are making it again a hot medium while "television and magazines are enduring uncertain times," says Ogilvy & Mather in its quarterly media update. It points out that, for one thing, satellite technology has increased the number of line networks from seven in 1978 to 19 in 1984, expanding both the amount of commercial inventory available and advertisers' ability to target prospects more precisely.

"Many local stations," the report says, "have also changed formats, becoming more segmented and more assertive in their sales efforts. Long form programming and specials on either a line network or on an ad-hoc basis have also proliferated, attracting many sponsors."

O&M points out lower costs and greater "target-ability" match up well with current advertiser needs: "Some advertisers can no longer afford to use the shotgun approach to delivery key prospects. Targeting has become more pinpointed, and radio's ability to deliver more tightly defined segments through its wide array of formats and its more precise geographic focus has become a valuable asset. And, in the face of increased media costs and static media budgets, some advertisers are turning to network radio as a substitute for more expensive media forms, like television."

Delta boosts spot $$

Delta Air Lines, which will be using Birch Radio as its primary rating service in Birch markets, has been spending on spot radio this year at a rate nine times that of last year. According to a Birch spokeswoman, the airline invested $4 million in spot during the first quarter and $5 million during the second. The company spent $2 million in spot in '85 and ended up the seventh biggest spot radio client, according to RAB. It's also the biggest airline spender in spot.

Delta is the biggest radio account of BDA/BBDO, Atlanta, which will be using Birch for all its clients. In announcing the agency's adherence, Birch said BDA would be "working closely with Birch to expand upon the qualitative reports in order to find new applications in evaluating radio buys." The new applications would presumably reflect, in part, Delta's need for information about airline travel habits of station audiences.

Birch qualitative reports come out semi-annually. The latest one, covering data on 97 markets from December, 1985 to May, 1986, reported on 17 categories, including listener data on airline roundtrips, which, though categories rotate, will likely remain a basic measure.

Group W-NBC merger

The proposed merger of 13 Group W and eight NBC radio stations (minus one New York outlet) into a new company would bring together four outlets that were Number 1 in their respective markets in the spring '86 Arbitron sweep (all persons 12-plus, Monday-Sunday, 6 a.m.-midnight). Three of those market leaders are current Group W properties: WBZ Boston (9.2 share), KDKA Pittsburgh (15.3) and KOSI(FM) Denver (9.6). The NBC market topper is WKYS(FM Washington. In addition, another seven of the Group W-NBC stations were among the top five in their markets. Of these six are Group W outlets: WINS New York Number 4, 4.6), KYW Philadelphia (Number 4, 6.8), KODA(FM) Houston (Number 5, 6.2), KJQY(FM) San Diego (Number 2, 8.2), KMEO-FM Phoenix (Number 5, 7.0) and KQXT(FM) San Antonio (Number 2, 8.9). NBC's KNBR San Francisco ranked third with a 4.9 share.

The amalgamation of the stations would reportedly include NBC's three networks and would result in the formation of a new company jointly managed by Randy Bongarten, president of NBC Radio and Dick Harris, president of Group W Radio. It is understood that GE (NBC's new parent) and Group W would each hold a small interest in the new firm.

As for representation, Group W recently announced that it was switching from Blair Radio to Interep for all of its stations; five of the existing eight NBC stations are already repped by Interep. Fred Walker, who has been in charge of the 10 Muzak offices owned and operated by Group W will be the liaison between Interep and the Group W stations. Before joining Muzak, he was chief operating officer of Broad Street Communications.

Brokerage firms involved in the transaction are First Boston and Goldman Sachs.

Subcarrier growth slight

The number of FM subcarriers in use in the top 30 U.S. markets increased only 4 per cent between September, 1985 and September of this year, according to an analysis by Waters Information Services, Binghamton, N.Y. Waters publishes the FM-SCA Census, a database of information on subcarriers, each fall.

Waters reports the most dramatic increase in FM subcarrier use was in voice applications such as radio reading services, ethnic programs and religious networks. With a total of 366 subcarriers in use in the 30 markets this year, compared with 352 in September, 1985, voice applications increased from 69 to 80.

Edens promotes Osterhout

Michael D. Osterhout has been promoted to executive vice president of Phoenix-based Edens Broadcasting, Inc. He has been vice president, general manager of Edens' WRBQ AM-FM Tampa-St. Petersburg. He came to WRBQ in 1978 as local sales manager, moved up to general sales manager the following year, and in 1982 advanced to general manager.

Edens chairman Gary Edens says Osterhout and his team in Tampa "have built WRBQ into one of the top 10 stations in America. In his new role he'll be involved in strategy, planning and budgeting for all our stations and will be a key player in our future acquisition plans."

Osterhout is a member of the Tampa Advertising Federation, the St. Petersburg Advertising Federation, and sits on the boards of ABC Radio, Eastman Radio, the Florida Association of Broadcasters and the National Association of Broadcasters.

The formation of Edens in 1984 was part of the largest radio sale in history, involving acquisition of seven stations from Harte-Hanks. Besides Tampa, Edens also owns stations in Phoenix, Richmond and Hampton, Va. and has just acquired "classic hits" KLZZ AM-FM San Diego from Southwestern Broadcasters for $14 million.

McKinley to Group W Sales

Tom McKinley has been tapped as president, Group W Radio Sales, the new Interep sales division dedicated specifically to representation of the Group W radio stations (see page 74). McKinley had been executive vice president/corporate at Major Market Radio.

Carr to ABC

Richard F. Carr has been appointed vice president, entertainment programming at ABC Radio Networks. Carr was vice president, marketing, Air Atlanta Inc., since June, 1986. Carr, who has extensive experience in radio, began his career with Metromedia Radio in 1960 as on-air talent at WIP Philadelphia. In 1962, Carr was promoted to program director and in 1967 started a similar stint at WNEW-AM New York. A year later, he returned to Philadelphia as vice president and general manager at WIP and WMMR(FM), joining WNEW-FM in 1970 as vice president and general manager. Later, he joined Meredith Corp. and in 1981 joined Mutual Radio Network as vice president, programming and sales, in Washington until 1985.

Straus 'even more involved'

Peter Straus, chairman of Straus Communications, Inc. says one reason he sold issues-oriented talk station WMCA New York was to "put us into a better position to become even more involved in the communities we're in. In New York there are 80 or 90 other radio stations. In our other communities we're practically the only game in town. So we certainly do plan to continue our activism on local issues. That's what local media are for."

Among many other things, WMCA claims the distinction of being the first radio station in the U.S. to editorialize and of also being the first station in the nation to endorse a political candidate: John F. Kennedy for president. In the same spirit, Straus explains, "Involvement is why we bought a weekly paper in Vernon, N.J. That's where the big problem about dumping radon waste is going on. Our paper is knee deep in it."

Straus has agreed to sell WMCA to Federal Enterprises, Inc. of Southfield, Mich. for between $10 million and $11 million, subject to FCC approval. In February Federal had acquired WWJ/WJOI(FM) Detroit. Federal is an investment group headed by David B. Hermelin, Peter A. Kizer, Harold Berry, Lawrence S. Jackier and Dale G. Rands.

Kizer, Federal's executive vice president, is formerly an executive vice president of the Evening News Association, owner of five television stations and two radio stations. He is also chairman of the television board of directors of the National Association of Broadcasters.

Broadcast consultant Michael Dann, one time publicist for NBC who later headed programming for CBS-TV, acted as Federal's consultant in its negotiations for WMCA. Gary Stevens, a former disc jockey with WMCA's "Good Guys" and now a vice president of the investment banking firm, Wertheim & Co., was broker in the transaction. Federal continues to actively seek more major broadcast properties.

At Blair Radio's "We Talk Radio" drawing *in New York are, from l., Jerry Feniger, president of the Station Representatives Association; Barbara Crooks, executive vice president, Blair's Radio Representation Division; Jack Fritz, president, John Blair & Co.; Katie Coke, vice president, radio for the John F. Murray agency; and Charlie Colombo, president of Blair's Radio Representation Division. "We Talk Radio" is a promotion involving giveaway of 2,000 moving-lip radios to media buyers across the U.S., with contest blanks inviting them to enter a drawing for an all-expense-paid vacation for two to Montego Bay. Three drawings, one for each Blair radio rep company, produced these winners: Jayne McMahon of McCann Erickson won the Blair Radio drawing, Torbet's winner was Mame O'Meara of Ruhr/Paragon/Minneapolis, and winner of the Select Radio drawing was Rene Payton of Micro Media in Atlanta.*

Radio Business Barometer

September web billings slow down

After bang-up business in July and August, network radio ended the third quarter with a whimper. But the first two months of the summer period were so good that the third quarter still ended up doing much better than the first two quarters.

Despite the dramatic drop in performance, network radio still registered a revenue increase in September vs. the year before—albeit a small one. Perhaps the most dramatic aspects of the September figures were the drastic differences in the results from the four sales territories reported by the Radio Network Association. While two territories showed actual declines from September, '85, the other two generated blockbuster increases.

Getting down to specifics: Network revenues in September were up over the year before by only 6 per cent—the first single-digit monthly increase so far this year. Revenues for the webs came to $32,672,481, compared with $30,723,921 during September, '85.

Because July was up 32 per cent and August up 37 per cent, the quarter scored a husky increase of 24 per cent—60 per cent higher than the first quarter and 50 per cent higher than the second quarter. The revenue total for the July–September period was $106,530,601. This compares with $73,740,288 for the first three months of the year and $103,034,317 for the second quarter. Last year's third quarter came to $85,823,784.

As for the nine months to date, the figures reported by the RNA show a rise of 18 per cent to $283,305,206. The nine months of '85 totaled $239,252,349.

Among the sales territories, the biggest September drop, both in percentage and absolute terms affected Los Angeles. The decline amounted to 17 per cent, with revenues dropping from $2,292,834 in '85 to $1,905,667 this September.

The other drop was in New York figures. The percentage drop was small, but the base, of course, was much bigger. Revenues from the New York sales territory in September dipped 2 per cent to $19,363,241. The '85 figure for New York was $19,711,109.

Both Chicago and Detroit showed increases of 31 per cent in September. The Motor City, which has shown the most vigorous growth among the four sales territories, was up 39 per cent over '85 for the first nine months of this year. And the third quarter was sensational.

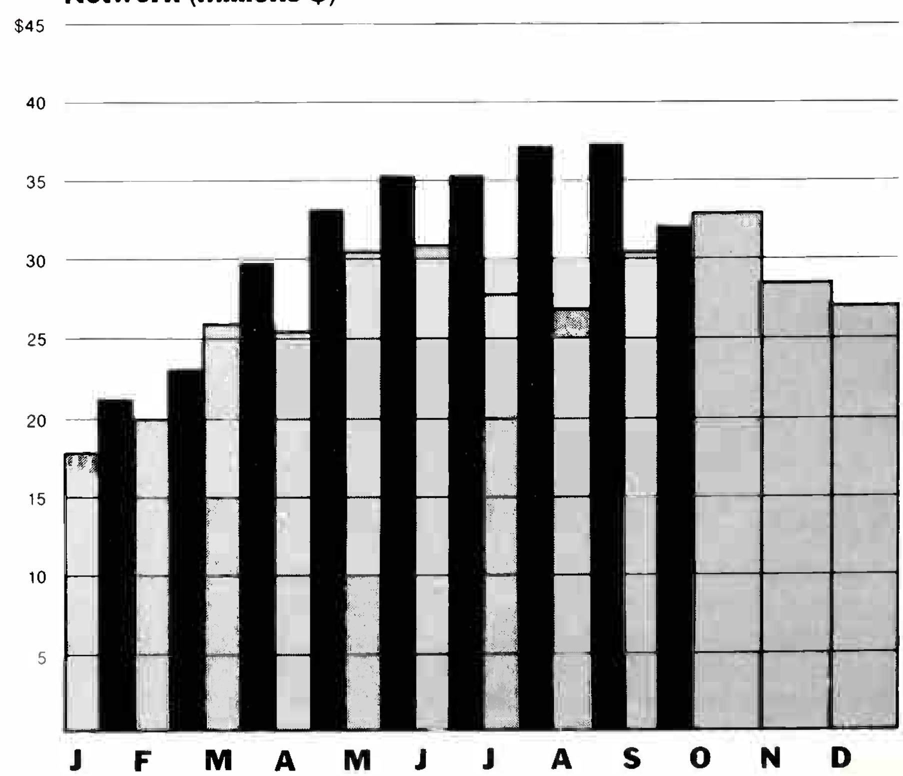
Detroit is hot

Detroit billed $4,222,077 in September, '86 vs. $3,219,636 in September, '85. Revenues for the July–September period climbed 60 per cent to $10,175,549, boosted by the 119 per cent zoom in August and a 70 per cent increase in July. For the nine months, the Detroit network radio revenue total was $24,598,882, compared with $17,679,975 during the same span last year.

Chicago's 31 per cent rise in September brought its revenue total to $7,181,501, as against $5,500,342.

September

Network (millions $)



Network **+6%**

(millions) **1985: $30.7** **1986: $32.7**

Changes by territories

Territory	Billings (000)	% chg. 86–85
New York	$19,363,241	−2%
Chicago	7,181,501	+31
Detroit	4,222,077	+31
Los Angeles	1,905,665	−17

Source: Radio Network Association

n with Marketing/Promotions Mgr. ron Hansen

Zana Paiz, n, AE Fred Stockwell d SA Pat Delgado.

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

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

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

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

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

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

SM Joyce Scheer-Marshall, Don and ational Regional Sales Mgr. Steve Schoppa.

McGAVREN GUILD RADIO

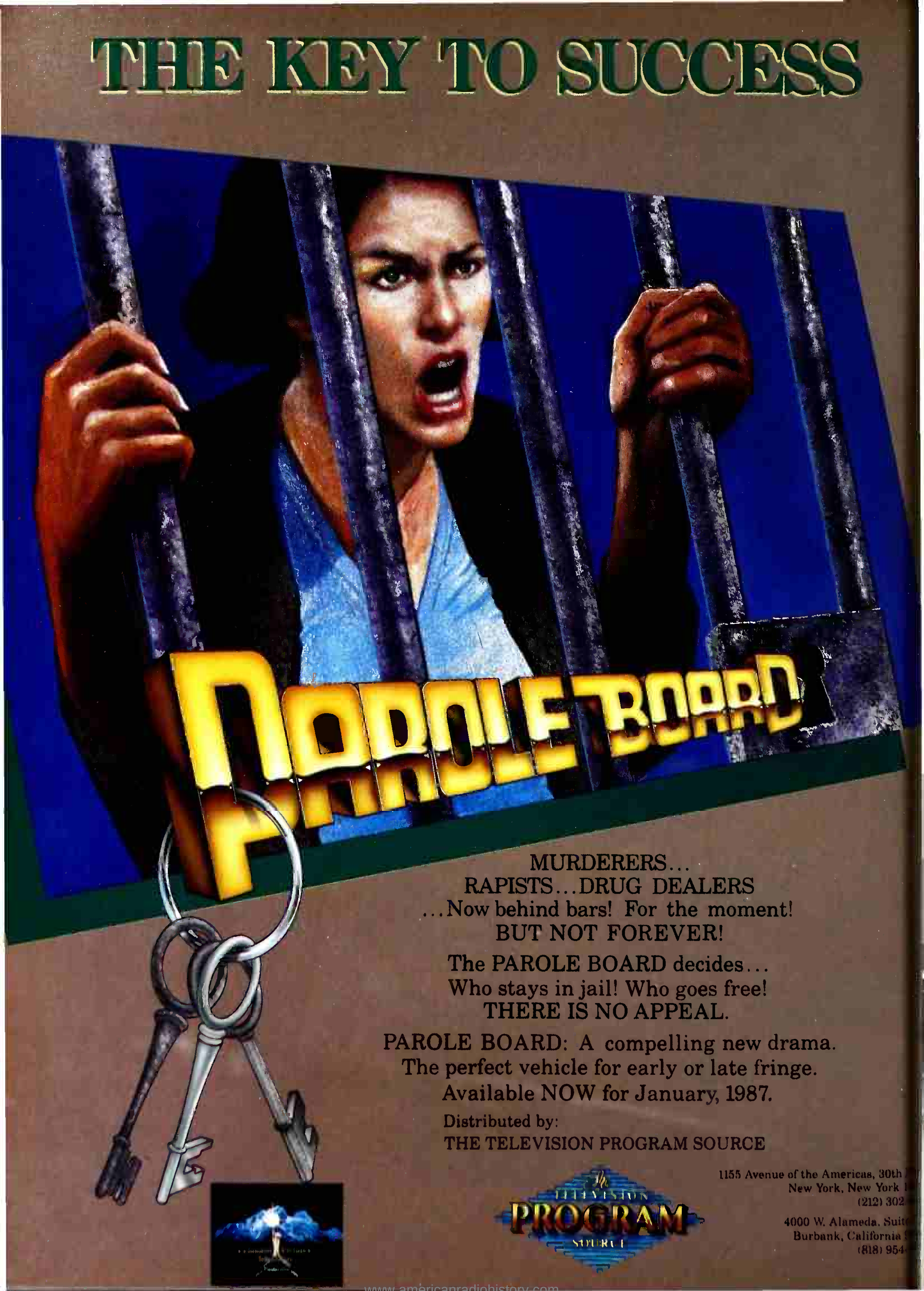
Innovative Leadership

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

Don with Chief Engineer Richard Schuh.

Don with Morning Air Personality Bruce Hathaway.

AN **INTEREP** COMPANY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Television/Radio Age

October 27, 1986

THE RATINGS 'REVOLUTION'

'Electronic diary', due for fall national debut, still raises validity questions

People meter will impact all segments of TV industry

By MAL BEVILLE

First of two articles

The most far-reaching developments in more than 35 years will impact television audience measurement in 1987. The people meter device, sometimes called an "electronic diary," whereby viewers record their presence in front of the set, will become the standard for network demographic measurement at the start of the next fall season.

Every industry element that has any stake in audience size will be affected one way or another. We still don't know nearly enough about people meters, but we can be sure that the numbers they produce will look different from many we've grown accustomed to. Moreover, the dramatic increase in volume of figures (including true multi-week people cumes for the first time) will challenge the talent of the best number-crunchers in the business.

For the first time since the Nielsen Television Index (NTI) service was launched in 1950, it will face a network ratings competitor, AGB Television Research. For over a year, Nielsen has been developing a national people meter sample parallel to its existing NTI panel of 1,700 households.

AGB fired the opening salvo in October, 1983, when it announced plans to challenge Nielsen with a U.S. people meter service. AGB has received significant industry support for a 2,000-household national measurement service to be launched in September, 1987. Nielsen people meters will match this sample by that date, so a two-way competition is assured in the 1987–'88 season.

For the first time, network, like local, television will have two sets of numbers to live (and die) by. Nielsen will no longer be the supreme arbiter, the oracle. True, the similarity in techniques is so close that wide discrepancies are unlikely, but there are sufficient variations in detail to suggest that statistically significant differences may emerge. The magazine field, of course, supports two services, each with its adherents, but there the basic measurement methods are dissimilar, so differences are anticipated.

Most basic broadcast audience measurement techniques have originated at the national network level. Once established, they are adopted in major markets and, later, on a more widespread local basis. We can already see prospective local people meter services: Nielsen has announced preliminary plans to equip four markets in 1988. They are New York, Los Angeles, Chicago and San Francisco.

> 'People meters have achieved unbelievably high acceptance in the industry for a variety of reasons, most of which have but slight relation to their quality as a research tool.'

However, the above scenario omits the third important player—ScanAmerica, the company backed by Arbitron and SAMI/Burke, which has a significantly different system. ScanAmerica employs two unique features: (1) an on-screen prompt to remind viewers to push buttons, and (2) a wand to record grocery purchases by scanning Universal Product Codes on purchased packages. ScanAmerica's national entry is planned for fall, 1988.

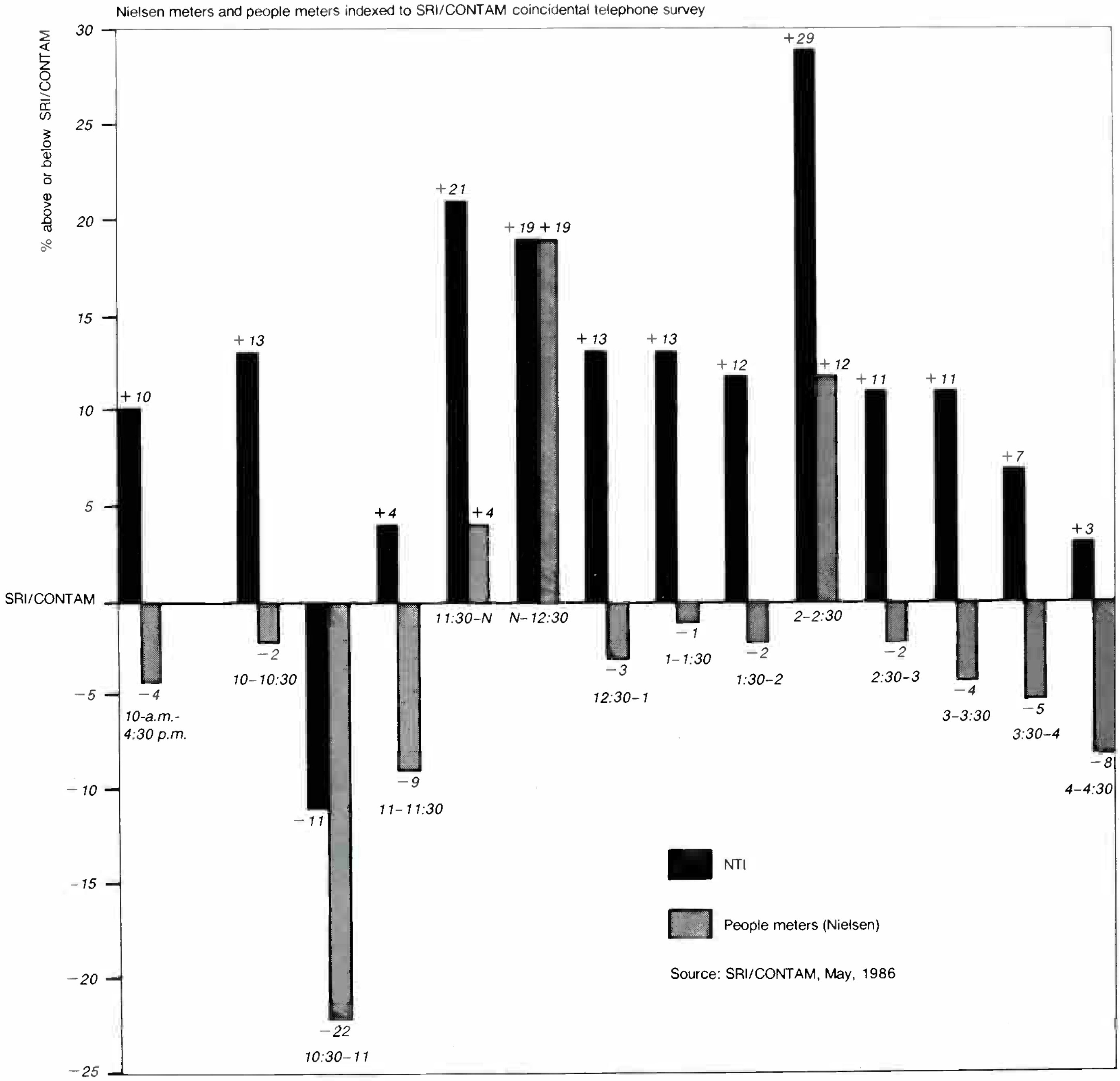
A possible fourth contender, thus far unannounced, is a new Roger Percy service slated for introduction in New York. Percy's people meter technology is also unique. In addition to the push button, it is known that there is a passive sensor that can determine if the number of persons in front of a tuned receiver have all pushed buttons. If not, a prompting message appears on the screen to stimulate action. ScanAmerica will have a local Denver service in operation next spring, and rumors have it that Percy may be in business in New York by then, too.

The above broad layout of the people meter field will serve as a large-scale map for the more detailed blowups we will look at in this and the following article. People meters have achieved unbelievably high acceptance in the industry for a variety of reasons, most of which have but slight relation to their quality as a research tool. Among these are: (1) a desire to see Nielsen's monopoly broken in the hope that AGB could deliver a service at lower costs; (2) unhappiness with the limitations of the household diary and especially Nielsen's National Audience Composition (NAC) service, which employed an in-tab sample considered to be too small and also inadequate because not all weeks were measured; (3) AGB's successful experience with people meters in Europe and elsewhere; and (4) a conviction that this was the "technological cutting edge of the future."

One of our objectives will be to back up and inspect the nature of people meters, as a device and as an active measurement tool in a sample household. What are its benefits

Household and people meters vs. coincidentals: a HUT comparison

Daytime HUT differences by half hours 10 a.m.–4:30 p.m., Mon.-Fri.
Nielsen meters and people meters indexed to SRI/CONTAM coincidental telephone survey



Bars compare *difference in HUT levels developed by NTI household meters and the household data from the Nielsen people meters with the SRI/CONTAM telephone coincidental results, the benchmark study. For example, in the 10–10:30 a.m. period, the Nielsen household meters showed a HUT level 13 per cent higher than the SRI survey, while the household data from the people meter showed a HUT level 2 per cent lower than the SRI survey.*

and limitations relative to diaries, the currently accepted methodology? People meters are often considered generic, but in fact each of the systems developed has technical features at variance with the others. What are these differences, and how might they affect results? Sampling, editing (including definitions), tabulating and reporting all can differ. What are the consequences? These are some of the areas to be explored later. Let's now, however, return to the big picture and amplify significant developments, past and future.

The idea of a push-button people meter is far from new. Nielsen experimented with various models beginning in 1974 but made no attempt to introduce them until AGB in 1983 announced its planned entry into the U.S.

Nielsen quickly responded by commencing the installation of a people meter (PM) sample. This sample has been steadily increased to its present level of nearly 1,000 households, selected to parallel the NTI panel. Originally it was Nielsen's intention to substitute this PM sample for the NAC diary service to produce demographic data in September, 1986. Early results, however, showed that households using television (HUT) were significantly lower in the PM sample than in NTI for many time periods. There were also unexplainable people differences between PM and diary demographics.

The television networks and a number of other subscribers were unwilling to abandon the old NAC service for the 1986–'87 season, for several reasons. The people meters were still not tested enough to engender confidence in their output, and to change measurement systems after much of fourth-quarter network time had been sold would create chaos in the marketplace. Nielsen, with financial support from the networks, then agreed to continue the NTI/NAC one more year without change. Nielsen, however, began releasing its experimental people meter data to subscribers on a regular basis in January, 1986.

Nielsen appears to have completely written off its NAC diary service and to have accepted the people meter as its future measure of audience composition, even though a significant amount of the testing of its PM accuracy is still to come.

'The idea of a push-button people meter is far from new. Nielsen experimented with various models beginning in 1974 but made no attempt to introduce them until AGB in 1983 announced its planned entry into the U.S. Nielsen quickly responded by commencing the installation of a people meter sample.'

CONTAM studies

The Committee on Nationwide Television Audience Measurement (CONTAM), comprising the three networks (with the National Association of Broadcasters participating), has mounted a series of studies to evaluate Nielsen's people meters. Nielsen has joined the effort, and Statistical Research, Inc., was engaged to plan and conduct that survey. Other industry groups furnishing observers for consultation in this effort are the Association of National Advertisers, the 4As, the Cable Advertising Bureau, the Television Bureau of Advertising, and the Electronic Media Ratings Council.

Two nationwide, high-quality, coincidental telephone surveys have been undertaken for CONTAM by SRI, whose designs and procedures set the standard in achieving an acceptable yardstick of reality for validation purposes. A daytime study was conducted in May, 1986, to produce comparisons of HUT levels and viewers per tuned household (VPTH). A primetime survey is now in the field, and early results are expected by mid-December.

The latter will go beyond the broad composite measurements of the daytime study and will provide benchmark program ratings. Both studies provide for comparisons of SRI/CONTAM vs. NTI and vs. people meters, although the daytime survey does not provide program-by-program ratings.

The daytime results (Monday–Friday, 10:00 a.m.–4:30 p.m.) have raised serious questions about the Nielsen PM measurement of daytime demographics. Whereas SRI/CONTAM showed an average VPTH at 1.31, PM produced 1.22, a difference of .09, which is statistically significant at the 95 per cent confidence level. On the other hand, NTI (with its NAC diaries) showed no significant difference.

The chart on page 57 clearly delineates the comparisons for individual age/sex categories. In categories where the diaries have had known weaknesses—children and teens—the people meter provides not only no improvement but further loss in relation to the SRI/CONTAM index. Underreporting of men 18–34 is equivalent to the NAC diary. NAC shows a strong tendency to overreport women 35 and over, a fact that compensates for its short-counting of young people and results in NAC's higher average VPTH. One can hardly conclude from these data that, on an overall basis, Nielsen's people meters generate demographic measurements superior to the existing service in the daytime. In fact, its low average VPTH could be rated a marked deficiency.

At the HUT level, comparisons go the other way. PM is slightly below but close to the SRI/CONTAM standard. In contrast, NTI set meters show a HUT level averaging 26.6 vs. 24.1 for SRI/CONTAM, a difference that is significant above the 95 per cent confidence level. On the basis of the daytime CONTAM study, the newer, smaller people meter sample seems to do the better job of HUT measurement, despite its lower relative numbers prior to 11:30 a.m. and after 2:30 p.m. On the other hand, NTI HUTs are significantly higher between 11:30 a.m. and 3:30 p.m. (see chart on page 54).

Whereas Nielsen people meters show daytime average household audiences at about 88 per cent of the NTI level, the figures run around 98 per cent of NTI for primetime. Greater variation comes with evening news (at 94 per cent) and late night (at 90 per cent). CBS recently reported that individual evening program ratings varied widely, with PM data ranging from 75 per cent to 145 per cent of Nielsen NTI ratings for low-rated programs.

Inasmuch as both Nielsen panel samples (NTI, 1,700 households, and people meter, approximately 800 households, in May) were selected in the same manner and are supposed to represent the U.S. television household universe, their significantly different HUT results are grave indeed. They can't both be right. Nielsen is under pressure from the networks either to explain the differences satisfactorily or to continue the present NTI service as its measure of HUT levels, with people meters limited to supplying audience composition data. This is the "conformed" compared to the "integrated" mode in which Nielsen would use the 2,000 people meter sample to furnish both HUT and demographics, beginning in September 1987.

Nielsen maintains that it must make a decision by January 1, 1987, which could be before many details are available from the CONTAM primetime study. Trade sources say that Nielsen is experimenting with a new form of "conformed" sample, in which people meter household data (which have a higher in-tab ratio than people data) will become the basis for demographic projections. In view of the many unresolved research questions (many of which will be discussed in the next article), Nielsen will unquestionably face some real dilemmas when the economic and competitive aspects are factored in.

AGB Television Research gains

AGB Television Research has recently made major gains in its drive to become a viable Nielsen competitor in network ratings. In August it announced that the parent company, AGB Research, Plc., had reached an agreement with the major United Kingdom merchant bank, Schroders, Plc., to assist in financing the U.S. project. This move appears to assure the national rollout of meters to inaugurate a 2,000-household service by September, 1987.

Meanwhile, AGB has continued to pick up subscribers, its most significant being in September when CBS came aboard, the first broadcasting network to do so. Earlier the cable company, MTV Networks, became a subscriber on behalf of its four cable services. AGB's major support had previously come from such top ad agencies as Young and Rubicam, Ted Bates, BBDO, N W Ayer, DMB&B, Grey, and Scali, McCabe, Sloves. In April AGB announced that it had developed "breakthrough technology" for pinpointing VCR playback of specific programs. "The new VCR monitor will report any fast-forwarding during the replay," according to Dr. Joseph Philport, AGB president, thus making possible measurement of zipping of commercials.

AGB mounted a year's test of its people meter capability in 440 sample TV households in Boston beginning February 4, 1985. The objectives were: (1) to demonstrate the applicability of the AGB technology to the U.S. environment (and overcome reservations many held about the peculiarities and complexities of American TV relative to other successful AGB operations); (2) to develop ongoing daily people meter household and demographic figures that could be compared with existing local Arbitron and Nielsen meter service results; and (3) to gain experience in sampling and operating as well as servicing American subscribers.

All three television networks, most leading agencies, a

'The viability of two national services competing head-to-head is questioned by most industry researchers.'

number of cable networks and several station group owners were among the 37 sponsors who put up $850,000 toward financing the Boston test. Unfortunately, relatively few analyses were released concerning that test. Evaluations by sponsors were spotty and uncoordinated.

Comparative audience data from Boston to parallel AGB results are informative but not entirely conclusive because of sample size limitations. A coincidental survey of 4,306 people (which attempted to follow basic CONTAM specifications) found that AGB HUT levels were 3.1 per cent below the coincidental in primetime and 9.5 per cent lower in early fringe (4–8 p.m. Monday–Friday). In contrast, AGB showed higher people-viewing-television (PVT) numbers than the coincidental.

In comparison with NSI and Arbitron, AGB HUT levels showed lower numbers for 7–9 a.m. (confirming a Nielsen national people meter pattern). In other dayparts AGB data paralleled the existing household meter services. NSI viewers-per-household (individuals 12+), on the other hand, showed a tendency to run lower than AGB's.

Survey sponsors, especially the agencies, seemed quite satisfied with the test, according to a survey of all participants conducted by the author. Nevertheless, there was wide disagreement among the 18 respondents on what was shown by comparisons between AGB and existing services: Eight reported "AGB ratings generally lower"; eight reported "wide variations in certain time periods"; and only six elected "basic agreement." (There were some duplicative answers.) Sentiment for a national people meter service was strong—two thirds of respondents wanted such a service "as soon as possible." (One would expect this of a self-selected group of respondents from those who had originally backed their interest with dollars.)

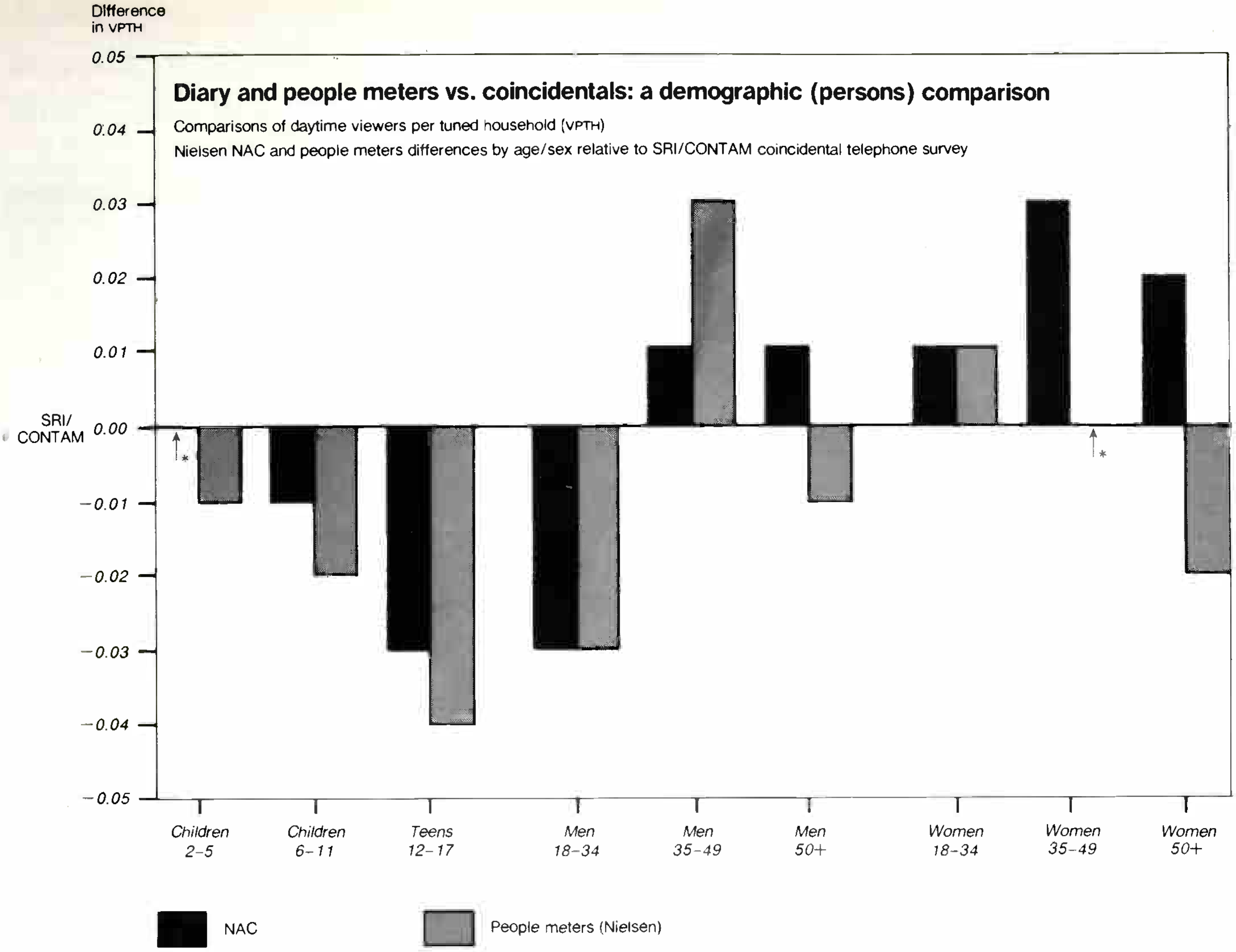
If a decision between AGB and Nielsen had been made last May, the voting would be close: Nielsen, seven; AGB, six; both, four; neither, one. Nielsen's advantages: experien- depth of services and past comparative track data. A favored for initiative, agreeable working relationsh clients and superior system technology. Whereas Boston demonstration was successful in clearing up questions about the capabilities of its system and orga tion, there lingered a skepticism about its ability to mou national service to replace Nielsen.

National sampling plans

AGB is presently working on its national sampling plans and will start enumeration and recruitment in January, 1987. The schedule envisages installation of its phase I sample of 2,000 households by July, 1987, after which some preliminary data will be available to subscribers. In September, 1987, the national service will be inaugurated, and simultaneously fieldwork for phase II will begin. The national sample target is 5,000 homes by September, 1988, the same date planned by Nielsen for its 4,000–5,000 sample.

The viability of two national services competing head to head is questioned by most industry researchers. A few see a one- or two-year period when they would support two services to engender competition. After that, it is believed that two services might exist but that dual subscriptions are most unlikely. David Poltrack, CBS research vice president, says, "We have no preference for AGB or Nielsen, just a preference to have two players in the game." One of Poltrack's reasons for subscribing now to AGB is his interest in having a network presence among subscribers as the service is shaped for users. After 1988 he expects the numbers produced by the two competitors to be reasonably close, so there will be no need for a network to buy both services. This is a different situation than exists in local meter markets today, where small samples create many differences between Nielsen and Arbitron levels.

Bill Rubens, NBC research vice president, believes strongly that it is Nielsen's responsibility to continue to provide an NTI service using the two-sample (conformed) system, because "Nielsen has failed to establish research grounds on which to justify the change" to people meters alone. Such a change will destroy trends, he believes, "and the networks might just as well support another service such as AGB."



Source: SRI; CONTAM, May, 1986 * No difference for NAC, children 2–5, and for people meters, women 35–49

In this chart, *the average number of viewers per tuned household during the day, as determined by the SRI/CONTAM telephone coincidental study is compared with the figures derived from the Nielsen national diary sample (NAC) and those from the Nielsen people meter. For example, NAC figures for children 2–5 were identical with the SRI/CONTAM data, while the people meter figures showed a VPTH that was 0.01 less. While some of these numbers seem small, the bigger ones are significant.*

Marvin Mord, ABC vice president for research, considers AGB a serious candidate but will hold off any decision on subscribing until he sees results of the CONTAM primetime survey and Nielsen's fourth-quarter comparative NTI-PM results with the 1,000 people meter sample. He supports a "conformed" approach by Nielsen for fall, 1987, looking toward a real showdown between Nielsen and AGB in spring, 1988.

All researchers hope that within two to three years a satisfactory passive people measurement can be brought into use.

The third people meter contender, ScanAmerica, is a lap behind the two front runners. Its plans call for a national service to be inaugurated in September, 1988, with a 5,000-household sample. Since January, 1986, Denver (two counties) has been the location of a ScanAmerica test numbering 200 households.

ScanAmerica, with its on-screen prompting and product wand features, employs newer and more complex technology.

This necessitates longer field testing, but results to date are considered extremely encouraging. For example, ScanAmerica claims that, based on comparable independent coincidental validation on overall HUT levels, "ScanAmerica was closer to its coincidentals more often than AGB was with its coincidentals." ScanAmerica showed higher HUTs compared to the coincidental, while AGB showed lower HUTs. In contrast, on viewers-per-household, AGB consistently showed levels above the coincidental, while ScanAmerica was uniformly lower.

Nevertheless, ScanAmerica is not now an active player in the national game. In a spring, 1988, showdown it will be, with the benefit of profiting from any missteps by the two leaders.

This macrovision of the people meter scene will, in the next article (November 10 issue), give way to a microview of the numerous detailed differences that separate the three people meter services. Comparative technology, editing, sampling, and tabulating will be explored and a summary essayed. □

About the author: *Hugh "Mal" Beville, Jr., the acknowledged dean of broadcast researchers, retired in 1982 as executive director of the Broadcast Rating Council (now the Electronic Media Rating Council). He worked for NBC for many years and took early retirement in 1968 as vice president for planning and research. Beville is currently a consultant, numbering Arbitron among his clients.*

Middle management, support personnel most threatened in growing cost squeeze

Agency disinflation setting the stage for staff reductions

By EDMOND M. ROSENTHAL

Agency staffs—their employers' greatest expense as well as their greatest asset—are finding cause for nervousness. If their agency isn't adding new business in today's economy, it's probably suffering a decline in profits. And the net effect on staffers can be a job-threatening transfer from the asset column to the liability column.

Such agencies as Ogilvy & Mather, Grey Advertising and SSC&B: Lintas Worldwide have already laid off staff this year—50 or 60 employees each—while others that have not done so indicate to TV/RADIO AGE either that their staffs are not as lean as they could be or that, if new business doesn't keep coming in, they're prepared to act accordingly. Additionally, recently merged agencies are taking a hard look at duplicated effort.

The personnel reductions seen thus far in the advertising industry, though, don't approach the proportions experienced at two TV networks, ABC and CBS. Also, agency executives indicate that much of the thinning out is being achieved by eliminating positions through attrition, replacing resigned staffers with more junior people and minimizing staff additions as new business is added.

The most vulnerable people at agencies are those who are not directly involved in the business of advertising—support personnel. Many of the more routine media department functions have already been eliminated by automation, and creative personnel appear to remain a highly prized asset—although their productivity is being watched more closely. Middle management appears to be slightly more under the gun than the higher and lower echelons. In some instances, agencies are hoping to control staff levels by convincing clients that, if they're allowed to work through fewer echelons of client management, they will need fewer people themselves.

Pressures on agencies

One of the major reasons agencies are in a profit squeeze is disinflation of media costs, making the agency's 15 per cent an albatross. Accordingly, some agencies say that, aside from added business, their greatest hope for growth is fee-oriented services unrelated to media placement. On top of this, some clients are said to be diverting advertising expenditures to promotion to get more immediate results. On the expense side, agencies are facing spiraling real estate and commercials production costs. And, all the while, clients observing how some top agency executives have lined their own pockets in megamergers, are looking at their advertising expenditures with a jaundiced eye.

On the surface, it would appear that, over the years, agencies have been doing more with fewer people. According to 4A's membership surveys, employees per million-dollars billing have gone down drastically over the years. But top agency executives assert that those who have used these figures as evidence of greater efficiency are deluding themselves. They point to both the inflationary factor and the change in the nature of agency business as counterbalances.

According to the 4A's, 315 member agencies in 1955 billed $2 billion with 25,600 people (12.67 people per million dollars billing); in 1965, 348 member agencies billed $4.5 billion with 36,600 (8.18); in '75, 407 billed $7.5 billion with 36,200 (4.79); '83, 626 agencies billed $24 billion with 64,700 (2.69); '84, 671 billed $28.7 billion with 67,900 (2.37) and '85, 716 agencies did $30.5 billion with 69,600 (2.28).

The 4A's figures also point to economies of scale experienced by the largest agencies. Agencies with billings of more than $300 million had an average of 2.16 employees per million dollars in 1985, while, for example, those in the $15–16.7 million category had 2.69 and the smallest agency bracket—up to $1 million—had 8.13.

As a word of caution, Abbott C. Jones, president of FCB Communications, Inc., points out, "It's important to realize that the major difference between 12 and two people per million dollars is media inflation. This would take most of the difference out of the calculation. Also, in 1955, the 15 per cent commission was the norm, and it no longer is. Agencies then did a lot of things they no longer do—like undertaking massive research studies with their own people.

"If we look at revenue-per-employee in constant dollars, we're not as improved in efficiency as we think we are. Meanwhile, inflation in the media has normalized, and agency compensation is under tremendous pressure."

Adding to his argument, Jack Kraft, executive vice president of administra-

"Media has inflated faster than the CPI . . . we're buying the same amount of media with $4 as we did with $1 [in 1967] . . . So anyone who hasn't cut every eight people per million to two is doing a lousy job."

Jack Kraft
Executive vice president
Leo Burnett

"An agency is a happier place when people have slightly more to do than they would like. But it's a

fine line to walk. The last thing we would want to be is a sweatshop."

Graham Phillips
Chairman
Ogilvy & Mather U.S.

tion and finance at Leo Burnett, contends, "When you go back as far as 1955, we were in a very different business. The business has changed primarily as a result of changes in the media. We used to own programs and production facilities. A large proportion of our work was in media, and the numbers of people doing insignificant things were extraordinary."

Kraft says that, by 1967, the industry was essentially in the same business it's in now, and, looking at comparative figures, he concludes that, in terms of efficiency, "I don't think we've done that extraordinary a job." With '67 being the first year of the Consumer Price Index, placing it at 100, he observes the CPI is now 328, adding, "Media has inflated faster than the CPI—maybe to 400. That being the case, we're buying the same amount of media with $4 as we did with $1. And if you look at the salary component of the CPI, salaries have increased tremendously. So anyone who hasn't cut every eight people per million to two is doing a lousy job."

Aside from salaries, Kraft says, other costs to agencies have gone up significantly more than the CPI—particularly rents and fringe benefits. He estimates that in New York, where office space was $8–10 per square foot in 1967, it's now at $40–50, and, "to a lesser degree, this is true in Chicago."

Staff cuts

It's cost pressures like this that weighed into Ogilvy & Mather's recent decision to lay off 60 employees. Graham Phillips, chairman of Ogilvy & Mather U.S., says the cuts were "across all departments, from top to bottom." He explains that a key factor was the deflationary economy, noting that, where revenue for sometime had been growing at about 15 per cent a year, with lack of media inflation it had slowed down in recent years to 4–5 per cent.

"Clients can't raise prices," Phillips asserts, "so they've been moving money over into promotion because they need results now vs. six months from now."

He says it's been difficult to find expenses to cut other than staff: "Travel and entertainment is one area, but we've always kept tight reins on these things. Production costs are obscene, but they've been obscene for several years, and I haven't seen any agencies come to grips with it yet. Having longer lead times can save us money, but the lead times have shortened, and last-minute business is very costly; I doubt if many clients have locked down their '87 budgets yet."

One thing he realizes is, "You can't grow a business long-term by cutting costs. Eventually you have to get a greater share of the pie." Meanwhile, one concern is maintaining morale in the shadow of the ax: "We've always been a people-oriented business, and we do the best we can with severance pay, outplacement and training managers to handle it properly."

According to Steve Bowen, executive vice president, general manager of J. Walter Thompson/New York, "A big problem that the industry is getting into is downward pressure among clients in compensation and budgets." He also refers to rising facility costs but notes that JWT won't be moving to a lower rent district as some agencies have: "We got a pretty good deal when we negotiated our 20-year lease, and we have it for about 17 more years."

The megamerger trend hasn't helped, he adds, "All the talk about how much money people made on mergers has made clients less sensitive in the area of compensation." Meanwhile, the industry's recent past has come back to haunt it in the area of salaries: "In the '70s, there was little development of people, and the business was not attracting the best and the brightest; Wall Street was drawing the best people, and it was a lackluster market for advertising. So now we're all bidding for the same people," and salaries are going accordingly.

Selective hiring

At Young & Rubicam/New York, Art Klein, executive vice president, managing director, reports, "We've gotten an awful lot of new business, and we're looking for good people on a selective basis. But as agencies add business, we don't add people on a one-for-one basis. We have to staff according to client needs."

Klein is one executive who contends the agencies are operating more efficiently. He says, "As clients add volume into an agency, you have, say, a spot buying group that can absorb a certain amount of new business. Media costs are not escalating, so you have to

(Continued on page 102)

"Middle management in any department is the most vulnerable. The juniors are your future, and the seniors are

your must-haves. When you eliminate a middle management structure, you often eliminate the bureaucracy . . ."

Steve Bowen
Executive vice president
J. Walter Thompson

Most difficulties stem from newer indies and those not part of established groups

Delinquent accounts force syndicators to add new controls

By ROBERT SOBEL

The weak financial condition of a number of television stations is having a noticeable impact on the syndication industry and is forcing several major suppliers to alter or restructure their method of doing business with these clients.

It should be noted that most of the struggling outlets encountering payment difficulties are primarily independent stations which are individually owned or which have entered the marketplace over the past year or two. These, along with the very new startups, have found themselves in a financial crunch because of the soft spot advertising market (a spillover factor from current soft network activity), high license fees, over-saturation of indies in some major markets, and over-extension of program purchases.

Because of the sensitivity of the subject, some syndicators declined comment, but most of those suppliers willing to talk admit that the number of delinquent accounts has risen and presents a major problem which may get worse. One or two distributors say they have been relatively unaffected, although they admit a problem exists. One major supplier, who didn't want to be identified, notes that the situation is so severe it could potentially represent as much as a 5 per cent loss in income for the company in this calendar year if left unchecked. This deficit could be substantial, considering the size of the company and its large annual volume of business.

Phil Corvo, executive director of NATPE International, in an overview observation of the state of industry business, comments that cash-flow represents "a real problem" for both stations and syndicators. "Syndicators are rethinking their policy and some of the new indie Us will have to come up with a bigger down payment." But he continues that some older Us and independent Vs are also having trouble, depending on the number of stations in the market. "It's not a runaway problem, but exhibitors are noting that delinquent payments are the beginning of a problem," Corvo emphasizes.

The Viacom Entertainment Group acknowledges the effects of indies' financial struggles when it comes to getting bills paid, although the severity varies. Joseph Zaleski, president, domestic syndication, says, "We do have major problems . . . and have taken terrible beatings," from stations not meeting their obligations. These stations "have hurt our accounts receivable situation when they can't pay their bills."

On the other hand, John Brady, chief financial officer at the Viacom Entertainment Group, says "people look at a dollar in two different ways. Some think it's a lot and others think it's not."

He continues, "Our operations or financial results have not been impacted *that* severely by any of the problems at the stations. Obviously, a lot of start-up stations went on with too overly optimistic projections and found themselves a bit short, so we have had some instances of problems, but not what I would call material."

At MGM/UA Television Group, Richard Cignarelli, newly appointed head of domestic distribution, says that while indies are having a cash-flow problem, he's uncertain as to how extensive its impact is on MGM/UA, noting, however, that "We recognize there is a problem."

"In the past, we really didn't have to worry about collections . . . I don't think that will be the case now. A small percentage of the stations will not pay their bills."

Robert King
President
Columbia Pictures Television Distribution

More serious than before

Scott Carlin, Lorimar-Telepictures executive vice president, Perennial division, says that while he doesn't have an exact handle on the cumulative impact of the financial shortcomings at indies, the problem appears to be more serious than ever before. "By virtue of the fact that there are more TV stations, the percentage of delinquency will be higher. Also, some people getting into the business are not broadcasters and don't understand how this business works. They may have a lot of financial resources but at times they are using inappropriate distribution of those resources. It's not easy for broadcasters nowadays to make a buck. Also, the economics of the business are changing everyday."

Robert King, president of Columbia Pictures Television Distribution, says that while payment delinquency is not severe in terms of the company's percentage of total sales, it is a "concern," and one more area for CPTD to watch when selling to stations. "In the past, we really didn't have to worry about collections. When they got more than 30 days behind, you pestered them and always got paid. I don't think that will be the case now. A small percentage of the stations will not pay their bills."

King agrees that most of the payment problem stems from the newer UHF independent, although there are exceptions. "New businesses tend to be

"Some stations are blaming their financial problems on syndicators. But it's not the syndicators' fault. If a station can't afford it, it shouldn't be buying the program."

Lucie Salhany
President, domestic TV and video programming
Paramount Television

undercapitalized, regardless of which type of business it is, and are the least likely to be able to withstand a change in cycle. We're having a change in cycle now." King sees this downtrend cycle as not entirely negative, in that all parties involved are evaluating the way they do business. "It will make everyone more efficient, both on the syndicator and the station side."

Lucie Salhany, president, domestic TV and video programming at Paramount Television, also notes that times have changed, making syndicators wary about selling product to some buyers. But at this point in time, Salhany believes, the collection problem has not yet reached significant proportions at her company. Most of the problem, she says, comes from small independent station groups and from single-ownership stations, which represent a very small portion of Paramount's business. "There are still many strong individual broadcasters and strong station groups with which we do most of our business; and they are not going under."

Financial backing

Years ago, Salhany continues, "We didn't have to worry about start-up stations, because they had sufficient backing and audience levels were high enough to insure success. But now, because of station competition, the situation has changed, and like any other seller, we have to be careful that the buyer has the proper financial backing."

Financial backing is also stressed by Barry Thurston, vice president, domestic syndication at Embassy Communications, as an important element in a station surviving over the long haul, regardless of the widening competition in the market. "There are broadcasters who have been in business for 25 or 30 years who have survived the various business cycles we have had and have never asked for a deferral of money payments, because they have been well-financed." Another important element for a station's longevity, adds Thurston, is that these broadcast operations are run well. "Sometimes we lose sight of the fact that we are a business, and, over a period of time, we get people in who are not good businessmen. When that happens, you have problems."

Thurston says that while he hears that some syndicators are experiencing payout problems from stations, Embassy is doing business as normal and not getting any financial static from outlets.

Basically, he continues, the company is feeling no dollar damage. Thurston says deals are not consummated until the financial backing and other elements are satisfied upfront—a policy adopted a number of years ago, vis-a-vis the establishing of a credit and collection department.

The company, he says, has turned down sizable offers in particular markets because of financial reasons. "You may find that some other syndicators may not have taken precautions years ago and may now be experiencing the result of a deal made three years ago. Three years ago the economy was very strong, and everybody was on a roll."

Kevin Tannehill, vice president of sales and marketing at Group W Productions, says that only about a half-dozen stations have been late in making payments on programs distributed by the company. He doesn't see any substantive problem at Group W because most of the product sold by the company is barter, except for *He-Man and the Masters of the Universe* and *Fat Albert and the Cosby Kids*, both sold on a cash basis. "We are not in the off-network business, where you are speaking about cash license fees over an extended period of time. Everything is on a yearly contract, so we don't have large amounts of money outstanding over a multiple number of years, normally."

However, Tannehill can see where late money payments, or even non-payments, may be a serious problem at syndicators that have a lot of cash product. There are some companies which start-up stations look for evergreen product, and "are known for selling a lot of tonnage," he says, "backing up the truck and selling staples, and going for gross dollars."

False expectations

At 20th Century Fox, Joseph Greene, senior vice president, domestic sales, says that delinquent payments have been a problem that has developed over the past two or three years and are a matter of concern at the company. He surmises that most of the difficulty de-

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"Sometimes we lose sight of the fact that we are a business, and, over a period of time, we get people in who are not good businessmen. When that happens, you have problems."

Barry Thurston
Vice president, domestic syndication
Embassy Communications

FEEDBACK!

"We've become a hit-and-run business, racing from one trendy issue and format to another."

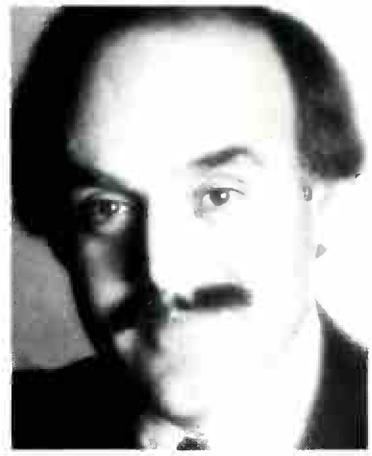
Tom Brokaw
'NBC Nightly News' anchor, at RTNDA Convention this summer

"There is some substance to that, but there is also some good, hard journalism out there, with some very news-oriented people who are digging deep and not skimming the surface."

Bob Campbell
News director,
WTHR(TV) Indianapolis

"I disagree. We are community-oriented. Sometimes we will follow up a story for years in order to serve our community well. We do not jump from pillar to post to gather news."

Richard Tuininga
News director
WEWS(TV) Cleveland

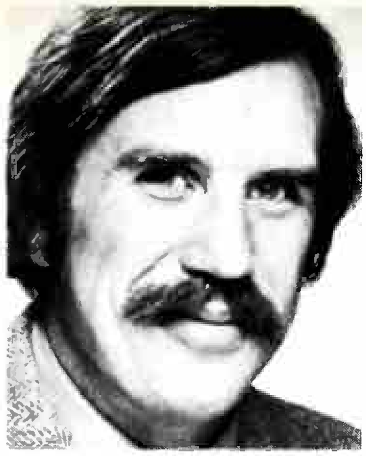


"This statement is partially true, but it's not representative of *all* news organizations around the country. Trendy issues do get attention, but there's a vast amount of material covered that is solid, significant reporting."

Philip S. Balboni
Vice president-news,
WCVB-TV Boston

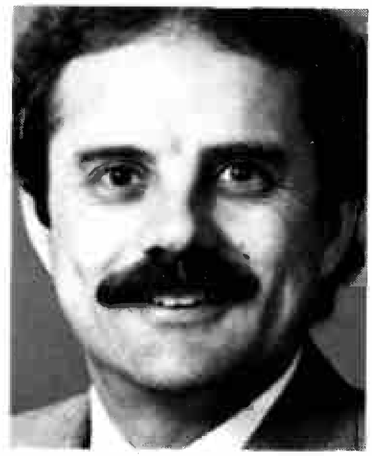
"In regard to issues and news coverage, this is true, because the attention span of the audience is hit and run. Their interest wanders every few minutes. As far as formats are concerned, it is a slow moving, evolutionary process, because events change over a long period of time."

Mike Ferring
News director
KRON-TV San Francisco



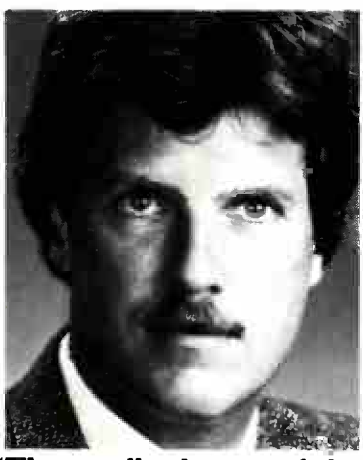
"This may be true, but not for the news business overall. New technology allows us to tell a story as it happens. We can explore issues now with more depth than we've done in the past. Larger cities fool around with new formats more frequently."

Reagan Ramsey
News director
KGW-TV Portland, Ore.



"In some cases, this is probably true. We tend to be more reactive than I prefer to see. We need to be more reflective, to follow stories and to report them in depth. Mr. Brokaw has correctly identified the problem. The solution would be to take the time to follow a story through and to encourage in-depth reporting."

Tom Luljack
News director,
WTMJ-TV Milwaukee



"The media does grab issues quickly, and there's nothing wrong with that. The problem is issues aren't always followed up. We have good intentions, but short attention spans."

Don Varyu
News director
KING-TV Seattle-Tacoma

"I disagree. From a local TV station point of view, those of us who care about the communities we serve present longer stories which are meaningful to our audiences, as well as hard news stories. We believe in conscience and commitment to our viewers."

Mark Effron
News director,
WFSB-TV Hartford-New Haven

Three years after first TV station buy,company poised for more expansion

News commitment central to Beam's management style

When Frank Beam bought his first television stations in 1983, one aspect of the business was apparent to him immediately: "News and community service is the best advertising vehicle you can buy."

The three stations Beam purchased from Service Broadcasters Inc. were WDAM-TV Laurel-Hattiesburg, Miss., KYEL-TV El Centro, Calif.-Yuma, Ariz., and WCFT-TV Tuscaloosa, Ala. Along with the stations, Beam inherited Marvin Reuben, who had been executive vice president and general manager of SBI and is now executive vice president of Beam Communications.

"Marv," recalls Beam, "had a steadfastly strong commitment to news, so it was one of those ideal marriages. I was able to learn from him how he was operating his news departments." The commitment to news, says Beam, continues to be a strong one throughout the company, which now includes a fourth TV license and a fifth awaiting approval from the Federal Communications Commission.

"We budget higher for news than our competitors do," Beam says. "We've computerized our newsroom at WDAM-TV, and we'll be computerizing the other newsrooms." And, he adds, the company is "looking very seriously" at purchasing a Ku-band satellite truck at WPBN-TV/WTOM-TV Traverse City/Cheboygan, Mich., acquired last year from the U.S. Tobacco Co. for $5.4 million.

"I kind of view our competition as any of the big city stations that come in on the cable," he explains. "I want our news to look as good as the news in Phoenix, San Diego or Los Angeles."

Newest acquisition

Beam's latest addition is KNDO(TV) Yakima, Wash., and its satellite, KNDU(TV) Richland, which he has agreed to acquire from Hugh E. Davis for $16,250,000. But his quest for stations actually started five years ago when he decided to make the leap from running his own advertising agency, which he had done for 14 years, to get into the TV business.

"By the time we closed on the Service Broadcasters deal," he recalls, I'd analyzed 39 different markets."

The consummation of that purchase was followed by a self-imposed consolidation period. "Although we had bought a group that was owned by one company," Beam explains, "the stations were not on the same kind of accounting standards; they did not, in principle, operate the same. We felt that because we wanted to build to a full complement of seven—now 12—that we had to have standardized accounting principles, standardized traffic control and as much similarity in the management of the stations as possible, still recognizing the individual needs of the marketplaces.

"It literally took us 18 months," he continues, "to tie everything together so we were turning out the kind of audited financial statements that would allow us to take the next step and grow." That next step was WPBN-TV/WTOM-TV Traverse City/Cheboygan, Mich., which was acquired on December 31, 1985. Negotiations for the pending purchase of the Yakima/Richland stations, Beam reveals, began in February of this year. "Hugh [Davis] and I had been talking back and forth, and he was trying to decide whether I was the kind of guy who would carry on his standards in the marketplace. And I

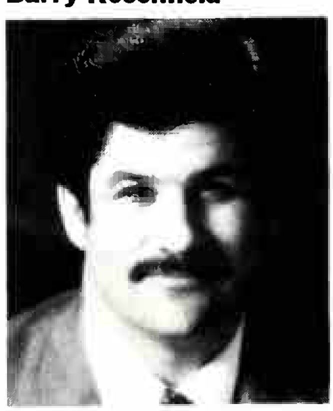
Purchase of SBI stations was followed by a consolidation period during which Beam molded his own management team.

F. Robert Kalthoff

Frank Beam

John Beam

Barry Rosenfield



Beam's emphasis on news includes plans to eventually computerize all of the stations' newsrooms.

News set at KYEL-TV El Centro-Yuma

News team at WPBN-TV/WTOM-TV Traverse City-Cheboygan

was trying to figure out whether I could pay as much as he wanted for it. We finally reached a meeting of the minds."

The standardized approach encompasses all areas of station operation—not only news but programming, advertising sales and promotion.

In order to implement his master plan, Beam brought in his own management team that includes three key players: F. Robert Kalthoff, previously chief executive officer of Avery-Knodel, as vice president, to concentrate on sales management efforts and assist in acquisition activities; Barry M. Rosenfield from the accounting firm of Eisner & Lubin as comptroller; and son, John Beam, management supervisor at Tatham-Laird & Kudner, Chicago, as vice president, to direct marketing efforts and handle financial relations.

Since all of Beam's stations are in 100-plus markets, the advertising/marketing challenge is double-edged. On the one hand, local sales take on greater importance than in major markets; on the other hand, a greater effort must be made to get the stations noticed in the national marketplace.

To generate more awareness in the national ad arena, Beam launched a promotional campaign in 1984 called "Be a big fish." The message to advertisers and agencies was, "Why be a little fish in a big pond?" when you can be a big fish in Beam's little ponds, all of which have good growth potential and high per-capita consumption patterns.

Promos that swim

Trade advertising was backed up by special promotions, such as the distribution of 2,000 apothecary jars with Pepperidge Farm fish crackers and a "My biggest fish story contest," in which agency and advertiser personnel could win a cruise to the Bahamas.

According to Frank Beam, the campaign has been "very successful in getting our stations recognized. Without that kind of vehicle, you kind of get lost in that second tier. For us to get on the lists of agencies, who sometimes buy by computer and don't get deeper than the top 100 markets, we had to do some unique things from a promotional standpoint to show the importance of our audience and the cost effectiveness of the messages we could deliver, compared to some of the larger markets.

"That's what we have attempted to do with the big fish campaign. We're now on a Procter & Gamble list, and we're getting into places where we weren't before."

A marketing weapon that the Beam group often uses in selling its stations to the ad community is per capita consumption, as opposed to population size. Says Kalthoff: "In many specific categories such as automobile sales, tires, batteries and accessories and retail spendable income, we are in the top 100 markets. And by drawing this to the attention of the decisionmaker at the planner level at the agencies, we're able to get on the list. But it's long-term sales proposition you don't do in two weeks. It's an ongoing thing.

"We do transhipment studies, where a product is transhipped out to markets our size and credit is given to larger, adjacent markets. We go in and call on the retail trade to make sure the attention is being directed back to their shelf space allocations. Only by keeping the whole process going can you overcome the national averages."

All of the Beam stations are represented nationally by Katz Television Continental and make extensive use of the rep's KWIX/KOSMIC computer system, which enables each station to have direct on-line contact with all Katz offices and facilitates more frequent use of research data.

Kalthoff describes KWIX/KOSMIC as "probably the most sophisticated research support computer system in the industry. It does the normal backroom housekeeping collection of data, but it has the full scope of the Arbitron and Nielsen data. It can tailor-make sales presentations, packages, cuming, frequencies, all kinds of things. And it prints it in a very formal, presentable way. It gives great options so that you can customize each presentation to the individual client and then bring forth specific research to the product category."

Local sales

On the local sales end, Frank Beam points out that the stations like to posture their salespeople "as counselors. It's really a page out of the TvB book. If we're helpful in supplying the right kinds of information to our clients and show them how their budgets can be most effectively used, they will become not only better customers but better

(continued on page 110)

ASTA plans include major audience measurement role, pitching 'holdouts'

Barter syndicator group solidifying position in industry

Spurred by quantum leaps in barter syndication volume and revenues over the past two or three years, the Advertiser-Supported Television Association is embarking on a multilevel expansion program designed to make it the most important trade organization in the syndication industry. Actually, ASTA appears to be in a good position to accomplish its mission.

Having started with 12 founding father barter syndicators in June, 1983, representing about 55–60 per cent of all the barter syndication billings at that time, the organization has grown to 21, representing about 92 per cent of all the business done in barter syndication. According to Dan Cosgrove, vice president, media sales at Group W Productions and president of ASTA, industry estimates are that barter sales will reach $650 million for the 1986–87 broadcast season, with projections even higher by Broadcaster Advertisers Reports, says Cosgrove.

According to Cosgrove, the ASTA major expansion plan will include the hiring of a full-time executive director, establishment of an ASTA fall preview program and information conference, both previously announced (TV/RADIO AGE, September 29), plus the following:

- Planning to make a presentation to the advertising community, centering on pitching "holdouts" on the advantages of using barter syndication in today's marketplace.
- Planning to prepare a position paper on the people meter technology for ad agency media and research groups.
- Exploring ways through Nielsen to get automatic verification that syndicated shows are aired as scheduled, and for Nielsen to modify its Monitor-Plus commercials monitoring system to include syndicated programs.
- Working with Nielsen on methods to improve the service's new Lineup Management system.
- Seeking closer ties with the Electronic Media Rating Council, possibly joining the EMRC as a member.
- Setting up a station relations committee, to act as liaison between ASTA and the reps and station groups.

Fulltime staff

An executive director, who will have his own office, plus a secretary, is being sought at this time primarily for two factors, says Cosgrove: the enormous growth of barter syndication and because the organization feels that a bipartisan person is needed to make executive decisions without bias. "We really are on a roll. Barter syndication is an aspect of the business that has really taken off. And because of this, it has become extremely difficult for any of us to devote the time and the effort that the concentration on the organization now demands.

Cosgrove continues that all the officers of ASTA have their own jobs to take care of, "and my number one responsibility is to sell national advertising time for Group W Productions." Regarding the executive director, Cosgrove says he strongly believes the person should come from outside the syndication arena because the job requires objectivity. "No matter how objective I or others who become president may try to be, we will look after our own interests. And we need someone who can be objective eight to 10 hours a day."

Cosgrove recalls that ASTA had a part-time executive director, Harry Way, about three years ago, when both the organization and the barter business were just starting to grow. But the large increase of both since that time has necessitated the hiring of a fulltime executive director, he points out. Cosgrove says that about 25 persons have applied for the job as of presstime, and they come from all walks of industry life, including clients, agency executives and even network executives.

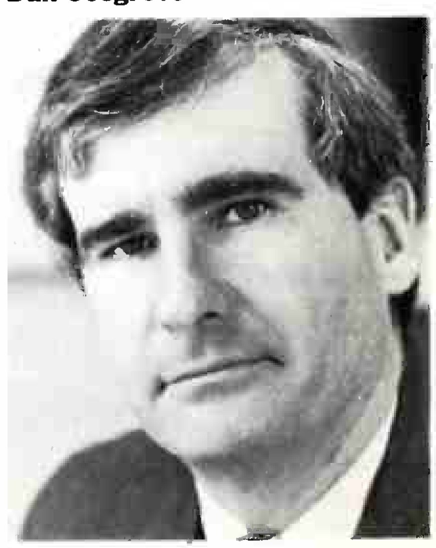
Cosgrove is screening applicants, and a search committee, composed of Rick Levy of Camelot, Mike Weiden of LBS Communications, Tribune Entertainment's Clark Morehouse and Brian Byrne of Orbis Communications, as well as Cosgrove, has been formed and will make the hiring decision, subject to approval by the general membership. Cosgrove says he expects an executive director to be on line by January 1.

As outlined by Cosgrove, the ASTA executive will be responsible for stewardship of all projects, coordinating research efforts, making agency and client presentations, meeting with station groups, and representing ASTA members' best interests. More specifically, the individual hired is expected to get involved in and be responsible for a

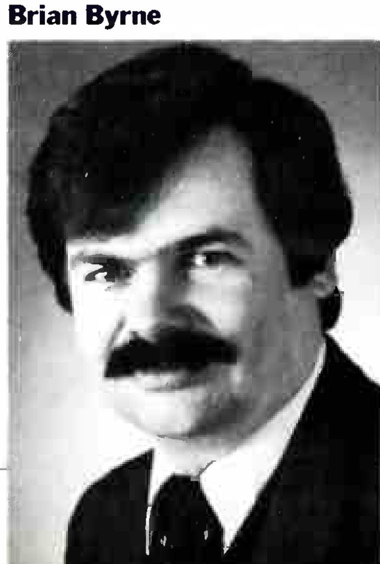
(continued on page 96)

Applicants for the job of ASTA executive director are being screened, and a search committee will make final pick.

Dan Cosgrove



Brian Byrne



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TELEVISION/RADIO AGE

Spot Report

October 27, 1986

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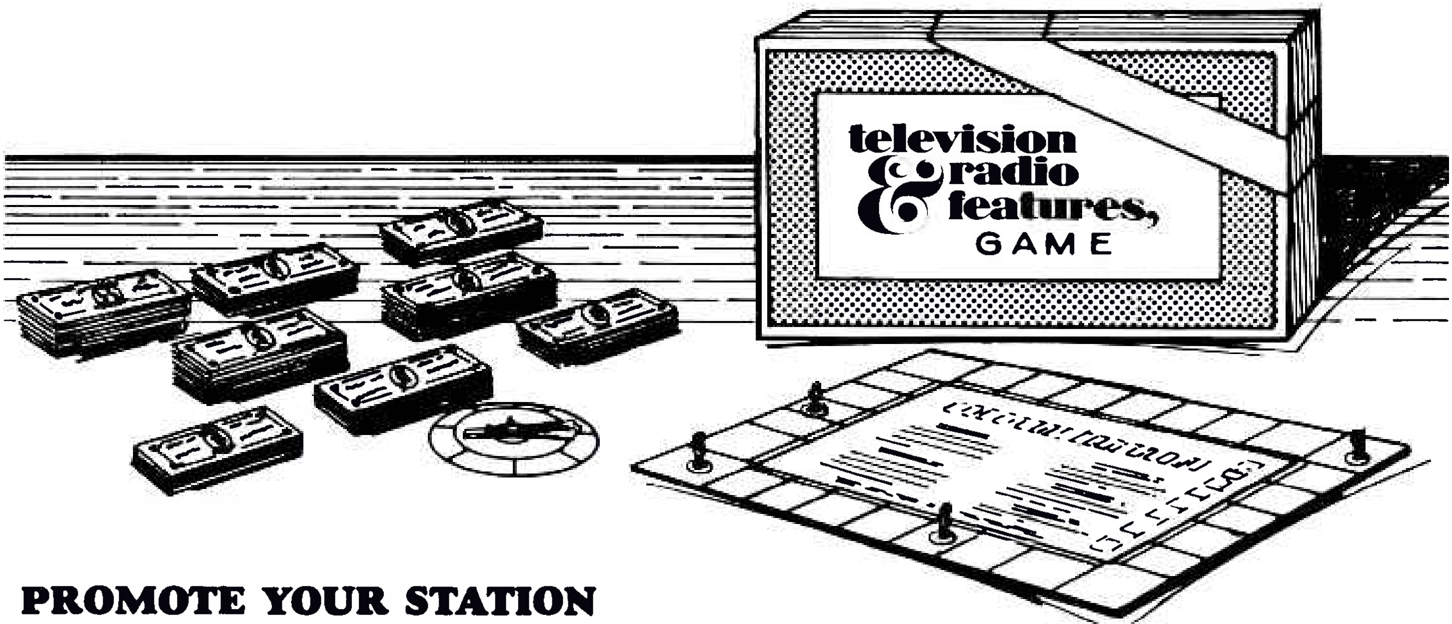

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- **Increase your audience**
- **Increase your ratings**
- **Increase your sales**
- **Increase your profit**

RUN YOUR OWN PROMOTION

• Bumper Sticker • Remotes • Write-Ins • Clubs • Trivia • Community Affairs

CLIENT TIE-IN

Tie in with an advertiser and sell a complete package!!!

SPECIAL PROMOTIONS:

• Grocery • Valentine • Easter Candy • Spring Car Care • Mom & Dad's Day • Summer Outdoor • Back-To-School • Halloween Candy • Christmas Toys

SAMPLE CLIENT ROSTER

• DuPont • Textron • Coty • Sheaffer/Eaton • Encyclopaedia Brittanica • 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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Spot Report

October 27, 1986

Direct response seen spot radio growth source

With companies as big as AT&T now using radio to remind listeners to "Look in your mailbox for our offer," one more potential growth source of new national spot radio dollars could well be the direct response arena.

Lawrence Butner, who heads a direct marketing agency bearing his name, says that while many direct marketers shy away from radio, "We don't. We find the right radio formats quite viable for clients looking for upscale audiences." Butner places direct response advertising for such clients as *The Wall Street Journal*, *Barron's* and broker Charles Schwab & Co., on all-news stations and in talk formats featuring personal financial advice.

Brian Anderson, senior vice president, broadcast director of BBDO Direct, and new president of the Electronic Media Marketing Association, believes radio "will re-emerge as a major direct response medium, now that AT&T has come up with its tracking and switching system that assigns each station in a market with its own separate 800 number, so we can identify which stations are pulling, and what kind of listeners each station is bringing us."

And James Springer, president of direct marketing agency Ellentuck & Springer, Inc., Princeton, N.J., describes radio as "almost as personal a medium as a direct mail list. Radio listeners self-identify many key demographic and psychographic characteristics through the formats they select. Because radio stations design their programming to be selective and to appeal to certain groups of listeners with similar interests, radio offers a tremendous range of segmentation possibilities to the direct marketer."

First TV for Peugeot

Peugeot's first major television campaign kicked off this month with a $5 million, 21 market spot buy scheduled to run through fourth quarter. Markets are primarily along the East and West Coasts where Peugeot traditionally draws its heaviest sales volume.

It's also the first new Peugeot advertising out of HCM/New York since the agency lured the French import away from Ogilvy & Mather in April. Under O&M, Peugeot's advertising had been concentrated in print.

HCM president Bob Schmetterer says the campaign is primarily in TV because, "Peugeot is one of the best kept secrets in the U.S. market. Our objective is to very rapidly change this." The new advertising, concentrated in prime time and late news, is out to "create a new image" for Peugeot within the prestige-performance arena currently dominated by such better-known European imports as BMW, Saab, Volvo and Mercedes-Benz. Theme line of the new commercials is "Peugeot. Nothing else feels like it."

Sells one, buys two

Tampa-based Family Broadcasting Group continues in its acquisition mode and had no plans to sell off WFTX-TV Fort Myers-Naples. However, says an FBG spokesman, Wabash Communications of Indianapolis "wanted to be in that particular market and made an offer that was just too good to turn down."

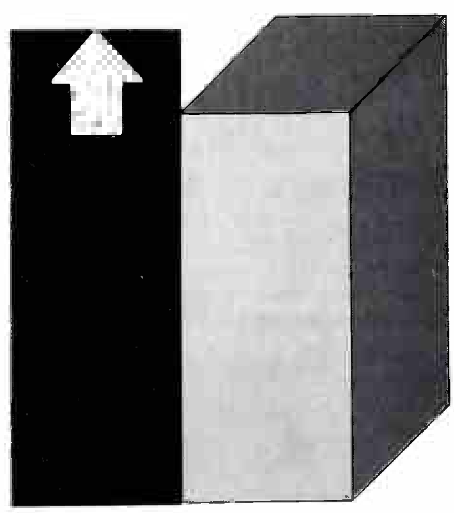
Long-range, though, he says FBG's goal is to acquire its full complement of 12 television stations. But while FBG continues to "be on the lookout for promising properties, we're not going to jump into anything else right away—unless its such an exceptional opportunity that we can't wait—until we finish nailing down our acquisition in Dallas and Virginia Beach."

He's referring to FBG's agreement to buy KXTX-TV Dallas-Fort Worth and WYAH-TV Virginia Beach (Norfolk-Portsmouth-Newport News-Hampton) from The Christian Broadcasting Network, Inc.

August

Local business *(millions)*

+17.8%



1986: $452.1 **1985: $383.8**

Complete TV Business Barometer details p. 40

Spot Report

Campaigns

Aaron Sells, TV
Paces East Advertising/Atlanta
FURNITURE is being shown for 13 weeks during fourth quarter in a long and coast-to-coast lineup of television markets. Buyers worked with fringe and weekend inventory to reach young adults 18 to 34.

Bennigans, RADIO
SSC&B: Lintas/New York
STEAK & ALE RESTAURANT CHAIN is using six weeks of radio during October and early November in a long and widespread lineup of radio markets. Media team placed schedules to appeal to young adults 18 to 34.

California Tree Fruit Agreement, RADIO
Busse & Cummins, Inc./San Francisco
PEARS are being offered for five weeks that began in late September in a coast-to-coast selection of larger radio markets. Buyers called for avails to reach women 25 and up.

Cumberland Farms, RADIO
Casey Media, Inc./Boston
FOOD STORE CHAIN is scheduled for four weeks of spot advertising during October in a good many northeastern radio markets. Negotiators worked with inventory to reach young adults 18 to 34.

Domino's Pizza, Inc., TV
Group 243/Ann Arbor, Mich.
CALLING OUT FOR PIZZA is being urged for nine weeks that started in late September in a fair lineup of southeastern television markets. Media group arranged for exposure in fringe, primetime, sports and weekend adjacencies.

Donnelley Information Publishing, RADIO
DFS/Dorland/New York
YELLOW PAGES are being advertised for six weeks that commenced in early October in a fair lineup of sunbelt radio markets. Target audience is men 25 and up.

Foodmaker, Inc., RADIO
Gardner Advertising/St. Louis
JACK IN THE BOX RESTAURANTS are using radio for three to 20 or more weeks in a long lineup of western markets. Buyers placed schedules to reach both men and women 18-plus.

H. J. Heinz Co., TV
Leo Burnett Co./Chicago
HEINZ GRAVY is being presented for 13 weeks that began in mid-September in a long and nationwide lineup of television markets. Media plan involves primetime, daytime and fringe showings to reach women 25-plus.

K Mart Corp., TV
Ross Roy Inc./Detroit
SELECTED RETAIL ITEMS are being featured for 13 weeks during fourth quarter in a long and nationwide spread of television markets. Negotiators worked with a full range of dayparts to reach adults in various age brackets, depending on item promoted.

Kellogg Co., TV
Leo Burnett Co./Chicago
FROOT LOOPS and OTHER CEREALS are scheduled for six to 13 weeks of fourth quarter spot appearances in a long and coast to coast lineup of television markets. Media team placed daytime, fringe and kid inventory to reach women, children and teenagers.

Mercedes-Benz of North America, RADIO
McCaffrey and McCall, Inc./New York
AUTOMOBILES are set for 12 weeks of spot advertising that started in mid-September in a nationwide list of larger radio markets. Buyers arranged schedules to impress men 35 and up.

Northern Petrochemical Co., TV
Stern Walters/Earle Ludgin/Chicago
PEAK ANTI-FREEZE is being recommended for four to 10 weeks during October and November in a long line-up of television markets. Media concentrated on sports adjacencies to attract young men 18–34.

Procter & Gamble, RADIO
Cunningham & Walsh/New York
FOLGER'S COFFEE is being featured for seven weeks during October and November in a long and nationwide spread of radio markets. Negotiators selected schedules to attract women 25 and up.

Purex Industries, RADIO
La Marca Group, Inc./New York
ELLIO'S PIZZA HOUSE CHAIN is using eight weeks of spot advertising that began in late September or early October in a long lineup of east coast radio markets. Negotiators placed schedules to appeal to both men and women 18-plus.

Spartan Food Systems, RADIO
Henderson Advertising, Inc./Greenville, S.C.
QUINCY'S RESTAURANTS are being recommended for five to seven weeks during October and early November in a long list of southeastern radio markets. Target audience includes both men and women 25 and up.

New from DuPont

Spot plus syndicated daytime television is set to back network introduction of DuPont's new line of non-stick cookware coating, SilverStone SUPRA. Agency is N W Ayer.

Ayer vice president, account supervisor Richard Kennedy calls the coating more durable than Teflon and Teflon II, introduced by DuPont in 1961 and 1968. He describes the new SUPRA as "the closest thing yet to the perfect non-stick—twice as abuse resistant as SilverStone, the quality standard," and also as "ideal for gift giving, for Christmas, birthdays and weddings." Theme line of the new commercials is "Don't Get Stuck, Get Silverstone." Commercials were cut in 10, 15 and 30-second versions.

Retail Report

Positioning with a sales objective

The use of television as a positioning medium by major retailers continues to proliferate. But positioning messages often later evolve into a harder sell.

One of the more recent department store image campaigns was that launched by Grey Advertising for the "new" Lazarus department stores in Ohio. The 31 stores in 11 different markets represented the amalgamation of the former Shillito-Rikes in Cincinnati-Dayton and Lazarus in Columbus (see *Retail Report*, August 4).

Main objective of the TV campaign, according to Merle Schell, vice president and group management supervisor at Grey, was "to let people know what they stood for, to establish a balance—not high fashion, but not schlock either. We had to make people comfortable, make them feel at home." The creative result was the theme line, "There's Something Lazarus Going On," with commercials emphasizing the store's strength in fashion and home furnishings and its fair prices and liberal return policy. None of the initial three 30-second TV commercials featured specific merchandise, although they showed plenty of generic merchandise.

But Bloomingdale's, the New York-based department store, has been using television for sometime, and that, says Schell, makes it easier to zero in on a specific sales objective. "If an image is established, then you can sell 50 per cent off," she points out.

Another example of a retailer whose established image allows it to pound away at specific items on television is Toys 'R' Us, the giant toy store chain, with more than 250 units in most major markets across the country. According to Robert Ravitz, senior vice president at Grey, about 80 per cent of Toys 'R' Us TV advertising is "item-oriented" versus 20 per cent "to establish a base image." But Toys 'R' Us has been in business for about 20 years and has traditionally used television as its major medium because of the difficulty of reaching children in the newspaper.

On the other hand, Kids 'R' Us, the relatively young (two–three years) apparel offshoot of the toy chain, has used television more to create an image, "to establish what it is, to introduce the store and concept," Ravitz says.

Use of broadcast for positioning is the current strategy of the Richman Brothers/Anderson-Little division of F.W. Woolworth. Says Oscar Chilabato, director of advertising, the men's (204 stores) and women's (120 stores) apparel retailers have embarked on "probably the most ambitious broadcast schedule in the last eight years. We did some research, and one of the things we found out was that, although people were aware of us, they did not have that top of mind awareness; we weren't really positioned strongly in anybody's mind. One way to create a positive image was through broadcast."

Anderson-Little/Richman Brothers stores are located in 102 retail markets throughout the country, and by utilizing 20 television markets and 40 radio markets, they were able to cover approximately 70 per cent of the country, according to Chilabato. The broadcast campaign, handled by the Boston-based Harold Cabot & Co. agency, featured three 30-second commercials, two for Richman Brothers and one for A-L. All were aimed at the working professional.

Positioning strategy among retailers extends even to categories that have historically been item-and-price oriented. Supermarkets, for instance. The Kohl's 61-store Wisconsin-based division of A&P on September 30 launched a TV effort called "We Built a Proud New Feeling." A&P vice president Michael J. Rourke calls it part of an overall "broader, image-oriented campaign that tries to play up all the new departments such as seafood, expanded products, deli, bakeries and our helpful employees and atmosphere."—**Sanford Josephson**

Spot Report

Appointments

Agencies

Cynthia Evans has joined Tatham-Laird & Kudner, Chicago as media research director. She moves in from Arbitron where she had been midwest manager of advertiser/agency sales. At TLK she reports to **Phil Gerber,** director of media operations.

Bart McHugh has been appointed senior vice president, director of national broadcasting radio/television programming at DDB Needham/New York. He first joined Doyle Dane Bernbach in 1965 as an associate director and has most recently been its director of cable television. In his new post McHugh replaces **John Curran** who is joining Lord, Geller, Federico, Einstein.

Kathy Segal has been promoted to vice president, director of media planning for BBDO/Chicago. She steps up to the new post from vice president associate media director and will report to **Robert L. Garrison, Jr.,** senior vice president, executive media director.

Ann Chalmer has been appointed a media supervisor for Healy-Schutte & Co. in Buffalo. She was formerly a media manager for Levy King & White, also Buffalo, and before that worked for Ted Bates in Montreal.

Suzanne Harkness has joined Cargill, Wilson & Acree in Atlanta as a media planner. She was formerly a planner with McCann-Erickson, also Atlanta.

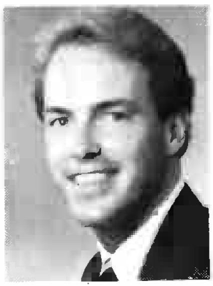
Big budget boost

Freeman Cosmetic Corp., Los Angeles, plans to raise its ad budget from this year's $1.4 million to over $2 million next year, with most of it in spot TV "coordinated with major retailers in key markets throughout the country." Freeman also plans to switch the placement job from its own in-house agency to an outside media service.

Freeman executive vice president Larry Freeman says consolidation of all media buying, including radio and print, "Has become desirable in view of our phenomenal growth in sales," with sales for this year's first three quarters up 50 per cent, against the projected target increase of only 30 per cent. And he reports that a generic Freeman commercial has been produced by Fred Tatashore Productions that leaves the last six seconds to participating retailers "to use as they see fit," thus freeing retailers of the "limitations of the traditional tag."

Featured Freeman products include Australian Formula Papaya Miracle Shampoo and Papaya Three-Minute Hair Reconstructing Treatment and Apple Nectar Shampoo and Apple Nectar Conditioner.

Representatives



David Ford has returned to Group W as midwestern sales manager of Group W Television sales, based in Chicago. He had been an account executive with Group W's WBZ-TV Boston before joining WGN-TV Chicago, where he was most recently regional-national sales manager.

Donald K. Williams, director, sports sales in Blair Television's Market Development Division, has been named a vice president. He first came to Blair Television as an account executive in 1979.

Gloria Kostyrka has been appointed sales manager for the Atlanta office of CBS Radio Representatives. She transfers from a post as account executive in the rep's New York office, and before coming to CBS in 1985 she had been with Christal Radio.

Jeffrey Jones has been promoted to manager of Katz Television's Washington, D.C. sales office. He joined Katz in 1981, moving in from WIS-TV Columbia, S.C. where he had been an account executive.

Suzy Plettner has stepped up to manager of Seltel's Charlotte sales office. She succeeds **Paul Brewer** who now heads the rep's Atlanta sales office.

Jim Humphreys has been appointed Houston sales manager for TeleRep. He moves in from Denver where he had been local and regional team manager for KUSA-TV, and before that he was national sales manager at KTVI(TV) St. Louis.

Craig Broitman and **Meredith Friedman** have joined Katz Independent Television as sales executives. Friedman comes from Cable Networks, Inc. to work for the Swords team in Chicago, and Broitman, who had been with WCBS-TV New York, joins the Sabers team in New York.

One Seller's Opinion

Logistics of selling sports involve getting everyone into the act

Disney

Ask yourself: When does my company begin to tie up budgets for next year? And, after budgets are tied down, how difficult is it for me to open them up for wanted but unbudgeted items?

Generally speaking, most companies are alike in budgeting. Somewhere in third quarter, year-end sales figures are called for from the field in order to permit strong estimating on both profits for the current year and expenditures for the next year.

Advertisers who are viable sports prospects are no different, so don't try to break open budgets for your stations' sports play-by-play after budgets are put to bed. College and pro sports franchises should be presented at four different levels, somewhere in the budgeting/planning process of both client and agency. This period can begin at the end of July and could run through December.

Initial contacts with clients should start early in third quarter at the sales or product management level to help determine needs. This, plus advertising department input, will help ascertain the decision influencers and decision makers at the client. The next stage should involve the agency at the account management level to determine agency attitudes, problems and further identification of the decision influencers.

At this stage a clear picture should be developing that can help determine the viability of your sports opportunity as part of a solution. Creative, tailored merchandising ideas should now be put in place to add both spice and fiber to your packages.

Next comes the local contact by the station, and this can make or break the entire program. This presentation should concentrate on a heavily localized approach, highlighting the merchandising available to local people and the pride of supporting a community institution, as well as the media values.

Finally, with all this bubbling along nicely, and before any long-term recommendations are sought from the media department, make the planner, supervisor and media director aware of your opportunity. Agency media people do not seem to be as concerned about the local merchandising support as they are about efficiency so have research available.

The key is to facilitate interaction between product managers, ad managers, agency account teams, the local market client and the media team. And once you have fed each of them into the pipeline, you cannot afford to let it become quiet. Keep everyone moving and talking about your opportunity. Answer questions, feed information, send pennants to the receptionist, footballs, basketballs or baseballs to the account team. Locally, get the prospect out to the ballpark.

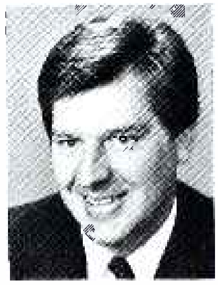
Keep top-of-the-mind awareness at a very high level. Be ready to adjust and revise your merchandising package, but *do not* let the merchandising be dropped for a bare-bones media buy. That may satisfy a buyer's or planner's need for efficiency, but it would dramatically diminish the enthusiasm of the local people. This would lower the effectiveness and impact of the buy.—**Michael B. Disney,** *senior vice president, director of special sales, Major Market Radio Sales*

Stations

David S. Noll has been appointed general manager of Malrite Communications' KRXY AM-FM Denver. He had previously held the title of senior vice president, general manager, heading radio stations in Colorado, New Mexico, Oklahoma and Texas.

Lynn Anderson-Powell has been appointed vice president/general manager of Gannett's KIIS AM-FM Los Angeles, and **Peggy Schiavo** has been promoted to vice president, general sales manager. Schiavo joined the stations in 1983 from Torbet Radio and now steps up from local sales manager. Anderson-Powell came aboard in 1980 and is promoted from vice president, station manager.

Robert J. Furlong has been named general manager of WCGV-TV Milwaukee, recently acquired by HR Broadcasting Corp., a division of HAR Communications, Inc. of Los Angeles. Furlong had been general sales manager of WCIX-TV Miami.



Behling

Smith

James Behling has been named vice president, general manager of KTNV-TV Las Vegas, succeeding **Steven Smith** who returns to Milwaukee to take over the new corporate post of executive vice president of WTMJ, Inc. Behling had been vice president and general manager of WCGV-TV Milwaukee.

Matthew L. Kreiner will become president and general manager of KOLD-TV Tucson, succeeding **Jay Watson** who will become a consulant to Knight-Ridder Broadcasting effective January 1, 1987. Kreiner is currently vice president, director of sales for Knight-Ridder's WPRI-TV Providence-New Bedford.

Philip J. Giordano has been appointed senior vice president, ABC Radio Network, in charge of finance, planning and administration. He has been senior vice president, finance, Capital Cities/ABC Radio.

Mark Biviano has been elevated to general manager of WIN Communciations' WQAL(FM) Cleveland. He moves up from station manager.

Linda Daileader is now general sales manager at Group W's KYW Philadelphia. She replaces **Terry Dean** who is now the station's national sales manager. Daileader had been local sales manager for Group W's WINS New York.

Larry Maloney has returned to WTTG(TV) Washington as vice president, general sales manager. The former general sales manager for the Fox Television station had previously been general manager for Hill Broadcasting's WFTY TV Washington and president of Seltel's Independent sales division, working out of New York.

F. Craig Magee is the new vice president, general manager of Viacom's KIKK AM-FM Pasadena (Houston). He had been president and general manager of WIL AM-FM St. Louis, also a country music duo.

Jeffrey J. Taylor has been named vice president, general sales manager of Inter Urban Broadcasting's WYLD AM-FM New Orleans. He was formerly southeastern manager for the CBS Radio Network, responsible for sales across a five-state area.

Jack Young has joined Olympic Broadcasting's KRPM AM-FM Seattle-Everett as general sales manager. He was formerly regional sales manager with KIRO-TV, also Seattle.

Avila elected

Suzanne Avila, vice president and regional sales manager of SIN Television Network, has been elected to a one-year term as president of the San Francisco Advertising Club. As second vice president and membership chairman, the club's membership under her guidance climbed by 300 to its present roster of 1,100 members. Avila was also instrumental in diversifying the club's list of guest speakers to include more representatives from direct marketing companies, broadcast companies and the outdoor advertising business. The club was founded "to insure that the advertising industry maintains a viable link to the local consumer community to create responsible advertising, as well as to educate and entertain them."

Interep signs Group W

Group W Radio, Inc. has signed Interep as national sales representative for the Radio Group's 13 AM and FM radio stations. The agreement, effective November 27, calls for Interep to establish a new, dedicated rep unit for the Westinghouse stations within Interep's present operations.

Move resulted from a six week review of Group W's future course in national radio representation by a 10-member sales management review committee chaired by David Pearlman, vice president, general manager of KODA Houston. Other members were general managers and general sales managers of Group W radio stations whose recommendations led to negotiation of the agreement with Interep.

Les Goldberg, president of Interep sees the move as one that "will give us additional strength to step up our program of bringing new advertising dollars to spot radio."

Media Professionals

Fall-winter sports reasonably priced

Jack Schneider

Media director
Warner, Bicking & Fenwick
New York

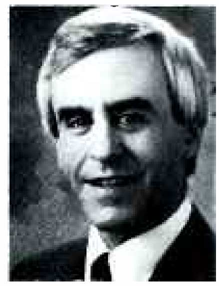
Jack Schneider, media director at Warner, Bicking & Fenwick, has been buying heavy spot sports schedules for BASF's Aluguard anti freeze in 25 larger markets. They're keyed to the weather by geography and tied in with the annual fall retail promotions reminding motorists to winterize their cars for the rough weather ahead by such chains as K Mart and various auto parts stores: "Now's the time for your fall tune up and check up, getting your antifreeze changed and switching back to your snow tires."

Except for baseball's World Series on NBC stations this year, Schneider says that prices have been "reasonably soft, though it's varied by market. Both the American and National League playoffs and Monday Night Football, all on ABC stations, have been soft. And while World Series pricing has held up, it's no more expensive than last year, except in certain markets like New York, where the Mets have been on a win streak that's generated more than normal interest. On the other hand, in markets with no winning team, or no team at all, prices have been lower."

Schneider explains that these games, scheduled for September and October, were bought in northern tier markets across the country. Then schedules for the opening games of NBA basketball and NHL hockey were started later, similarly tied to the onset of cooler weather, in middle tier markets. And the entire campaign will be closed out during the first week of November, by which time presumably, every motorist who's going to change his antifreeze for the 1986–'87 winter will already have done so.

Schneider says negotiation started following close of the networks' upfront selling season, continued through August, and were wrapped up in September: "We found that the stations had not sold much of their sports upfront," he observes, "so they were ready to start with reasonable asking prices. However, prices did tend to become firmer by the time September had rolled around, and they had sold more of their sports inventory."

Jack Hutchinson is the new general sales manager at KFWB, the Group W all-news station in Los Angeles. He tranfers from a sales post with Group W Radio Sales in New York, and before that he had been general sales manager at KQZY(FM) Dallas-Fort Worth, also a Westinghouse station.



Todd T. Wheeler has been tapped as director of sales for WPVI-TV Philadelphia, a Capital Cities/ABC property. Wheeler joined the station in 1967 when it was under Triangle management and now advances from national sales manager.

Marty Clanin has been named sales manager of KMJ/KNAX(FM) Fresno, Calif. She joined the stations' sales staff in 1984 and now steps up from regional sales manager.

Brent Stephenson has been promoted to station manager of WPWR-TV Chicago. He came to the station in 1984 following posts with WBRZ-TV and with WRBT-TV, both in Baton Rouge, La., and now moves up from operations manager.

Mark A. Halverson is the new station manager and general sales manager of WTNT AM-FM Tallahassee, Fla. He moves to the Palmer Communications station from Kewanee, Ill., where he had been general manager of WKEI/WJRE(FM).

Paul Danitz has been named acting general manager for Pulitzer-owned KTAR/KKLT(FM) Phoenix, Ariz. He moves up from director of sales to replace **Johnny Andrews**, now part owner and general manager of KOKE(FM) Austin, Texas.

Bill Spitzer has been appointed to the new post of vice president, operations manager for WNYW(TV) New York. He returns to the Fox Television station after several years in operations management with sister station WTTG(TV) Washington, and with KYW-TV Philadelphia.

Jhan Hiber has been appointed to the new post of vice president/research at Malrite Communications Group, based in Cleveland. He had headed his own research consulting firm, Jhan Hiber & Associates.

Richard I. Kahn has been promoted to general sales manager of Century Broadcasting's KMEL San Francisco. He joined the station in 1984 and moves up from local sales manager.

Jay McSorley has been promoted to the new post of general sales manager for Merv Griffin's WPOP/WIOF(FM) Hartford, Conn. He is succeeded as local sales manager by **Christine Smith** who steps up from assistant local sales manager.

New Stations

On the Air

KSMS-TV Monterey; Channel 67. ADI Salinas-Monterey. Licensee, Schuyler Broadcasting Corp., 46 Garden Court, Monterey, Calif. 93940. Telephone (408) 373-5767. William Schuyler, owner and president; Warren Trumbly, station manager. Spanish language programming represented by SIN Television Network. Air date, September 1.

Buyer's Checklist

New Representatives

Adam Young, Inc. has been appointed as new national sales representative for KVCT-TV Victoria, Texas. The station is an ABC affiliate.

Caballero Spanish Media has added KDIF Riverside, Calif. and WFHM (formerly WDVL) Vineland N.J. to its list of represented Spanish language stations. WFHM features upbeat popular music and KDIF offers top 40 Spanish music and news.

CBS Radio Representatives is now exclusive national sales representative for WORZ Orlando-Daytona Beach. The Duffy Broadcasting station programs adult rock.

Christal Radio has been named national sales representative for KLTY(FM) Dallas, and KKUA/KQMQ(FM) Honolulu. KQMQ airs contemporary hits, KKUA programs upscale adult contemporary music, and KLTY is a contemporary music station.

Kadetsky Broadcast Properties has been named exclusive New England sales representative for WLLH Lowell-Lawrence, Mass. The format is modern country.

Katz Radio now serves as national sales representative for KQRS AM-FM Minneapolis-St. Paul and WMGX(FM) Portland, Me. WMGX is owned by Sunshine Broadcasting, Inc. and airs an adult rock sound. The Twin cities duo is owned by Capital Cities/ABC and features album oriented rock.

Katz Independent Television is the new national sales representative of WFFT-TV Fort Wayne, Ind. The Great Trails Broadcasting station has been assigned to the rep's Sabers sales team.

Masla Radio has been appointed national sales representative for KFXX Tucson, Ariz. The station broadcasts an adult contemporary format.

MMT Marketing Division has added WKJG-TV Fort Wayne and WJPR-TV Roanoke-Lynchburg, Va. to its list of represented stations. WJPR-TV is the first and so far only commercial independent in its market and WKJG-TV is an NBC affiliate.

Target Radio Marketing Group has been selected as national sales representative for KLAR Laredo, Texas. The station features country hits and internationally known Spanish-language artists.

Torbet Radio has been chosen as national sales voice for WBYR(FM) Buffalo, N.Y. and KBER(FM) Albuquerque, N.M. Both stations broadcast adult rock music.

Stoddard to ARF

Laurence R. Stoddard, Jr., senior vice president, communication information services for Young & Rubicam, has been named senior vice president, director of media research at the Advertising Research Foundation. That gives him responsibility for all ARF research council projects and activities involving media research.

Before joining Y&R in 1966 as chief of media forecasting, Stoddard had held a number of posts with NBC. While at Y&R he also served as chairman of both the December, 1984, ARF Electronic Media Workshop III and the ARF Single Source Data for Media Planning/Buying Symposium in October, 1985.

New Facilities

WYOU-TV Wilkes-Barre-Scranton (formerly WDAU-TV) now transmits from a new tower and transmission facility that new owners Diversified Communications say gives the station "the widest stereo separation in the area."

WCLV(FM) Cleveland has commenced broadcasting from its new $2 million state-of-art screen diapole antenna with 10,000 more watts of power to strengthen its coverage toward Akron, Canton, Ashtabula, Oberlin and Vermillion. The 24 hour-a-day classical music station will be 24 years old in November.

New Affiliates

ABC TalkRadio has added WBAL Baltimore, KING Seattle and KXL Portland for some of its programs. KXL will carry Ray Briem, KING will bring listeners Bob Brinker's financial information and WBAL will add the *Dr. Susan Forward Show*.

The Brownfield Network now feeds agribusiness reports to KHAK AM-FM Cedar Rapids, which joins an affiliate lineup of over 125 stations in Iowa, Illinois, Missouri and Nebraska.

Satellite Music Network added 19 new affiliates during August and September. Among them are WZRC(FM) Des Plaines (Chicago), first to carry the *Z-Rock* hard rock sound, WBOS(FM) Boston for *Country Coast-to-Coast*, KZZC(FM) Kansas City, carrying the *Pure Gold* oldies format, and WCNN Atlanta, added to SMN's *Stardust* nostalgia lineup.

Transactions

Merv Griffin's **Griffin Co.** has completed negotiations to acquire WTRY/WPYX(FM) Albany, N.Y. from **Scott Communications Ltd.** for $15 million, subject to FCC approval. Mrs. Faye Scott heads Scott Communications and Michael Nigris, Jr., is president of Griffin Co.

Price Communications Corp. has agreed to acquire KSFN-TV Joplin-Pittsburg from the **Kansas State Network** for $11.8 million, pending FCC approval. KSN is headed by George Hatch and Robert Price is president of Price Communications.

WEZO, Inc. has purchased WNYR/WEZO(FM) Rochester, N.Y. from **Grace Broadcasting Co.** for $9 million. WEZO is principally owned by Dennis Israel and Grace Broadcasting is headed by Harvey Grace. Broker in the transaction is The Mahlman Co., Bronxville, N.Y.

Gannett Co., Inc. has completed purchase of KHIT(FM) Seattle from Bingham Broadcasting of Washington, Inc. for $6.5 million. Joseph L. Dorton is president of the Gannett Radio Division. The acquisition was approved by the FCC on September 8 and increases Gannett's ownership to 18 radio stations.

Sage Hispanic Broadcasting Corp., Stamford, Conn. has acquired WLVH(FM) Hartford from **WLVH, Inc.** for $4.5 million. Owners of Sage include Leonard I. Fassler, Gerald A. Poch and Gerald M. LeBow. Principal owner of WLVH, Inc. is Jose Grimalt. Broker representing Sage is The Mahlman Co.

Green expands

Green Advertising Associates has opened a new south Florida office at 7 Portside Drive in Fort Lauderdale. Phyllis Green, president, and former director of retail marketing for the ABC Television Network, says the new facilities will house a full-service media buying and placement department, plus a marketing research staff and enable her company to better service existing retail clients who have moved into the south Florida market, as well as develop new business in the Palm Beach to Miami corridor.

The agency, formed in 1984, specializes in development of retail, vendor and financial services for broadcast media. A separate research unit handles consumer marketing research, focus groups, shopping behavior studies, mall intercept surveys and attitudinal research. Clients include Alexander's Department Stores, Lifetime Cable Television, Willoughby's cameras, The Seaport Lines, South Fork Development Co. and the Walker Financial Services Group.

Viewpoints

Charles D. Peebler, Jr.

Chief executive officer, Bozell, Jacobs, Kenyon & Eckhardt in a recent speech before the Advertising Club of Greater Boston

Guidelines offered for coming through mergers, acquisitions in one piece

Enough business came loose from Saatchi's acquisitions in the last 12 months to have started an agency larger than Kenyon & Eckhardt was when it started, or larger than Backer & Spielvogel is now.

It is estimated that the efficiencies produced, if indeed they are efficiencies, have left perhaps some 300 to 400 professionals on the street in New York. That number is just about equal to those who have lost their jobs due to the recent economic slowdown in our business.

Setback for agencies

Even worse, the progress agencies had made with clients on accepting the principle of handling some competitive or conflicting accounts has been set back at least 15 years. We have also turned an unwanted spotlight on the commission system and have provided major advertisers with a reason to re-open and renegotiate compensation levels.

We have led our own press to focus on who is buying whom for how much, rather than on who is doing the brilliant breakthrough work. And all at a time when our industry could least afford such problems.

You know, it has been estimated that the combination of disinflation and client profit pressures have combined to create a situation—the first in my 23 years as a chief executive officer—where year to year overall budgets from current clients are down. In our agency, that down factor amounts to $90 million without losing an account. Some of my peers report that their own numbers are even higher.

Ten Golden Rules

No indeed, the "10 Golden Rules" I'm going to suggest for managing the fallout could just as well be 10 rules for managing in a hostile business environment:

1. Just when you have the least time available for your people, is when you're needed most. Mergers and turbulent times require the investment of top management's time. People tend to imagine the very worst that can happen to them. Management must be visible, at hand, involved and there to show leadership, to quell fears and to encourage calm.

2. Agencies get together for all kinds of reasons, but they only truly come together for people reasons. The grand plan, the management vision must be communicated to be sure, but change is as threatening to most people as it is exciting, and the bottom line comes down to their resolving for themselves the answer to the question: "What's in it for me?"

3. All companies, new or old, need an ethos and credo and an easy to understand philosophy. Sometimes, in older companies, it is not clearly spelled out; it is just somehow known. You might call it the agency *culture*.

4. "What have you done for me lately?" becomes "What have you done for me today?" Clients are justifiably sensitive to any thought that an agency's eye is taken off their business and their problems.

5. While you're going for the gold, don't forget about the gold standard. We're fortunate to have a fulltime creative leader in Steve Frankfurt. I'm glad not to have to siphon his time away from that critical task because the creative product is what drives this business—and not the buy-out multiples.

6. There is no substitute for foxhole camaraderie when it comes to building respect and esprit. It starts with a flat-out new business effort, and it can be enhanced by spending quality time together away from the office.

7. All good things happen to those who wait, but don't sit back. Coping with change remains a constant problem when you're growing. The CEO must set an example. Patience, but not passiveness, is particularly important because most of us work below our capacity, and CEOs usually aren't successful in telling employees to raise their capacity for work, or their level of understanding.

8. Promise nothing and deliver the store. It is better to explain that there will be changes to make few promises. You should realize that promises of any type, as a general rule, will end up making life harder for you. But whatever promises you do make, when you go on the record and make commitments, keep them.

9. Be prepared to accept, welcome and celebrate change. It will happen. It must happen. And you will be better if it does happen. Yet the first year of almost any merger is spent with both sides trying to preserve what was. Trying to gain an edge in the way they did things versus the way you did things.

10. You can't spend enough time communicating. You have to provide more than just the usual amount of communication during and after a merger/acquisition event. A look at many merger and acquisitions reveals a pattern that generally follows the event. Communication deteriorates, productivity suffers and momentum sags. Everyone becomes anxious for information, and if you don't have the answers for people, try to help them find them. Don't be responsible for a run-around. Communicate. Communicate. Communicate.

Syndicators may lose millions from Home Shopping buys

Syndicators are facing potential losses amounting to many millions of dollars as a result of Home Shopping Network's buying spree of TV stations. At this point, HSN's buys of three outlets have been approved by the Federal Communications Commission, while six others and a pay TV service are awaiting FCC approval. Syndicators are charging that one or two of these stations' owners have reneged or planning to renege on their contractual arrangements, and the distributors are either putting lawsuits into motion or are planning to do so. The distributors are holding the stations liable because the HSN agreements with the TV outlets cover buying of assets only, leaving syndicators holding the program bag.

Syndicators interviewed were careful to note that their legal actions are being independently taken and do not represent collusion. The latest developments, which center mostly on two TV outlets, WKJL-TV Baltimore and WCLQ-TV Cleveland, which have entered into takeover agreements, are these:

- Worldvision has instructed its attornies to start litigation against the Cleveland station, which is a licensee of Channel Communications.
- Viacom Enterprises, while not yet initiating litigation, has outside counsel looking into that possibility.
- Group W Productions has its legal department studying the possibility of legal action.
- The Association of Program Distributors has retained counsel for possibly filing a class-action suit against the stations which fail to live up to their contractual obligations.
- Embassy Communications has filed a petition with the FCC asking for the commission to delay approval of both the Baltimore and the Cleveland station purchases by HSN.
- HSN's broadcast subsidiary Silver King Broadcasting, which would become the owner of WKJL, has filed a petition with the FCC asking for it to deny Embassy's proposal.

At Worldvision Enterprises, Neil Dehlman, president and chief operating officer, says that the company's attorneys have been instructed to proceed with litigation against the Cleveland station and to "vigorously pursue our rights under the contracts and to inform the station that there is no compromise coming from this side at this time. We want our money, and whatever has to be done by the attorneys should be done." Dehlman wouldn't reveal how much money is at stake, but he says it is substantial.

Concern. He specifies that the company's concern is not the Home Shopping Network but that Worldvision has a customer in Cleveland that is attempting to renege on some contracts, "and we have taken the position as we would with any customer. I'm not out to cut the Home Shopping Network's tail off everywhere it's doing business." At this point, Dehlman continues, WCLQ has not made payment on Worldvision properties as stipulated in the rights contracts "and have indicated they are not prepared to pay because of certain other things they are trying to do. They say they have no money to pay and are not going to."

Viacom Enterprises is approaching the issue more conservatively at this time, according to Katheleen Hogan, vice president/counsel, Viacom Entertainment, who says the company has retained outside counsel in Cleveland to "look into the situation. We have not yet filed any lawsuit against WCLQ, but the attorneys will take instructions from us if we decide to do so." In addition to having sold product to WCLQ, Viacom has deals with other stations being acquired by HSN. Hogan says she believes Viacom has properties at some of these other outlets, although she's not certain who has what. "I imagine we will look at these other situations, but I'm not familiar with which stations we will be focusing on because I have not been personally involved with those stations."

Attorneys. Edwin T. Vane, Group W Productions president and chief operating officer, says that the syndicator's attorneys are investigating independent legal paths to take in seeking compensation from stations involved. He notes that while Group W's possible financial losses are not as great as for some other syndicators, they nevertheless may impact heavily on Group W. Specifically, Vane points to *He-Man and the Masters of the Universe*, a cash deal involving 130 episodes, which could end up a "painful situation" if not rectified.

According to some syndicators, WCLQ's payment plan is to handle all its obligations, making some type of settlement with syndicators, then sell off its assets to HSN. Money left over from the buyout would be retained by the station's ownership, according to the scenario.

On the station side, owners are not returning phone calls. However, in an exclusive interview with management at WKJL, TV/RADIO AGE has been told that the station, which is owned by Family Media Inc., which acquired the station in November, 1985, expects to honor its contractual obligations regarding syndicated properties. Gerry Liss, station manager at WKJL, says, "It's my understanding that our management will honor its written contractual agreement." While in some cases, stations acquired by HSN are marginal or failing, Liss suggests that his station is in neither boat.

Risk. But he points out that the syndicators were at risk in selling product to financially questionable stations even at the point of their sale to HSN. "If a station was having financial problems to begin with, this will not alter that. It may expedite it, but it will not expedite the payments to anybody, either." He continues that one way or another the syndicators will come out on top, "whether the syndicators are paid what they are owed for programming, whether the syndicators try to sell that programming in the marketplace, or if the station pays the difference in the arrangement. In a marketplace like ours, there are still five television stations which could consume some of the programming."

Whether the properties may be resold in their respective markets is highly doubtful, note the syndicators. Worldvision's Dehlman says that the assumption that they could be is "speculative." He continues that resales is not the way to handle properties, because "you are in a distressed market when you do that, and obviously you are not going to get prices commensurate with the value of the property."

Group W's Vane says that reselling *He-Man* or any other product is not easy because competing stations which may have been outlets for product "went ahead and bought something else. Now that the Cleveland station is being sold, we don't have the opportunity to go find another outlet in the market."

APD. In the case of the APD, the organization has hired Akin, Gump, Strauss, Hauer and Feld, Washington law firm with extensive practice in the broadcast and communications industry, as its counsel and is developing a position to present to both Congress and the FCC. A war chest of about $100,000 is expected to be raised, it's understood, as initial cost in hiring the

The winner by a landslide.

In every key demographic, men and women, kids and teens, urban and rural, The Cosby Show beats all network prime time programs. Talk about the people's choice!

The Cosby Factor: Profit from it.

Source: NTI, 1985-86 Network Season

Viacom®

Programming/Production

(*continued*)

law firm.

Embassy's petition alleges a potential loss of nearly $7 million, and in its summary says that the application for assignment of license at issue raises the fundamental question of whether the public interest is served. Also, the petition claims that Embassy will suffer direct and substantial economic harm if the application for assignment is granted. Affidavits support the claim.

Also, the petition alleges that, as a result of Silver King's proposed acquisition of WKJL, Family Media "has already sought to repudiate three agreements with Embassy for syndication of programs it had agreed to air on WKJL before it decided to sell the station," amounting to a loss of $3 million in revenues. The countersuit alleges that Embassy lacks standing as a petitioner and that the application is fully consistent with the public interest.

Syndication shorts

The Blair Entertainment and **Fremantle International,** joint venture set up for acquiring global rights to U.S. TV movies and miniseries, has bought six TV movies. These are: *Vanishing Act* (CBS), *Society's Child* (NBC), *Can You Feel Me Dancing?* (NBC), *On Fire* (ABC), *Outlaw* (CBS) and *Stillwatch* (CBS). The movies are expected to be a part of major feature package to be distributed domestically by Blair in 1988.

Lionheart Television has sold *Dr. Who* to 188 markets, representing 79 per cent of the U.S. households. Stations carrying *Dr. Who* include WNYC-TV New York, KCET-TV Los Angeles, WTTW-TV Chicago and WHYY-TV Philadelphia. Lionheart also has sold *1915*, Australian Broadcasting Corp. miniseries, to 85 markets, including 66 within the past few months. Station list includes KCET-TV Los Angeles, WTTW-TV Chicago, KQED-TV San Francisco, WBNX-TV Cleveland and KUHT-TV Houston.

Program Syndication Services has made major market sales for **Carter-Grant Productions'** *Holiday Moments*, 36 one-minute program inserts highlighting holiday traditions around the world. Stars signed for the 1986 series include Tony Danza, Leonard Nimoy and Robert Guillaume. Major markets are KTTV(TV) Los Angeles, WPVI-TV Philadelphia, WTTG-TV Washington, WPLG-TV Miami, WFSB-TV Hartford and WGRZ-TV Buffalo.

Orbis Communications has cleared the third *Geo* special on 108 stations, including those in all the top 20 markets. Among those clearing the one-hour show are KNBC-TV Los Angeles, KRON-TV San Francisco and WCVB-TV Boston.

D. L. Taffner's *Check it Out!* has been sold to eight stations, for a current total of 93. New additions include WAXA-TV Greenville, WISN-TV Milwaukee, WGAL-TV Harrisburg, WFFT(TV) Fort Wayne and WTVY-TV Dothan.

Golden Gaters Productions has completed a production and syndication deal with **Trans World International** and **Thames Television** to air the *Miss World Beauty Pageant*, 90-minute special, in the U.S.

Viacom Enterprises has acquired the ad-hoc network and domestic syndication rights to *Amadeus*. Ad-hoc window begins in September, 1987. Marking the first time *Amadeus* will be seen on free broadcast TV, the film will be sold via barter in the ad-hoc window, then for cash when it goes into syndication.

The Paramount Television Group will produce and distribute, via its TV division, *Star Trek: The Next Generation*, for airing in September, 1987. The series will be launched with a world premiere two-hour telefilm, followed by 24 new one-hour episodes. A new cast will be featured. The original *Star Trek* series premiered 20 years ago.

Tribune Entertainment's *American Vice: The Doping of a Nation*, special hosted by Giraldo Rivera, has been cleared on 124 stations, representing 85 per cent of the U.S. households. The program will air on December 2 from 8–10 p.m.

Embassy Communications' Embassy Night at the Movies has begun its fourth quarter with TV premiere of *Road Games*, two-hour psychological suspense drama starring Stacy Keach and Jamie Lee Curtis. Window is from October 30–November 26, with maximum of two airings in each market. Clearances total 138 markets.

Multimedia Entertainment's half-hour "Young People's Special," *The Horrible Secret*, has cleared 148 markets, representing more than 90 per cent of the U.S. The program airs this month on such stations as WNBC-TV New York, KNBC-TV Los Angeles and WPVI-TV Philadelphia.

Gloria Steinem, editor and co-founder of *Ms* magazine, will host a daily TV talk and interview show to premiere next fall. Called the *Gloria Steinem Show*, it will be produced by **PBL Productions,** Australian TV and film production company, from its newly established New York offices. The arrangement also gives PBL access to all material contained in *Ms* suitable for development as film or TV properties. The pilot of *Steinem* is expected to be completed by the end of December. Jane Deknatel is managing director of PBL.

Jankowski to head fete

Gene Jankowski, president, CBS Broadcast Group, has been designated dinner chairman of the 14th annual international Emmy Award gala, to be held November 26 in New York City. Two special awards will be presented. Herb Schmertz, Mobil Oil, will receive the Directorate Award, and Don Taffner, president, D. L. Taffner Ltd., will get the Founders Award.

Zooming in on people

Margo Raport has been named director, international marketing, **Lorimar-Telepictures International Distribution Group.** Most recently, Raport was director/international marketing assistance programs at Telefilm, Canada, working extensively with Canadian distributors. She also was director of publicity for Alliance Entertainment Corp. and director of communications for Superchannel, Canada's pay television network.

Margo Raport

Robert I. Silverberg has been named executive vice president of **Syndicast Services**, a subsidiary of NFC Entertainment. Silverberg has been at ABC Television, where he was senior vice president, general sales manager.

Robert Silverberg

Wayne Baruch has been appointed vice president, West Coast operations at **Radio City Music Hall Productions** and director of development at Radio

Good news.

The Cosby Show has a higher percentage of news viewers than any other sitcom in prime time. Cosby lovers keep up with the Huxtables–and with the world.

The Cosby Factor: Profit from it.

Source: Nielsen Duplication Study, February 1986

Viacom

Programming/Production
(continued)

City Music Hall Television. For the past year, Baruch has been a consultant to RCMHP, while continuing to be administrator of the Carol Burnett Distribution Co.

Wayne Baruch

David G. Stanley has been named senior vice president, business affairs, **Lorimar-Telepictures Network Television Group.**

SFM Media Corp. has made four appointments: **John Doscher,** from vice president, director of syndicated sales, to senior vice president, director of syndicated sales, entertainment division; **Gary Montanus,** from director of program marketing, to vice president, director of program marketing, entertainment division; **Michael Moore,** from vice president, client services, to senior vice president, client services, media services division; and **Annette Mendola,** from director of spot broadcast, to vice president, director of spot broadcast, media services division.

Richard M. Grove has been named vice president, midwest sales at **LBS Communications.** Prior to joining LBS, Grove was president of Grove Television Enterprises.

Greg Caputo has been named vice president, news director at WTTG-TV Washington, and Ian Rae has been named to a similar post at WNYW-TV New York, both Fox Television stations. Caputo has been vice president, news director at WNYW-TV since April. Rae continues as executive producer of *A Current Affair*, WNYW public affairs program, beside adding the responsibility of news director.

Roy Gibbs has been appointed senior vice president of programming at **Lionheart Television.** Gibbs was head of BBC Enterprises program sales, with 23 years of international sales and programming experience. He joined BBC Enterprises in 1974.

John McMorrow has been appointed associate program director at **TeleRep,** McMorrow has been a programming analyst in TeleRep's program department for more than a year.

Don DeMesquita has been named vice president, corporate communications/publicity at **Embassy Communications.** He has been executive vice president at Stone/Hallman Associates.

Karen Strange has joined **Hagen-Menk Entertainment,** a division of all American Television, as sales coordinator. She comes to H-M with an extensive background in sales.

Blair Entertainment has made several appointments in the regional sales area. **Linda A. McMann** has been named Western regional sales manager; **Samuel K. Fuller** becomes the Southwest counterpart; and **Joseph A. Weinflash** takes over the Midwest spot. McMann joins Blair after serving as northwestern division manager since 1981. Fuller and Weinflash both join BE after having had similar sales management positions at King World Enterprises.

KSCI-TV debuts web network

KSCI-TV, Los Angeles multi-ethnic TV station, has launched the Hispanic Broadcast Network, a co-venture of Global Video Productions and PJ Television Productions. Global and PJ are producers of Linea Abierta, interactive Spanish TV programs airing on KSCI-TV. Signed for HBN are stations in seven of the top 10 and 12 of the top 25 national Hispanic markets, which account for 63 per cent of the Hispanic TV households in the U.S. HBN affiliates include one NBC station, KGNS-TV Laredo, and several of SIN.

The initial programming offerings are the six shows of Linea Abierta (Open Line) and the bilingual rock magazine *En Vivo*. Affiliates have the option of picking up any or all of the programs. The HBN schedule will be augmented with other locally produced programs in coming months, according to Dr. Paula Tuchman, KSCI Spanish programming director.

Lionheart's Video Ink

Lionheart Television will distribute a series of 60–90 second news commentaries from leading columnists. The syndicated series will be produced by Media Group and will be offered for cash. Availability for the series, *Video Ink*, will be in March, according to Tay Voye, Lionheart executive vice president. *Video Ink* consists of 12 video columns per week, to be fed via satellite weekly, and used as inserts in news or other locally originated talk and public affairs programming.

Among the video columnists will be Tom Wicker, Robert Novak, Pete Hamill and Tom Boswell. Subjects will range from politics to sports to financial issues.

Taffner sets sitcom

D. L. Taffner/Ltd. will produce a half-hour sitcom, to make its debut April 1, 1987. The production on the series, *Three Apartments*, is set to start in January in Los Angeles. The series stars Norman Fell and Audra Lindley, with special guest appearances from John Ritter, star of *Three's Company*.

Storyline of *Three Apartments* revolves around an apartment house and residents' interaction with each other and their landlords.

MCA Inc. restructures

In a restructuring of its television units, MCA Inc. has named Al Rush chairman and Robert A. Harris president of the MCA Television Group, which includes Universal Television, MCA TV, MCA Television Ltd., MCA TV International and MCA TV Enterprises. For the past five years, Rush and Harris, both MCA Inc. vice presidents, have been president of the MCA Television Group and president of Universal Television, respectively.

Concurrently, Rush and Harris named Kerry McCluggage president of Universal Television. McCluggage has been with MCA and Universal since 1978. In making the announcement on the appointments, Sid Sheinberg, president and chief operating officer of MCA, said that the Television Group's activities in the future will continue to expand and diversify "and will be forged not only with creative forces but also with an ever increasing number of customers."

Al Rush

Robert A. Harris

A corporate vice president of MCA Inc., Rush was named June, 1981, to head the newly formed MCA Television Group. He previously was president of MCA TV Program Enterprises, which he created in 1978, following five years with NBC. Harris, president of Universal Television since July, 1981, was elected vice president of MCA Inc. in August, 1982. He joined Universal Television in 1975 as *Baretta* producer.

Play it again, Sam.

The repeats of The Cosby Show beat all other prime time programs in their original telecasts. No one gets enough of The Cosby Show.

The Cosby Factor: Profit from it.

Source: NTI, 1985-86

Viacom®

Programming/Production

(*continued*)

Steinberg heads Ampex

Charles A. Steinberg, executive vice president of Ampex Corp., has been named president and chief executive officer. He succeeds Roy H. Ekrom, who has been named president of the Garrett Corp., an Allied-Signal Unit. Steinberg joined Ampex, also owned by Allied-Signal, in 1963. He held a number of key product and market management positions, including general manager of the audio-video divisions, data systems and magnetic tape divisions. He was named Ampex executive vice president in 1977. Max O. Mitchell succeeds Steinberg as executive vice president. He was Ampex vice president for manufacturing and administrative services.

Also at Ampex, Mark L. Sanders has been named to the new position of vice president of marketing and new technology. Sanders was vice president and general manager of Ampex's audio-video systems division since 1983.

Monitor in expansion

The Christian Science Monitor has formed a wholly-owned subsidiary, The Christian Science Monitor Syndicate Inc., and has named Deborah Rivel McLaughlin as general manager of TV syndication. The new division will provide marketing and distribution services for the *Monitor's* radio and TV programming and for its TV and shortwave radio stations. The *Monitor* now produces *The Christian Science Monitor Reports*, weekly TV program, and *Monitoradio*, radio news programming.

The TV program has a lineup of 54 markets. Newest station to join *Monitor Reports* is KNTV(TV), ABC affiliate in San Jose. McLaughlin has extensive background in media management and station relations, including two years as director of affiliate relations for the NBC Radio Network and Talknet. Before that, McLaughlin held management positions with Westinghouse stations.

NATPE production rules

After a two-year experiment, NATPE International has decided to drop concurrent scheduling of meetings and exhibits at its production conference. Beginning with the next confab, set for the spring, $11\frac{1}{2}$ hours will be devoted exclusively to exhibition. The production conference is set for June 18–21 at the Opryland Hotel, Nashville. The shift to making both segments separate was because the exhibit hall's delegates favored the meetings over the exhibits, according to Nick Orfanopoulos, NATPE conference director.

Most of the 34 exhibitors at last year's conference, held in St. Louis, have agreed to return this year. Square footage will remain at $8 and includes 10 guest passes per 100 square feet of space reserved.

'Bozo' at low price

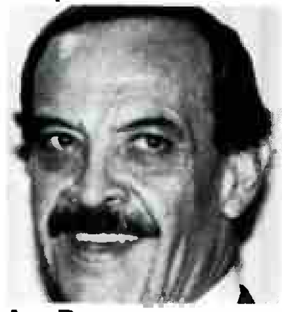
Larry Harmon Pictures, producer and distributor of *Bozo* and *Laurel & Hardy* cartoons, has begun pitching its color cartoons to UHF stations in mid- and small-size markets for as low as 60 cents per minute. Also being offered by Harmon under the same arrangement are two live-action shows, *Bozo's Three-Ring Schoolhouse*, an education-oriented series hosted by Bozo, and *Bedtime Bozo*, a package of 52 hour nostalgia shows, featuring clips from original live *Bozo's Big Top Circus* shows seen in the 1950s and 1960s.

One of the ways in which WQXR, New York classical music station, celebrated its 50th anniversary was by recently hosting a birthday bash at Lincoln Center. From l.-r., Elliot Russman, Citibank; Simona McCray, vice president, sales at WQXR; Roger Baker, IBM; and Warren G. Bodow, president and general manager of WQXR.

Poynor new projects

Jay Poynor, president of The Poynor Group, consultant/production company, is not resting on his laurels as a co-winner of an Emmy award this year. Poynor, whose company, according to the executive, has the expertise in taking new properties and developing them from the ground up, is busy with several new projects. In the children's area, Poynor is working on a TV special with the African Foundation for Endangered Wildlife, which would be both animation and live.

Also, Poynor is looking to get two sitcoms on the home screen, either on a network or for first-run syndication. One sitcom "is the ultimate yuppie comedy," and takes place in Columbus, Ohio, where the husband, who is in the process of getting divorced, sets up a marital counseling firm. Another script revolves around a catering company that serves various homes. Poynor says the series provides "enormous opportunities" for cameo roles for guests at the parties.



Jay Poyner

Also in development is a syndicated editorial cartoon show using the drawings of the top editorial cartoonists and transferring the drawings to animation. The plan would be to sell the animation to stations around the country for use in news shows, says Poynor.

As envisioned by Poynor, cartoons selected would be put into 30-second animation form overnight and delivered via satellite by 2 p.m. the next day for inclusion in news broadcasts. One per night would be chosen for Monday through Friday airing.

In addition to the message of the cartoon, which will be displayed on the screen, there will be a voiceover of the cartoon subject. A pilot is being shot, and Poynor says he will be showing it to syndicators over the next few months as a NATPE entry. A game show is also on the boards, says Poynor. A script is written and friends are being invited to play the game as a means of working out the bugs in it.

Poynor says he sees the game show as a syndication entry. He won't reveal details on how the game works but says it's a fun show which has an unusual hook. In theatricals, Poynor is making the rounds of studios and independents, with a few scripts in hand. One is called *Stardom*, by two unknown writers, which revolves around the life of a well-known music star. The other is *Wacco*, a "wonderful, wacky Western." Poynor is also trying to get a musical on Broadway about the lumbering business in West Virginia, *Boardwalk to the Moon*.

WDIV-TV show bought

Saturday Night Music Machine, WDIV-TV Detroit weekly stereo entertainment/talent search series, has been acquired for syndication by LBS Communications. LBS will sell the show on

9 to 5 is working.

...e: ARB MarkeTrak ... eek averages. ...10/4/86 (*NSI) as compared to in sweep ...period shares. Subject to limitations of ...odology employed.

20th Century Fox
TELEVISION

Programming/Production

(continued)

a barter split of 3½ minutes for local, three for national sale per half-hour. The syndicated series will go under the name of *Music Machine* and will debut in syndication in April, 1987, according to Alan Frank, vice president of programming and production at WDIV's parent company, Post-Newsweek.

Curtis Gadson *and friends, from "Music Machine," WDIV-TV Detroit series which will go the syndication route via LBS Communications beginning in April, 1987. Weekly show will be offered to stations through barter.*

Machine is positioned to air in access, with WDIV beginning production for the new season in January, 1987. WDIV will air *Machine* at 7 p.m. on Saturdays. According to Frank, the weekly show has been the highest rated locally produced series on Detroit TV and one of the highest rated locally produced series in the country.

The show is hosted by Detroit songwriter/singer Curtis Gadson and is taped live at a club in Detroit. Each program begins with three new performers featured in a music video produced for them. A panel of celebrity judges picks the winner, who then competes on stage again with the previous week's winner. The studio audience selects its favorite, who then returns the following week.

Radio syndication

Orange Productions has introduced *Reflections on the Black Experience*, daily 60-second series targeted to black/urban stations. The feature focuses on black heritage. Orange is located in Narberth, Pa.

Images Presentations' *Countdown to Super Sunday*, one of three syndicated professional football radio series produced by **Ray Stone Sports Productions,** Dallas, in cooperation with the NFL, is being made available on a barter basis. The series will air on a strip basis from December 22 through January 23, running through playoffs and up to Super Bowl XXI. The five-minute program leaves 30 or 60 seconds per program for sponsors. Station lineup totals more than 200 markets, according to Images Presentations, which is based on Long Island, N.Y.

DIR Broadcasting has opened a Los Angeles office, to be headed by **Ken Williams** as managing director. Williams was national sales manager during the past four years at DIR's New York office. Assisting Williams will be **Laura Margolin,** administrative assistant.

MJI Broadcasting has named **Laurie Sayres** as producer of MJI's *Country Quiz* program and co-producer of its *Country Today* show. Also, **Darryl Whitehead** joined MJI as promotion director. Whitehead held a similar post at WHN New York.

Learfield Communications, Jefferson City, Mo., has added **Dick Marshall** to its farm broadcasting staff at the **Brownfield Network,** a radio network. For the past six years Marshall was a farm consultant.

Ron Knowles and **Charles B. Johnson** have joined **TM Communications,** Dallas, as regional directors, central and western divisions, respectively.

News and notes

American Public Radio has begun airing international news and current affairs through access to the daily BBC World News Service. Heading the list is *World News*, *Twenty Four Hours* and *Outlook*, a magazine program.

Art Schroeder has been named program director at KYKY-FM San Diego. He replaces Ken Richards, who resigned. Schroeder has been at KXOA Sacramento, where he was program director for 10 years.

John Jenkins has been named program manager at WMAG-FM Greensboro/Winston-Salem/High Point, a Voyager Communications outlet. Jenkins most recently programmed Capitol Broadcasting's WMJJ-FM Birmingham.

CABLE

New HBO on-air look

Home Box Office has introduced what it is called its farthest-reaching new on-air look in many years. The service is boasting new design elements, formats, music and logos, which replace a majority of previously-used graphics.

The package includes new network IDs, new "Next on HBO" and "Tonight on HBO" teasers, new opens for original programming, and a new "HBO Movie" open.

Tim Braine, vice president and executive producer, on-air promotion, says the changes were designed to give HBO "a more contemporary look and to underline the distinctions between program categories."

However, HBO is retaining its widely-recognized regal open for movie premieres and primetime plays. That open starts with a shimmering star, which zooms down to become the silvery HBO logo.

The new look was designed by HBO in conjunction with Pacific Data Images, of California's Silicon Valley.

Limited series on HBO

HBO has reaffirmed its commitment to the limited series form with three series now in production.

The Glory Years, an original, six-episode comedy series, is scheduled to debut in 1987. It is a continuing story of "three old friends who risk their fortunes, reputations and necks in Las Vegas following their 20th high school reunion." Stars are George Dzundza (*The Deer Hunter*), Archie Hahn (*My Favorite Year*) and Tim Thomerson (in the upcoming *Ratboy*). Producer is Kushner-Locke Co. Shooting was set for Los Angeles and Las Vegas.

HBO has renewed runs of two other limited series. Production has begun on

Programming/Production

(continued)

First and Ten: The Championships. The four new episodes of the limited series, which debuted on HBO in 1985, follows the fictional California Bulls into the playoffs. The show features former footballer O. J. Simpson. The episodes are set to debut weekly, starting December 30, with the final episode just before the Super Bowl.

First and Ten also is from Kushner-Locke.

Renewed for a third season on HBO is *The Hitchicker*, the adult mystery-anthology series from D.I.C. Enterprises. Production on 13 new episodes has begun in Vancouver, Canada.

Disney signs 'kids'

Kids Incorporated, the syndicated live-action show that most recently appeared on basic cable's CBN Cable Network, has moved to The Disney Channel, pay service, effective November 3.

The half-hour show airs Mondays, Wednesday and Fridays at 5 p.m. E.T., kicking off a new pre-teen and teen afternoon time slot tagged "Kidscene." Thirteen new episodes are in production and will air together with 52 existing episodes. Disney has the option to producing additional episodes over a multi-year period.

The program uses humor and fantasy to address real-life situations faced by young people, such as peer pressure and the generation gap.

Kids Incorporated is being produced for Disney by Hal Roach Studios Inc. and Lynch/Biller Productions in association with MGM/UA Television. Earl Glick is executive producer.

Hoffman to USA Net

Neil Hoffman is the new vice president of programming at USA Network, He is former vice president of program administration for the formerly Metromedia station WNEW-TV (now WYNY-TV). Previously he was vice president and program director at KRIV-TV in Houston.

NGS docudrama

The National Geographic Society, acclaimed for its television documentaries on Superstation WTBS and on the Public Broadcasting Service, is debuting its first venture into "docudrama" with *Man-Eaters of Kumaon*.

The 90-minute presentation, filmed on location in India, premieres Sunday, November 30 at 8 p.m. ET on WTBS. It portrays the life of the legendary Jim Corbett, India's so-called "Tiger Man," who tracked the big cats in the first three decades of this century.

The program is a co-production of National Geographic and the British Broadcasting Co. It stars British actor Frederick Treves.

Exclusive PPV deal

Viewer's Choice, the pay-per-view service of Showtime/The Movie Channel, has acquired exclusive PPV rights to *Short Circuit*, the hit theatrical film from Tri-Star Pictures starring Ally Sheedy and Steve Guttenberg.

The deal is the latest in a series of PPV exclusives signed recently by the service. Most of the deals are tied to acquisition of exclusive pay TV rights by the Showtime parent service.

Seasonal reprise

The Weather Channel has revived several fall seasonal features that proved popular last year. The segments include "Fall Foliage Report," "Football Forecast," "Schoolday Forecast," and "Hallowe'en Witch Watch." Also new at Weather Channel: on-camera meteorologist David Watson, formerly weather director and anchor at KBMT-TV Beaumont, Texas.

Home Video

Videogram Productions, two-year-old Brooklyn, N.Y., producer and rep specializing in special interest home video programming, has produced a tennis show for both television and home video use. Called *Tough Tennis: The Secrets of the Czech Tennis School*, the show is available as a 90-minute program for network use, while the 60-minute edited version is set for the home video market, according to Neil Baudhuin, president of Videogram Productions.

While the tennis program will not carry a sponsorship, other videos down the line will have product backing, says Baudhuin. These are *Healthy Baby, Happy Baby*, a four-part series on childcare; *Taking Charge*, a four-parter on management; *The Annals of American Business*, six-part documentary on American business; a lifestyle series and a jazz history series; and *The Garden Designer*.

According to Baudhuin, current research indicates that by 1995 as much as 60 percent of the programming for home video will consist of special interest software as compared to the present 20 per cent, with much of it product-purchased. Also, he believes sponsorship of home video programs will also become widespread in tandem with emerging special market niches.

The proposed merger of **Prism Entertainment** into **Fries Entertainment** has been terminated by mutual consent. The deal would have included the acquisition by Fries of shares from Prism's principal shareholders. Meanwhile, Prism has reported an increase in sales and earnings for the past six months ended July 31. Sales increased to $11,978,000, compared with $10,652,000 the same period last year. Earnings rose more than 40 per cent and reached $850,000, compared with $601,000 in the six-month period last year.

Domestic videocassette sales of the sci-fi comedy film *Critters* have exceeded 100,000 units, according to **RCA/Columbia Pictures Home Video,** which distributes the videocassettes. The title is the first video project covered in a distribution/production deal struck last January between RCA/Columbia Pictures Home Video and RCA/Columbia Pictures International Video with **New Line Cinema.**

JVC, in a joint venture with *Screen Magazine*, will launch Japan's first video magazine focusing on the U.S. film industry. The video magazine, *Movies*, will be distributed bi-monthly and will be available in both VHD videodisc and in videocassette format. *Movies* was developed by JVC/Screen in association with Radio Vision International, foreign supplier of programming for broadcast and home video in Japan. Movies include 10 topical feature segments on various aspects of the film industry. Highlights include up-close interviews and behind-the-scenes action. Retail price is 4,900 yen. The second edition, currently in production, is expected to be released for pre-Christmas, with a projected six shows set to be distributed in 1987.

Video Arts International, supplier of performing arts programming for home video, has moved into jazz with the debut of a new label, The VAI Jazz Video Collection. First release will include two titles, *The Coltrane Legacy*, hour compilation of TV clips and interviews along with Coltane performances, and *The Trumpet Kings*, an overview of top trumpet players, hosted by Wynton Marsalis. Release schedule is February, with RCA/Ariola International as U.S. and Canada distributor.

Manson International has made several major TV and home video deals. In home video, Manson completed its first video licensing arrangement in Chile via a 50-title deal with Video Chile. In Mexico, a 50-title deal was also completed via Horacio Altamirano's Video Harmony label.

Commercials

It's content over form in intro ads

In TV commercials introducing new products, the elements contained in a spot appear to be significantly more important than the creative approach, according to a study by Phase One, a service of Evalucom, Inc., Beverly Hills, Calif. Its study of 50 commercials submitted by 19 national advertisers indicated the single most important key to a successful commercial for a new product is communicating that the product is different. Meanwhile, it didn't appear to matter, in stimulating product trial, whether the form was slice-of-life, humor, endorsement or any other technique.

Advertisers including Anheuser-Busch, AT&T, Campbell Soup Co. and Chevrolet submitted their commercials, classifying them as successful—27 of them—or unsuccessful—23—based on their judgement of trial levels and sales achieved in the market. To arrive at the critical elements to compare in terms of a commercial's success or failure, Phase One conducted a computer search for the presence or absence of 2,121 criteria. Ultimately the computer procedure narrowed down to 84 factors that appeared to be important to introductory advertising.

Through its statistical analysis, Phase One determined that, if the advertiser communicated that a product was different, the commercial had a 50-50 chance of success, but that, if it did not do so, chances for failure were almost 80 per cent. Additionally, all of the successful commercials clearly positioned the new product within a specific product category; of the unsuccessful group, less than half did so.

Over 90 per cent of the successful ads communicated how or why the product difference could be beneficial to consumers, while only 43 per cent of the unsuccessful ones communicated this information. All of the successful ones presented information that supported the difference and its benefits to consumers; only 31 per cent of the unsuccessful ones did.

Aside from these four criteria that appear to be critical to a new product ad's success, Phase One also paid close attention to five criteria important in all types of commercials: capturing attention, stimulating interest in the message, communicating clearly, identifying the brand, and meeting the advertiser's stated communication strategy. Over 90 per cent of the successful commercials met all these basic advertising objectives, while only 43 per cent of the unsuccessful group did.

When Phase One looked at the four criteria for new product commercials and the five basic criteria together, it found that 85 per cent of the sales-successful commercials met all nine communications imperatives, while only 13 per cent of the unsuccessful spots did this.

While noting that all of the sales-successful commercials in the study communicated a point of difference on behalf of the new product, Phase One states, "It was not important whether the difference was real or created. When there was no product-related point of difference—such as different attributes or uses—the successful commercials created an aura of difference through the advertising itself."

"Created differences were conveyed, for example, through the attitudes or behavior of people in the commercial toward the product or through association with another entity, such as a contemporary lifestyle. Half of the sales-successful commercials communicated a product-related difference, a quarter conveyed a created difference. Another quarter used a combination of both real and created differences. Most of the commercials using a created difference were for beverages or snacks—products that typically fall into the 'me-too' category."

About half of the successful commercials each used a rational, straightforward approach vs. an emotional approach. However, of the unsuccessful ones, close to two-thirds used an emotional approach, indicating that "it may be more difficult to weave essential communication elements into a commercial using an emotional approach."

Hard vs. soft sell

Hard sell commercials may not be as arresting as those using the soft sell approach, but they perform slightly better in persuasiveness, according to a recent study by McCollum Spielman. The study involves 449 30-second spots exposed to viewers in seven-commercial pods.

Such hard sell approaches as a step-by-step demonstration of how to use Lee Press-On Nails and a slice-of-lifer with a couple observing how well Lysol Cling cleans the toilet bowl averaged out with 65 per cent acceptability in breaking through the clutter vs. 73 per

Advertising Directory of

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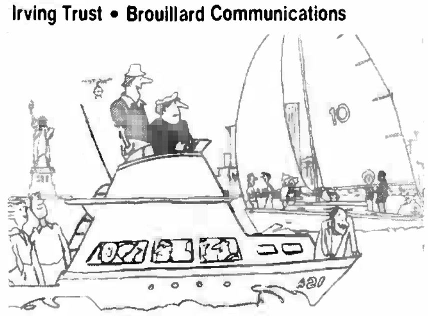
DOLPHIN PRODS., NY, COMPUTER ANIMATION

Hormel • BBDO, Inc.

BANDELLIER, INC., Albuquerque, NM

Irving Trust • Brouillard Communications



KCMP PRODUCTIONS, LTD., New York

Tide • Saatchi & Saatchi

BANDELLIER, INC., Albuquerque, NM

Commercials *(continued)*

cent for soft sell ads. The hard sell ads had 37 per cent above average clutter/awareness vs. 41 per cent for soft sell and 28 per cent average clutter/awareness vs. 32 per cent for soft.

In the attitude shift measure 62 per cent of the hard sell spots were considered acceptable vs. 60 per cent of the soft. Significantly, 42 per cent were above average in attitude shift stimulation vs. 31 per cent of the soft.

Of the various types of hard sell spots, slice-of-life did best in clutter/awareness, considered acceptable 71 per cent of the time. Acceptability rates for other types were: comparative demo, 69 per cent; "real people" and non-celebrity presenter, 66 each; celebrity presenter, 62 and monadic demo, 58.

The comparative demo, though, did best in attitude shift, at 68 per cent acceptability. The others were: monadic demo, 63; celebrity presenter, 62; slice-of-life, 61; non-celebrity presenter, 59 and "real people," 57. In analyzing these results, the research firm concludes, "It would appear that in general the more product-intensive approaches have more power than those that are people-intensive.

McCollum Spielman also found that hard sells enjoyed higher awareness when they were for pleasurable products but demonstrated substantially greater persuasive power when they were for utilitarian products. For such pleasurable products as food, beverages and cosmetics, 64 per cent got acceptable awareness scores vs. 56 per cent of the utilitarian products. For attitude shift, 63 per cent of pleasurable product hard sells were acceptable vs. 69 per cent of the utilitarian products.

Travel ads honored

Walt Disney World, America West Airlines, the State of Alaska Division of Tourism and The British Festival of Minnesota were the winners in the first Travel and Tourism Television Commercials Competition. With the competition jointly sponsored by the Travel Industry Association of America and Television Bureau of Advertising, the awards were presented at the TIA annual convention.

Winning for profit-making companies spending over $1 million in TV advertising, Disney World was portrayed by Y&R Entertainment as a wholesome place to visit for family groups. The winning commercial portrayed a busy family, pulled in different directions, taking time to be together.

In the under-$1 million profit-making bracket, America West won for showing how a low fare airline, owned by its employees, can still provide amenities that travelers don't expect of such airlines. The commercial was created by Patchen Brownfeld, Phoenix.

Alaska Tourism, winning in the non-profit, over $1 million category, spent about $2 million on major market spot TV and some cable, emphasizing the emotional aspect of Alaska in 60s and 30s through narration by a man who has wanted to visit the far northwest since he was an eight-year-old boy. Foote, Cone & Belding, San Francisco is the agency.

British Festival of Minnesota, raising $375,000 for the festival, spent 68 per cent of it on advertising and promotion. Commercials created by BBDO/Minneapolis took a humorous approach by featuring an Englishman bemoaning the exodus of artists from Britain for the event and suggesting that some prominent Americans be sent to Britain as "a balance of trade."

Three up at Compton

Three creatives have been named executive vice presidents at Saatchi & Saatchi Compton—Carole Cohan, manager of broadcast production, and group creative directors Charles Abrams and David Herzbrun.

With the agency for three years, Cohan was from 1974–1983 at Grey Advertising as vice president, production group head. She supervised work for such accounts as AMC/Renault, Ford, General Foods, Kayser-Roth, Marine Midland Bank and Procter & Gamble. Before that, she spent seven years as vice president, executive producer at McCann-Erickson.

Joining the agency in June, 1985, Abrams and Herzbrun had worked as a team at Doyle Dane Bernbach, where Abrams had been for 17 years—as head art director from 1975–1980. Herzbrun was senior vice president, creative supervisor of Doyle Dane Bernbach International. Beginning his career at that agency and later returning, he had worked at four other agencies in the interim and headed his own agency for four years.

3M Olympics tie

3M has joined the list of official sponsors for the 1988 Olympic Winter Games in Calgary and the Summer Olympic Games in Seoul. Other sponsors include Visa, Coca-Cola, Eastman Kodak and Federal Express.

Advertising and marketing programs linking 3M with the Olympics will be directed at both retail and business customers. The four "official product" categories for the Olympics are magnetic/optical media such as Scotch and 3M brand audio, video and data-recording products; thermal insulation and specialty fabrics; fiber/fabric protectors and adhesive tapes.

Eight other 3M product lines are included in the involvement, which, although not deemed "official," can be promoted with the five-ring Olympic symbol and otherwise be associated with the games.

Quality's phase two

Quality Inns International is breaking a new phase of its successful television and print campaign, which has been given credit for calls to the central reservation system increasing more than 100 per cent over the past two years. Smith Burke & Azzam, Baltimore, will continue to follow the "Quality Choice" theme introduced nationally in 1985.

In the new network push, according to Margot Amelia, SB&A senior account executive, the campaign will continue to focus on value with specific TV executions focusing on specific benefits. One spot will cover the ability to reserve three different lodging accommodations with one call to Quality International's reservation system: Comfort Inns for budget accommodations, Quality Inns for mid-price and Quality Royales for luxury.

Another spot, titled "World Traveler," illustrates the ease with which a traveler can secure lodging almost anywhere in the world with a simple call to the Quality reservation system. The third spot dramatizes the fact that non-smokers can reserve a non-smoking room at any property in the 900-plus property chain. Quality claims to be the first major lodging chain to offer that benefit.

RC's new spokesman

Tv actor Tony Danza has been signed by Royal Crown Cola Co. as spokesman for its Diet Rite Cola. Danza is the star of ABC-TV's *Who's The Boss.*

According to RC vice president—marketing Ron Corin, Danza will appear in two new TV spots to air nationally and in key markets beginning in January. The spots—basically two 30-second commercials with 15-second and 20-second versions—were created by DFS/Dorland.

Danza was selected as spokesman, says Corin, because of his appeal to the brand's primary market—women 18–49 and his fast-rising popularity as a TV star and stage performer.

Wall Street Report

Lin Broadcasting trades lagging radio interests for growth in TV, cellular

Lin Broadcasting Corp. is shortly expected to begin serious negotiations for the sale of its 10 radio stations. According to trade reports, Lin has been sifting through more than 100 inquiries. It's been estimated the group of stations will sell for at least $100 million.

While Lin has its roots in radio, it reports it is selling the stations to concentrate on its more profitable TV station operations and its growing activities in cellular telephone. With net revenues in 1985 increasing 15 per cent to $171.7 million from $148.8 million, radio revenues were relatively unchanged. Meanwhile, on a comparable basis, television revenues increased 16 per cent, radio common carrier revenues 12 per cent and specialty publishing 11 per cent.

John Reidy, vice president and media analyst at Drexel Burnham Lambert, looks for Lin to report per share earnings of $1.34 to $1.45 for 1986. In 1985, earnings were $1.40 primary and $1.36 fully diluted. For 1986, Reidy projects $1.75 to $1.90. He notes his projections are without factoring in any additional cellular telephone interests, which would reduce earnings, "but I would see this as excellent growth potential and applaud it." He says he is confident management would acquire such interests at a plausible price and wouldn't be surprised to see net earnings grow 25 per cent over each of the next five years.

Lin's 10 stations consist of five AM-FM combos: WFIL/WUSL Philadelphia, KILT-AM-FM Houston, WIL-AM-FM St. Louis, WEMP/WMYX Milwaukee and WBBF/WMJQ Rochester, N.Y. Where radio stations had represented 24.9 per cent of the company's revenues in 1981, with TV stations accounting for 75.1 per cent, in 1985 radio represented only 15.2 per cent and TV 84.8. Lin also reports that, while the radio stations in 1985 showed significant increases at four of the five locations, profits were down between 2 and 3 per cent and margins off by about 1 per cent.

The company's seven TV stations as a group have gained some of their momentum due to four of them being NBC affiliates. Two are affiliated with CBS and one with ABC. The stations are: KXAS-TV Dallas-Fort Worth; WISH-TV Indianapolis; WOTV(TV) Grand Rapids-Kalamazoo-Battle Creek; WAVY-TV Norfolk-Portsmouth-Newport News-Hampton; WAND-TV Decatur-Champaign-Springfield-Danville, Ill.; KTVV-TV Austin, Texas; and WANE-TV Fort Wayne.

Nine-month results

Lin just reported third quarter net income of $18,898,000, or 68 cents per share, compared with $8,691,000, or 32 cents, in the 1985 quarter. The 1986 quarter includes a gain of $8,401,000, or 30 cents a share, on the sale of Lin's Northeastern paging operations.

Net income for the nine months ended September 30, 1986, including the paging gain, amounted to a record $36,912,000, compared with $25,393,000. Per share earnings were $1.32 primary and fully diluted, compared with $1.02 and 99 cents for primary and fully diluted respectively for the same period in 1985. The 1986 results reflect consolidation of Lin's pro-rata interest in each of its cellular radiotelephone operations.

In the third quarter of 1986, cellular operating lesses before depreciation were $1,354,000, an improvement from the $1,656,000 loss of 1985's third quarter, when none of the systems were in operation.

Net revenues from containing operations for the quarter increased 44 per cent to $48,428,000 from $33,668,000. For the nine months, net revenues from continuing operations increased 36 per cent.

Lin Broadcasting Corp.

Condensed summary of operations by business segment ***(000$, unaudited)***

	Three Months ended September 30,		*Nine Months ended September 30,*	
	1986	*1985*	*1986*	*1985*
Net Revenues:				
Media	$35,957	#33,668	$110,767	$101,399
Cellular	12,471	—	26,993	—
Total	48,428	33,668	137,760	101,399
Operating income (expenses):				
Media	17,761	16,380	55,822	50,352
Cellular—operations	(1,354)	(1,656)	(13,403)	(3,075)
Cellular—recognition of contributed assets	2,250	—	6,450	—
Depreciation	(2,501)	(940)	(6,108)	(2,842)
Corporate	(1,392)	(1,215)	(4,187)	(3,654)
Total	14,764	12,569	38,574	40,781

"CEA's market approach actually enhances the value of properties for sellers."

"Radio is the most management-intensive medium in the communications industry. And there are more variables in a radio transaction than in any other kind of media investment.

Not getting enough information is the biggest mistake people make in radio station sales. Especially in today's volatile marketplace, where declining interest rates and deregulation have pushed trading activity to its most competitive level ever.

GLENN M. SERAFIN
Director — Radio Broadcast Services Division
Glenn Serafin began his career in radio in 1971, and has worked in every area, from programming to reporting and sales. He spent 10 years in management positions with Associated Press before joining CEA.

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We have developed a reputation for our professionally-researched, effective broker presentations for clients. Presentations that actually enhance the value of their properties. Presentations a buyer can take right to the bank.

In addition, our brokers have the experience and the contacts to identify a small, qualified pool of potential investors for every transaction. Quickly and discreetly.

And the CEA team is strengthened by our financial experts. We can handle every aspect of a transaction for our clients' best interest, including the financing when necessary.

Experience. Professionalism. Information. It's a combination that keeps us at the leading edge in the industry. CEA's emphasis on quality and best effort makes things happen for our clients quickly. With CEA working for you, you'll always know you haven't missed out on the action."

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Kent M. Phillips, Sr. Vice President & Managing Director
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Barter (*from page 66*)

number of projects designed to establish ASTA as the voice of the ad-supported syndication industry. One of ASTA's top priorities is research, notes Cosgrove, which includes AGB and Nielsen people meters, lineup verification and testing of Nielsen's new lineup management system.

Regarding people meters, Cosgrove says that, although the organization is supportive of this form of audience measurement, ASTA's position is that it should contain a sample of 5,000 at minimum. Also, in the case of audience measurement, ASTA is looking for an integrated rather than a conformed sample, says Brian Byrne, executive vice president, media sales at Orbis Communications. This means, he explains, that ASTA wants the people meter sample to provide both household and demographic information—"that the people meters not conform to a household passive meter, which is the case with the Nielsen National Audience Composition diary sample. We want one source for both, households and demos."

Byrne elaborates that the reason that both are necessary is that, unless 100 per cent of the population is sampled, two different samples will tell two different stories and cause confusion, given they both will be statistically reliable within the same degree of error.

People meter validation

Byrne, who is chairman of ASTA's research committee, says that, while the organization believes that people meters offer better research than diaries, it feels that not only is the people meter sampling not large enough, but that it needs to be validated in various ways. For example, he says, the system needs to determine "how well and how long the participants are pushing and will continue to push the buttons on these meters, and how the people meters will adjust for the demographic categories within the households.

"In other words," he continues, "do kids push buttons better than adults, and do teens push buttons worse than adults, as has been indicated in both cases? We want to know if there is a way to stabilize both so that everyone is participating to the same degree and that any manipulation that has to be done has to be done for the entire sample, not just for these segments."

These points and concerns, plus a general appraisal of the people meter system, will represent the major thrust of an ASTA position paper to be presented to the ad community beginning next month and lasting through the

ADI market rankings 1986–87 (revised*)

		ADI TV HH	% of U.S.
1	New York	6,814,200	7.78
2	Los Angeles	4,532.700	5.17
3	Chicago	3,066,700	3.50
4	Philadelphia	2,641,400	3.01
5	San Francisco	2,077,000	2.37
6	Boston	2,037,700	2.33
7	Detroit	1,684,300	1.92
8	Dallas-Ft. Worth	1,605,200	1.83
9	Washington, DC	1,563,600	1.78
10	Houston	1,457,400	1.66
11	Cleveland	1,413,400	1.61
12	Atlanta	1,224,400	1.40
13	Pittsburgh	1,209,000	1.38
14	Miami	1,202,400	1.37
15	Minneapolis-St. Paul	1,199,800	1.37
16	Seattle-Tacoma	1,194,300	1.36
17	Tampa-St. Petersburg	1,090,400	1.24
18	St. Louis	1,052,300	1.20
19	Denver	1,025,000	1.17
20	Sacramento-Stockton	931,800	1.06
21	Baltimore	893,100	1.02
22	Phoenix	892,000	1.02
23	Hartford-New Haven	821,500	.94
24	Indianapolis	818,300	.93
25	San Diego	787,000	.90
26	Portland, OR	785,700	.90
27	Orlando-Daytona Beach-Melbourne	753,000	.86
28	Cincinnati	711,900	.81
29	Kansas City	705,400	.81
30	Milwaukee	699,500	.80
31	Nashville	685,200	.78
32	Charlotte	663,800	.76
33	New Orleans	650,900	.74
34	Columbus, OH	649,600	.74
35	Raleigh-Durham	620,400	.71
36	Buffalo	614,400	.70
37	Oklahoma City	613,500	.70
38	Greenville-Spartanburg-Asheville	609.100	.70
39	Memphis	587,600	.67
40	Grand Rapids-Kalamazoo-Battle Creek	585,300	.67
41	Salt Lake City	581,700	.66
42	Providence-New Bedford	569,600	.65
43	Birmingham	550,700	.63
44	San Antonio	531,000	.61
45	Harrisburg-York-Lancaster-Lebanon	527,900	.60
46	Norfolk-Portsmth-Newport News-Hamptn	526,000	.60
47	Charleston-Huntington	517,100	.59
48	Dayton	506,300	.58
49	Louisville	505,000	.58
50	Greensboro-Winston Salem-High Point	504,400	.58
51	Albany-Schenectady-Troy	482,700	.55
52	Tulsa	468,100	.53

ADI market rankings *(continued)*

53	Little Rock	452,200	.52
54	West Palm Beach-Ft. Pierce-Vero Beach	447,800	.51
55	Mobile-Pensacola	435,500	.50
56	Flint-Saginaw-Bay City	433,300	.49
57	Jacksonville	426,700	.49
58	Wichita-Hutchinson	421,700	.48
59	Wilkes Barre-Scranton	421,600	.48
60	Richmond	415,800	.47
61	Knoxville	413,900	.47
62	Shreveport-Texarkana	407,700	.47
63	Fresno-Visalia	405,100	.46
64	Toledo	397,900	.45
65	Albuquerque	388,100	.44
66	Des Moines	379,300	.43
67	Syracuse	372,900	.43
68	Green Bay-Appleton	362,900	.41
69	Omaha	354,300	.40
70	Rochester, NY	350,100	.40
71	Roanoke-Lynchburg	339,800	.39
72	Austin, TX	329,000	.38
73	Lexington	328,200	.37
74	Davenprt-Rock Islnd-Moline: Quad Cty	327,800	.37
75	Ceder Rapids-Waterloo-Dubuque	325,100	.37
76	Springfield-Decatur-Champaign	320,200	.37
77	Paducah-CP Girardeau-Harrsbrg-Marion	316,700	.36
78	Spokane	313,900	.36
79	Portland-Poland Spring	303,300	.35
80	Chattanooga	301,700	.34
81	Tucson	301,000	.34
82	Bristl-Kngspt-Johnsn Cty: Tri Cities	287,600	.33
83	Springfield, MO	284,400	.32
84	South Bend-Elkhart	282,600	.32
85	Jackson, MS	280,900	.32
86	Johnstown-Altoona	280,000	.32
87	Youngstown	275,200	.31
88	Columbia, SC	273,000	.31
89	Huntsville-Decatur-Florence	265,700	.30
90	Evansville	264,000	.30
91	Baton Rouge	258,600	.30
92	Lincoln-Hastings-Kearney	257,300	.29
93	Burlington-Plattsburgh	246,600	.28
94	Las Vegas	231,400	.26
95	Waco-Temple	229,300	.26
96	Greenville-New Bern-Washington	228,200	.26
97	Ft. Wayne	221,700	.25
98	Sioux Falls-Mitchell	218,100	.25
99	Augusta	215,700	.25
100	Colorado Springs-Pueblo	215,500	.25
101	Ft. Myers-Naples	214,800	.25
102	Lansing	214,600	.24
103	Peoria	214,100	.24
104	Fargo	212,900	.24
105	El Paso	212,000	.24
106	Springfield, MA	211,000	.24

fourth quarter while both AGB and Nielsen firm up their sampling systems. Byrnes says he's jumping the gun on both entries because ASTA wants the ad people to know what is happening from the very beginning and how ASTA perceives the measurement methodology.

In the case of the organization seeking closer ties with the Electronic Media Rating Council, the watchdog audit group set up to make certain the audience measurement services are accurate and reliable, Byrne says that ASTA will apply for membership to the EMRC when it is notified by the council that it can do so. Mel Goldberg, the EMRC's executive director, says he expects the board to give the go-ahead shortly for the organization to apply and soon thereafter to become a member. As a member, ASTA's dues could be paid on a pro-rata basis, depending on when it joins, or for the full year beginning in January, if it doesn't choose to join EMRC until then, says Goldberg.

ASTA is also planning to schedule a major one-day conference for the spring as still another move by the organization in its campaign to solidify its growing importance in the industry. The ASTA conference will coincide with the network fall preview presentations and will give the advertising community a concurrent look at what is available in ad-supported shows distributed for the 1987–88 season, says Cosgrove. "Our aim is to screen new programs in the syndication marketplace to national advertisers and agency people responsible for placing these ads."

The conference will also be used as a forum for seminars which will focus on issues that pertain to national barter syndication and the national barter marketplace, ranging from research to marketing by program type and daypart, says Cosgrove. Orbis' Byrne adds that while the specifics haven't been firmed as yet, the conference will be held in New York, either at a convention site or at a hotel. The morning will probably be composed of seminars headed by representatives of the syndication distribution and advertising community as well as various audience measurement services.

Screenings of new product will be held in the afternoon, although how this will be implemented has not yet been decided, Byrne says. "Whether we want to have booths, or tables or suites hasn't been determined. We're looking at trying to find the best way for trafficking so that advertisers coming to the screenings will have the best advantage." At this point, a committee of ASTA is exploring a venue.

Meanwhile, at ASTA's request Nielsen is preparing a proposal for modifying the Monitor-Plus system to include syndicated programs. Due October 15, the proposal's deadline has been extended a few days. Byrne believes the proposal will seek additional information from ASTA beyond what it provides currently. "At this time we provide Nielsen with the lineup and time period by market for our shows. In addition, we will be providing them with the actual positions of the commercials integrated in the programs. This will enable Nielsen to look for those specific commercials through its Monitor-Plus system and to determine whether the spots ran correctly.

"This means, for example, they can find out if the station in the top 75 markets missed a commercial, or if the program was joined in progress, deleting the commercial. They would be able to get back all that information to us within a very short time, as compared to now, when it takes a week or longer to get that data."

In the case of lineup management improvement, Byrne notes that ASTA is seeking to have the lineup verified prior to the airing of the program. In the past, he continues, there have been numerous instances where station lineups have been submitted for ratings checks with a market or two missing. Consequently, the ratings have had to be reprocessed at the expense of either Nielsen or the syndicators, depending on who made the error. Lineup verification pre-airing will prevent any discrepancies from occurring, he says.

One of the newer projects ASTA is embarking on in its bid to become the recognized voice of the barter industry, is designed for agency holdouts still reluctant to get into syndication. ASTA is preparing a presentation for them, notes Cosgrove, on syndication and its uses, which will be shown to these agency skeptics next month. The presentation is out of script at this stage and a video tape is being prepared. Kaki Holt, vice president, advertiser sales at Worldvision Enterprises, is handling the presentation, according to Cosgrove.

The report focuses on the history of syndication, its growth, different dayparts and how far it can be used in those time periods. Orbis' Byrne says he expects the report to answer the question of why syndication should be used in the present sliding price increase environment at the networks. "In the past, syndication was bought primarily because it was cheaper than network television. But now that the networks have taken negative price rises over the previous year, why should an advertiser support syndica-

ADI market rankings *(continued)*

107	Madison	210,700	.24
108	Montgomery-Selma	209,500	.24
109	Charleston, SC	208,000	.24
110	Savannah	205,900	.24
111	Salinas-Monterey	198,400	.23
112	Lafayette, LA	196,600	.22
113	Snta Brbra-Snta Maria-Sn Luis Obispo	192,100	.22
114	Rockford	191,000	.22
115	Monroe-El Dorado	181,200	.21
116	Mcallen-Brownsville: Lrgv	179,200	.20
117	Amarillo	177,400	.20
118	Joplin-Pittsburg	175,600	.20
119	Corpus Christi	174,500	.20
120	Duluth-Superior	173,000	.20
121	Columbus, GA	172,400	.20
122	Beaumont-Port Arthur	170,500	.19
123	Sioux City	167,700	.19
124	Reno	166,600	.19
125	Tyler-Longview	165,300	.19
126	Wichita Falls-Lawton	162,900	.19
127	Terre Haute	161,900	.18
128	Yakima	161,500	.18
129	Tallahassee-Thomasville	161,300	.18
130	Wausau-Rhinelander	161,100	.18
131	Macon	158,900	.18
132	Binghamton	156,200	.18
133	Eugene	155,300	.18
134	Wheeling-Steubenville	155,200	.18
135	Columbus-Tupelo	154,900	.18
136	La Crosse-Eau Claire	154,200	.18
137	Erie	153,600	.18
138	Boise	153,200	.17
139	Traverse City-Cadillac	153,000	.17
140	Odessa-Midland	152,600	.17
141	Chico-Redding	149,900	.17
142	Columbia-Jefferson City	149,400	.17
143	Bluefield-Beckley-Oak Hill	145,900	.17
144	Florence, SC	145,100	.17
145	Topeka	145,100	.17
146	Minot-Bismarck-Dickinson	144,100	.16
147	Ft. Smith	143,700	.16
148	Bakersfield	142,400	.16
149	Rochester-Mason City-Austin	141,900	.16
150	Lubbock	137,500	.16
151	Quincy-Hannibal	137,200	.16
152	Wilmington	133,200	.15
153	Albany, GA	132,500	.15
154	Bangor	124,500	.14
155	Medford	123,200	.14
156	Sarasota	116,200	.13
157	Abilene-Sweetwater	116,100	.13
158	Utica	102,100	.12
159	Idaho Falls-Pocatello	101,500	.12
160	Dothan	97,600	.11

ADI market rankings *(continued)*

161	Alexandria, LA	89,600	.10
162	Laurel-Hattiesburg	89,400	.10
163	Billings-Hardin	88,400	.10
164	Salisbury	86,000	.10
165	Elmira	85,000	.10
166	Clarksburg-Weston	84,700	.10
167	Rapid City	82,100	.09
168	Greenwood-Greenville	81,400	.09
169	Gainesville	80,800	.09
170	Watertown-Carthage	79,100	.09
171	Panama City	78,300	.09
172	Lake Charles	76,400	.09
173	Missoula	76,300	.09
174	Ardmore-Ada	70,900	.08
175	Grand Junction-Durango	68,300	.08
176	Jonesboro	67,500	.08
177	Meridian	66,900	.08
178	Great Falls	66,300	.08
179	Biloxi-Gulfport-Pascagoula	64,100	.07
180	Roswell	61,800	.07
181	Palm Springs	61,000	.07
182	El Centro-Yuma	58,900	.07
183	Alexandria, MN	58,500	.07
184	Casper-Riverton	55,500	.06
185	Marquette	54,900	.06
186	Tuscaloosa	52,300	.06
187	Eureka	51,100	.06
188	Cheyenne-Scottsbluff	50,100	.06
189	Butte	48,400	.06
190	St. Joseph	47,000	.05
191	San Angelo	46,300	.05
192	Jackson, TN	45,800	.05
193	Lafayette, IN	45,400	.05
194	Hagerstown	40,300	.05
195	Lima	40,100	.05
196	Charlottesville	38,700	.04
197	Bowling Green	38,100	.04
198	Parkersburg	35,300	.04
199	Laredo	34,200	.04
200	Harrisonburg	33,700	.04
201	Farmington	31,800	.04
202	Zanesville	31,000	.04
203	Twin Falls	30,500	.03
204	Ottumwa-Kirksville	29,200	.03
205	Presque Isle	28,600	.03
206	Flagstaff	26,900	.03
207	Victoria	26,700	.03
208	Bend	24,800	.03
209	Mankato	23,300	.03
210	Helena	18,600	.02
211	North Platte	18,500	.02
212	Alpena	10,900	.01
213	Glendive	5,300	.01
	TOTAL U.S. TV HOUSEHOLDS	87,614,900	

* See Letters column, September 29 issue

tion? We have lots of reasons and we want to spell them out, particularly to the planning areas at the agencies and advertisers, because the media people are pretty astute already in using syndication and continue to use it. However, there are advertisers who don't use syndication or who may have been on the brink of using it but held back when they saw the price drop at the networks and went with them instead."

Station relations

Station and rep relations is becoming an area of concentration by ASTA via a newly formed committee, chaired by Howard Levy, vice president, director of ad sales at Blair Entertainment. The committee acts basically as an informational post and liaison between the organization and the station reps, says Levy. This includes answering questions on such matters as how programs are formatted, satellite delivery and market conditions, according to Levy.

Cosgrove views keeping an ongoing close relationship with reps and station groups as particularly important. "We want them to know that barter syndication can be helpful to them and that they shouldn't look on us as the enemy. Some have been doing that in the past. They shouldn't look at the glass as being half-empty. They should see the glass as half-full in that we are providing quality programming to these stations through the use of barter syndication."

He continues that the reps should understand that "we are not trying to steal spot dollars from them. We want to make certain that the story is out that ad revenue is coming from network dollars, as the Association of National Advertisers pointed out a year or so ago. No one should know better than them."

The bottom line, says Blair's Levy, is that when barter syndication does well the stations do well. "Our success and the local station's success are hinged together," Levy notes, citing examples such as *Star Search*, *Fame* and *Solid Gold*, which are getting solid ratings along with *The Road to the Super Bowl*, Blair's own product. "Barter syndication is an important source of supply which these stations wouldn't ordinarily have."

Meanwhile, Cosgrove's tenure as president concludes sometime after NATPE, and it's most likely that Byrne will be chosen as his successor. The general procedure has been that the vice president assumes the top post after the president's term is completed, although there is no set rule in this regard. Also there's no definite rule as to how long officers may serve. This de-

pends mostly on how long they are willing to do so. Robert Turner, the first ASTA president and Orbis president, served one year, followed by Dennis Gillespie, Viacom Enterprises' senior vice president, marketing, who had been vice president under Turner. Gillespie was president for about a year-and-a-half, having been reelected after one year.

Other officers at present, beside Cosgrove and Byrne, are Joseph Cifarelli, vice president, media sales at Multimedia Entertainment, treasurer; and Harry Mulford, vice president, advertiser sales at 20th Century Fox Television, secretary.

As of January 1, ASTA will change its dues structure, says Cosgrove. In the past, fees to companies were flat, regardless of size. But this will be altered to a three-tier basis, depending on the syndicator's size. In addition, there will be a substantial dues increase for all the companies, particularly the larger ones, to help defray the costs of ASTA's expansion moves, notes Cosgrove, and it's planned ASTA conference day.

ASTA members had been paying about $5,000 per year, according to Multimedia's Cifarelli. But the dues will rise to $10,000 for the lower billing syndicators, to as much as $20,000 per year for the top barter sales companies, he says. The general membership has approved the new dues structure. Newest companies joining ASTA are Worldvision Enterprises, SFM Entertainment, Access Syndication and Buena Vista. Other syndicators in the ASTA fold are All American TV, Blair Entertainment, Camelot, Group W, Independent TV Network, LBS Communications, Lorimar-Telepictures, MGM/UA, Multimedia Entertainment, Orbis Communications, Paramount Television and Video Programming, Syndicast Services, Television Program Enterprises, Tribune Entertainment, Turner Broadcasting, 20th Century Fox, and Viacom. In terms of membership, Cosgrove feels that ASTA has reached close to its limit. However, because ASTA is no longer considered a fledgling, fly-by-night association, it behooves new companies entering the barter marketplace arena to join the association, he asserts.

Cosgrove says he sees a leveling off of barter syndication growth, compared to previous years ("there has to be a certain amount of diminishing return setting in"), but says "there's no doubt that barter syndication is a factor in national advertising. So the future is in front of us, and I don't see ASTA going away. I see us getting more involved in issues that pertain to the barter syndication industry because we will be respected as the voice of those syndicators engaged in barter." □

Agency *(from page 59)*

be more efficient.

"More and more, what clients care about is the product. If that's all right, how you staff is your problem. Clients are getting leaner, so they have fewer levels and we can be more streamlined."

His agency's approach in the creative area has been to lean in the direction of more senior people: "When you give them a problem to solve, you can be more confident that they can solve it. You may be able to use only one team instead of seven—to exaggerate—because you're not as concerned with backing up people who probably can't solve the problem for you. This is true of all departments."

One major area that Y&R has been able to centralize, Klein notes, is computer operations. He adds that the New York office has been able to do some spot buying for other offices.

Klein reports that current belt-tightening efforts have been in non-people areas. For one thing, he discloses, the agency has appointed a task force to determine how production costs can be reduced, adding, "This is a major issue in clients' minds." Real estate has been another issue, and Y&R's public relations subsidiary, Burson-Marsteller, has moved downtown to a lower rent district. Meanwhile, the agency business is staying put, as Y&R owns its building.

"We used to be expected to provide services like merchandising and marketing planning gratis. Now, if we provide these services, it's through a subsidiary for a fee."

Abbott C. Jones
President
FCB Communications, Inc.

Merger fallout

While mergers are putting a certain number of people out on the street, this isn't always the case. For example, Page Thompson was running a media department with 50 people at Needham, Harper & Steers before it was folded into DDB/Needham Worldwide. Now, as senior vice president, media director of the new entity, he has a department of 140 that he says is now "basically totally integrated."

"It happened a lot easier than was thought," says Thompson. He notes that, during the six months prior to the merger, there had been attrition in both agencies with positions left unfilled—especially after Needham lost the Xerox business. Where people were replaced, he notes, it was at a more junior level. The attrition was deep enough, he adds, that people have been moved over from what was one agency to service business that the other brought into the merged entity.

He says a current goal is to start a training program to create "a DDB/Needham media person, who will be more daring and more innovative than most are—and be involved in the total advertising perspective."

Thompson notes, "At Needham we had been on a nice, steady growth curve where we could have added staff but didn't add it as we got new business. Meanwhile, computers helped in freeing up people's time from reach and frequency and magazine analysis, which the computer could do in a flash. People had more time for thinking, and we got better educated people as a result."

The quality of media people at the agency, he asserts, has increased as a direct result of having less tedious work, more face-to-face contact with the client and more involvement in the total process. He believes this will also have an effect on turnover: "When you start training people in these areas, they stay with you."

Thompson adds that the merged agency's "enormous size across the country" will help it eliminate duplication in the broadcast area through the sharing of information and the pooling of media dollars. He says, "That's really been the benefit of the merger—the total network of resources that you can call on in areas like research and negotiation."

But, according to Jones of FCB, reduction in the number of media personnel, at least on a short-term basis, doesn't directly relate to total cost reduction. "On a long-term basis," he explains, "the number of people required to place media has gone down as agencies use of outside and inside computer systems goes up. But we pay for Donovan Data System, just as other agencies pay for in-house systems. So the cost of putting a primetime spot on network may not have changed that much."

"Account management and creative," Jones adds "are departments that are still managed much the way they were, but they're managed more closely in terms of productivity. There's less inclination to keep nonproductive people on board."

Attention is also paid to nonproductive services, he notes. Massive marketing-oriented studies are no longer undertaken by agency personnel, he points out, with such undertakings either left to the client or assigned to contractors. "We focus on things related to advertising developments. We used to be expected to provide services like merchandising and marketing planning gratis. Now, if we provide these services, it's through a subsidiary for a fee.

"This explains the growth of sales promotion groups sponsored by agencies. The client now expects to pay for these additional services. The agency staff today is really doing advertising. But the pressure on agency compensation has clearly taken away more than the agencies are getting back in subsidiary income."

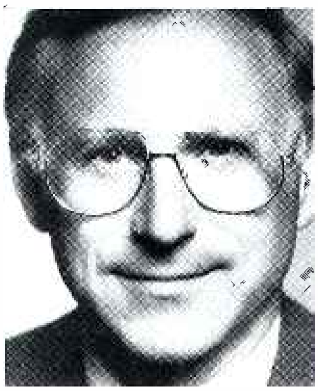
Overall, Jones says, "We're putting more money against creative, media research and account management. We're all working toward the objective of keeping a higher proportion of the staff doing the actual work, fewer doing back office work, and keeping the top lean."

It's also true at Burnett, according to Kraft, that there has been a shift of people out of support functions and into the primary business. He says that, as the agency has gone from billings of $250 million in 1967 to $1,269 million in 1985, there have been more people per million dollars of billing in the professional areas and fewer in support functions. What he considers Burnett's pioneering stance in automation, he says, has resulted in about 10 per cent fewer people handling paperwork over that time.

He says the agency has greater demands on it in client service, research

More than 60 *of the broadcast industry's luminaries gathered at New York's Waldorf-Astoria hotel recently to honor Meredith Broadcasting senior v.p. Jim Conley, r., upon his retirement. At l., is Meredith Corp. president and* CEO *Bob Burnett.*

Senior creative people would be among the last to be let go: "You may be able to use only one team instead of seven—to exaggerate—because you're not as concerned with backing up people . . ."



Art Klein
Executive vice president
Young & Rubicam

and creative: "Clients are running more complex businesses, and the marketplace is more complex—new products, market segmentation, changing distribution systems—and agencies are expected to help clients sort through these things. We have to do a lot more work before we write the ad.

"We get involved in market research in that it has to be interpreted or worked into the marketing plan, even if we don't do it physically. We continue to do an awful lot of research, but the focus now is on that which improves the copy. The client has assumed the responsibility of research on the marketplace."

At Ogilvy & Mather, Phillips' strategy for doing more with fewer people is in preaching the concept, "Do it only once by doing it right." This is partly done by ensuring that briefings and other contacts with clients are with those who make the decisions. He explains: "You need fewer people all around if you can convince clients that you can be more efficient if you don't have to go through three or four levels." He says clients, particularly those in senior management, are generally receptive to this. The agency has taken a formal position that, internally, the "do it once, do it right" concept can be achieved through adequate briefings "and not going through layers of people who nitpick."

Otherwise, automation, including the use of word processors, has reduced numbers at O&M: "It's a slow process because you have to train people—and if you bring in a computer, you have to bring in two people to service it." Phillips says the word processor and spread sheet analysis system have made the biggest difference—the latter particularly in budgeting and in media buying reports. The word processor, he says, has allowed secretarial staff to handle more work because retyping is no longer necessary.

Phillips adds, "Our own experience is not unusual in that you find, over a period of time, an agency gets overstaffed. An agency is a happier place when people have slightly more to do than they would like. But it's a fine line to walk. The last thing we would want to be is a sweatshop."

Adding staff

JWT/New York has added 90 people over the last 18 months, according to Bowen, while elsewhere "efficiencies from mergers are causing agencies to throw people out on the street." He says two things have guided the number of people added as the agency grows: the bottom line profit objective based on revenue, and "what it takes to get the job done."

With the agency going from $353 million in billings in 1983 to a projected $722 million for '87, he says, "If we had tried to do this with the same number of people, we would not have been able to handle the business." But he also concedes that people would have to be laid off if the business no longer justified the staff levels.

If layoffs occurred at his agency, he discloses, "Middle management in any department is the most vulnerable. The juniors are your future, and the seniors are your must-haves. When you eliminate a middle management structure, you often eliminate the bureaucracy that develops in an organization."

Bowen goes by a rough formula: "The top 10 per cent of your people represents your top performers. The middle 80 per cent represents the people you need, which you can expand or contract according to your fortunes. The bottom 10 is the people you try to fire every year—although you don't always measure up to that." He explains that sometimes people in the bottom 10 per cent are kept on because they are needed as the business grows.

"If there's one department we could not do without," Bowen asserts, "it's creative. We're cautious about cuts there because we're a creatively driven business. Media has been reduced over the years because of automation. But we don't put any stock in formulas of what percentage should go into media, creative, etc. We have to do what it takes to make the account happy and to be profitable."

He notes, though, that over 30 per cent of JWT's total salaries in New York are in creative, which he believes is higher than most other agencies.

Bowen's chief concern is positioning the agency to get a growing share of the business. He states, "The business is going through a shakeout period. It's never been a business where quantity is the key; it's has been a business where quality is the key."

Offering that as the key to survival, his more specific advice to staffers who want to keep working paraphrases the words of Gen. George Patton: "Make some poor, dumb bastard at another agency get fired." □

DDB/Needham's "enormous size across the country" will help it eliminate duplication in the broadcast area through the sharing of information and the pooling of media dollars.

Page Thompson
Senior vice president
DDB/Needham Worldwide

Delinquent *(from page 61)*

veloped because of the proliferation of stations coming into the market which were underfinanced or did not do as well as anticipated.

Greene also believes that stations buying more than they can afford has also contributed to their financial headaches. "The theory is that they can put down a lot of money for an expensive half-hour series, rationalizing that they don't have to pay for it until it becomes available in a few years." By that time, they figure they will be doing very well and getting good ad money on the product, he points out. Also, he says, with money not due until 1988 or 1989, the stations probably factor in the inflation theory that a dollar won't be worth as much than at present.

They can handle the downpayment, Greene says, even though it might be large. "But the regular payments don't come due until the product is available."

Business practices

Current business arrangements with stations by syndicators vary, depending on the product, the market and whether the station is a start-up, an unknown entity, or one with an established track record. Industry practice is to require a 10 per cent down payment, with the remainder to be paid over a period of 24–36 months, on a five-year cash license deal. This applies mainly to library product, notes Group W's Tannehill, and makes the payment schedule less than the license period, giving the syndicator the opportunity to recapture the product, if necessary, before it is totally exposed. He adds: "You never want to get into a situation where the payments go beyond the license period, because then you have no recourse. If the license period has expired, you have no leverage."

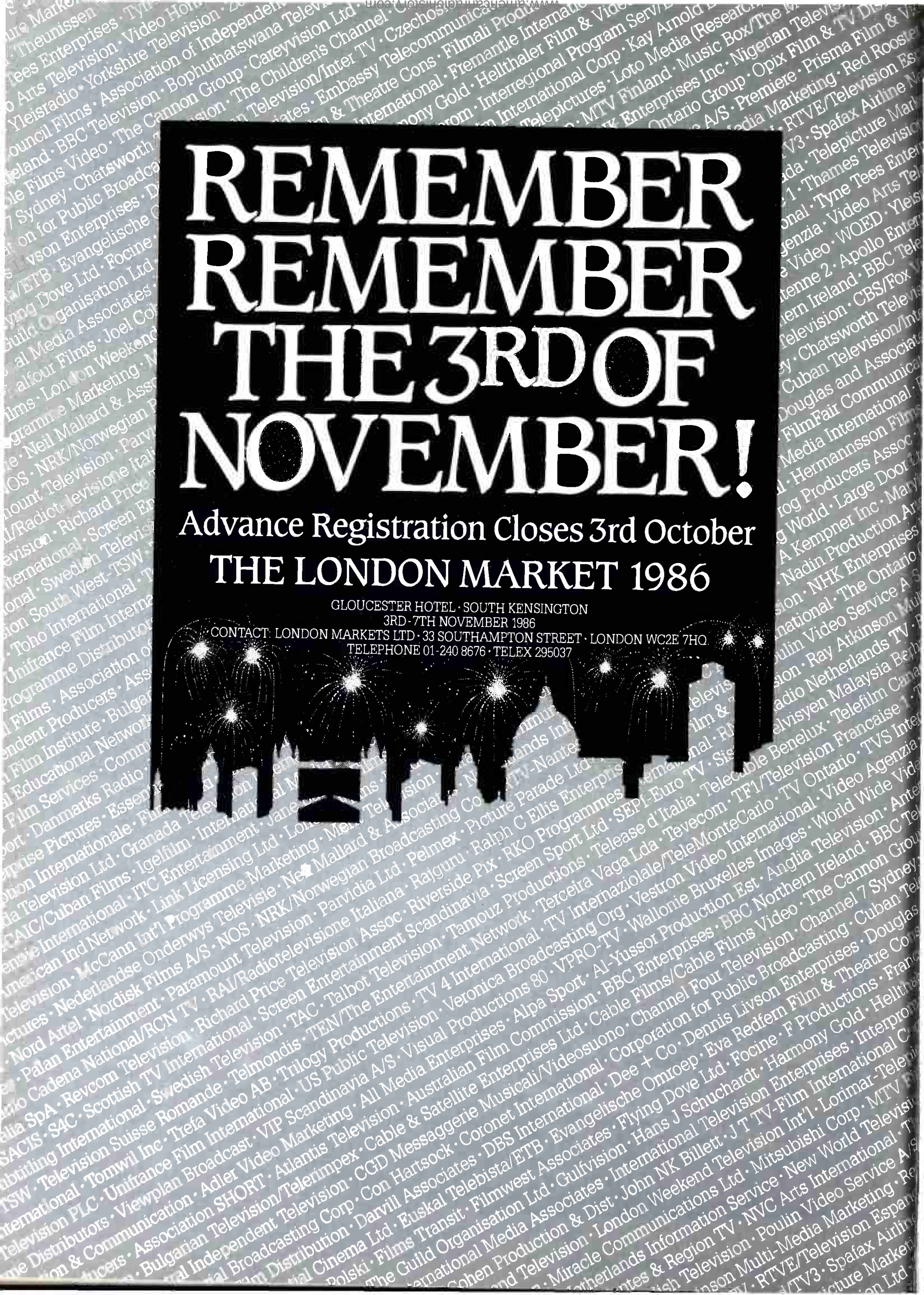
Because Group W's product is mainly barter or first-run, sales mostly are in a 52 weeks pay-and-play situation, says Tannehill. While both ways of doing business are generally the rule, Embassy's Thurston says that payment arrangements may also be all over the map. "Some sales don't have down payments at all; some have 15 per cent."

However, the unsettling cash-flow situation at indies has generated a rash of control measures and has altered the payment practice of several major suppliers. At Viacom, Brady says a credit application is required with bank and trade references, in the case of new stations. This procedure was introduced about two years ago. "We have always had a policy of taking a look at these kind of stations, but we recently formulized that approach."

Letters of credit, especially from recent start-ups, are expected because of the troubled financial situation at several of these outlets, L-T's Carlin says, along with financial assurances from banks and from creditors establishing the station. Sometimes, these security measures don't work, Carlin points out, and he warns that syndicators should be wary in reporting sales that may not necessarily turn out to be income. Instead, he recommends that suppliers, especially those which are publicly-held and have questionable accounts, delay reporting the cash as income until it is actually in their hands.

If they don't follow this procedure, Carlin adds, and don't get paid, the money will have to come off their earnings down the road. "For a public company, that's a problem."

One of the new methods being used by a few syndicators to ease the financial burden of extending relief to stations which are lagging behind in paying for product is for syndicators to act as "banks"—charging interest on over-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due fees payments. One major supplier, who requested anonymity, says the company has begun charging an additional fee to delinquent-paying stations. "We will do it if someone wants to refinance or restructure their debt, but only with certain concessions and certain rules."

Group W's Tannehill says that, in some cases, where refinancing is involved, the company applies a modest interest rate. However, he points out that, except for *He-Man and the Masters of the Universe*, the company's product are sold on a yearly contract basis and don't generally require any heavy refinancing arrangements, as noted previously. Carlin says that while L-T is not in the business of financing acquisitions of television programs, cost factors incurred relating to delinquent-paying stations are forcing syndicators to become bankers. "When they come to us asking for additional time, we say 'all right,' but we have a contract and that extra time will cost us a certain amount, which we will tag on the contract."

Generally, he says, terms to stations vary per show or per genre or for other reasons. However, stations generally want 10 per cent down, 24-month payouts, he says. "But new indies in most cases prefer not to shell out cash upfront, so it's difficult to get down payments from them." The longer-term payouts are factored in, Carlin continues. "The longer the payout, the higher the price will be because we factor in the cost of money. A 10 per cent cost, spread out over an additional 12 months is pro-rated at present value of the acquired program."

Variety of circumstances

But, Carlin emphasizes, all deals are negotiable and may vary widely. Deals on first-run sitcoms are clear-cut, he says, and because of their timely nature and necessary deficit financing, are given little flexibility when it comes to cash fees from stations. On the other hand, movie packages have different availability dates, so flexibility of payments may be negotiated. In golden oldies, there is no compelling marketing reason for the product to air at specific times, thus flexible arrangements may also be made, because getting immediate cash is not paramount.

Columbia's King says the company has looked at all the elements of charging interest to stations seeking some form of relief from their contract, but at this point it hasn't gone that bank route. However, he continues, Columbia doesn't rule out the concept. "If it becomes an industry standard or another way to earn income, we would look at doing that." The problem charging interest creates, he notes, is how to divide it. "We have producers to deal with, and I don't know how to divide it all up. Perhaps on a pro-rata basis."

20th Fox's Greene says the company has taken several measures to protect its product financially, including that it, too, charges interest to stations seeking payment extensions or refinancing. Also, according to Greene, salesmen are cautioned to be careful regarding with whom they make sales deals, and the company has enlarged its collection department. "Collections used to be routine when you were dealing with the Gannett's and the Gaylord's and the Taft's. But now it's vital for us to have a large collection department, because of what's happening today."

Another way of adjusting to the indie stations' dollar dilemma is for 20th Fox to increase its down payment a few percentage points from the 10 per cent general practice, says Greene. But he says even 10 per cent is a staggering amount of money for stations to shell out initially in cases where heavyweight half-hour and hour series are concerned.

HSN impact

Indirectly, the Home Shopping Network is also contributing to clogging station cash flow to distributors, according to NATPE's Corvo. HSN recently signed to acquire its ninth U station, KIHS-TV, whose city of license is Ontario, Calif, a suburb of Los Angeles. One example where an HSN takeover has put financial pressure on syndicators is at WCLQ-TV, Cleveland, an independent U. According to one syndicator, who preferred anonymity, HSN bought the station's facilities and building for $15 million, but did not pick up the film syndication contracts the station had with major distributors. The syndicator says the station, a subsidiary of Channel Communications, whose parent company is Nasco, is also liable contractually for some major off-network series.

At presstime, Nasco was said to be negotiating on payment with the syndicators involved. Nasco had been experiencing some financial difficulty and the Cleveland outlet was sold to pump in cash to the parent operation, which is basically a uniform manufacturer. Calls to Nasco were not returned. (For latest developments, see *Programming*, page 80).

Future viability weighed

At Viacom, Brady says the division extends its payment terms in only rare instances and if so only for a short time period. This usually occurs when the station has demonstrated a particular need or when the station is perceived as having future viability.

MGM/UA's Cignarelli says the company's basic policy on money deals with stations will remain unchanged. He notes that its practice is to evaluate each deal on a case-by-case basis. "We will judge our degree of cooperation based on the circumstances." Cignarelli likens the current situation to the pre-1976 years when the first wave of independent TV stations entered the broadcast arena and received relief from payments of one means or another from syndicators.

Then, in 1976, he recalls, indies became recognized as a viable advertising medium, expanding dramatically the choices of advertisers. But now, he continues, with the proliferation of new indies and the growth of new media, "there has to be a catch-up period, which includes selling new advertisers on the use of television. When that occurs, some of the new indies should survive and prosper.

"But, in the interim, a decision will have to be made by our company and others as to whether we want to work with these indies in the hope that they will become meaningful customers in the future. My feeling is that we should probably work with them in most cases. But the mitigating factor is whether the stations are products to be bought and sold or are in it for the long term as broadcasters."

Corporate responsibility

Paramount's Salhany says that while she's willing to work with struggling stations, depending on what is involved, the division has a corporation "which we have to answer to. I think people forget that. For years, the distributors got maximum prices for product, and now some stations are blaming their financial problems on syndicators. But it's not the syndicators' fault. If a station can't afford it, it shouldn't be buying the program. While I'm very sympathetic to the stations, I ask, 'What about your advertisers? Do you give them a hiatus?' "

Salhany says Paramount has not developed any specific policy to deal with delinquent payments by stations. "It's very dificult to make a blanket policy for everyone. We handle each situation case-by-case. Some markets are different from others, and some people are in different circumstances from others." But all-in-all, Salhany notes, the company "wants to keep everyone in business. We want to help people. We want that competition."

Meanwhile, while most syndicators

(*continued on page 110*)

In the Picture

Nancy B. Posternak

She joins J. Walter Thompson/NY to set up a new strategic services department to help the agency "manage change." She'll do this by coordinating and focusing thinking from all agency departments on each client's business—to "turn each change, where we can, into an opportunity."

Will 'challenge all agency disciplines to think more creatively' about change

Leber Katz Partners set up its marketing planning department about a dozen years ago as new products group, then expanded over the years to look at emerging trends in consumer lifestyles. It does this to develop hypotheses to better reposition existing products as well as new products. These hypotheses can then be validated by market research.

From this operation, Steve Bowen, executive vice president, general manager of J. Walter Thompson/ New York, recruited Nancy Posternak to help his people "manage change," within a few months of Leber Katz's merger with Foote, Cone & Belding/ New York.

Says Posternak: "Both consumers and business and industry are changing faster today than ever before. Steve wanted someone who could stand in the middle of this whirlwind and come up with a way to coordinate and focus the thinking from *all* agency departments on each of our clients' businesses—to make sense out of all the changes and turn each change into opportunities, where he can, for more effective marketing and communication strategy."

She adds that Bowen had "an instinctive hunch" that, somehow, there was probably a lot of potential for strategy improvement, but that details of Posternak's new strategic services department, which she's now organizing as a senior vice president and managing director of strategic services, only developed out of several conversations with each other and with JWT executive vice president, executive creative director Jim Patterson. And even today, Posternak says it's all still so new "that it will be sometime before its' evolved into the finely-tuned operation that it should eventually become."

In breaking this new marketing ground, one of the techniques Posternak plans to bring to bear is "constructive conflict." She explains that, "Instead of a lot of interoffice politics over turf and power and status, constructive conflict will involve people from all agency disciplines, challenging each other to think more creatively about our clients' businesses. It should be at least a couple of cuts above just wild, undisciplined brainstorming because the thinking will be channeled. Before a session starts, all participants will be well armed with the research-based market facts about the client's category and customers. And our hypotheses will be the result of prior research—not ideas that will be validated by research that comes later. My plan is to start with information gathering and proceed from there to the use of our people's imagination."

Posternak adds, "Of course, such strategy forming techniques can and will also be applied to new products. In these cases, we'll have the luxury of starting with a clean slate, and preconceived notions of what 'should be' so we can study the opportunities with completely open minds."

Pulling together

The idea is to get *every*one on an account all pulling together, like a crew rowing a boat, and supporting each other so that the total effect will be the multiplied and coordinated communication impact of each—instead of each department going off in its own separate direction. Once everyone has been part of setting the basic strategy for a product, all elements will reflect that position and combine to work together to produce a larger end result from the same expenditure of effort, people hours and money."

Looking at just one aspect of current change, Posternak notes that the women's movement of the '70s "created a different kind of woman. But almost everybody concentrates on that and on how to reach and appeal to this new woman. But all this has also changed men. To the point, for instance, is that lean cuisine is no longer only for women 18 to 49. Men are weight conscious, too. It's part of a trend we call 'ungendering.' We have a study showing more men thinking harder about their own looks than ever before—to the point that cosmetics called 'grooming products' are one of today's fastest growing categories."

Posternak sees her new Strategic Services operation as a way to "stay on the lookout for, and then grab hold of opportunities like this for our clients, in time to take advantage of them. That's what we mean by 'building a better way to manage change.' I'm here to steer and catalyze account team thinking. One of the ways I start that process is to make sure every member of the team starts out with the latest market research findings about the category, its customers and prospective customers."

She observes that this can be particularly important in the case of, say, a new formulation in a product "that's part of a category already overcrowded with too many parity brands. The competition isn't going to let your product keep its new advantage very long. They have access to the technical specialists who can copy your new improvement all too soon and get their own version of it on to the shelf right next to yours, in what seems like no time at all."

Delinquent *(from page 108)*

interviewed believe that indie stations' financial crises will increase, two distributors maintain that the bad times have peaked. Viacom's Brady sees the problem leveling off in six to nine months. "The stations which we have had problems with, such as the KNATs [Albuquerque], are pretty much gone. There may be some more which may have problems, but we've passed the biggest piece of it."

Greene at 20th Fox says he hopes the money-flow difficulties on the stations' part is on the downtrend. "I think the trouble arose mainly last year when all these indie stations were coming on right and left. In Albany, there are two independents and three affiliates, and I don't think we will see another station going on in Houston or Dallas." □

Beam's *(from page 65)*

friends."

Beam also uses the KWIX/KOSMIC system for local and regional sales. "What we're attempting to do," explains Kalthoff, "is bring forward a degree of sophistication that up to this point has not normally been exposed to the dry cleaner in Yuma to help him identify what his marketing objectives are. It's the old basic salesmanship: Find out as much as you can about your customer's needs and find a way that can acceptably satisfy his needs. And then he'll want to buy your commodity.

One local sales success story that sticks out in Frank Beam's mind involved an automobile dealer located on the fringes of the El Centro-Yuma ADI. "We talked the fellow into spending some money on television," Beam recalls, "and we were able to sell the guy's inventory out in less than a week. Now, 30 cars to some people doesn't seem like a lot, but in Blythe, Calif., that's a big deal. Our local sales manager at KYEL-TV, Frankie Jacobs, just explained what the power of television would do for him, and he explained it with a program that was developed on KWIX/KOSMIC. The guy had never been a television advertiser, and he thought he'd give it a try. He's on the air with us now on a full-time basis."

The advertising message, adds Kalthoff, was that the dealer "could offer a better value than big city dealers because he had a lower overhead situation; but the customer had to drive a distance to buy the car."

Local sales efforts are not confined to new advertisers. "We also look for ways to help existing clients develop their

the marketplace

business," says John Beam. "Last year for WDAM-TV in Hattiesburg we put together a vendor support tape for Waldof's, which is the premier department store there. They were able to use that to come to New York and then get co-op monies from people who would advertise. So, we found ways to expand and extend their budgets."

Adds Kalthoff: "We were 12 months out on that particular program to promote this coming Christmas." When the stations get involved in this type of project, Kalthoff emphasizes, "We don't just restrict the dollars to television. We help them do an overall program."

Another Yuma-based project, says John Beam, was a tape produced by the station to help the local chamber of commerce attract new industry. "It's part of being a member of the community," he says.

Acknowledging that big market stations are now beginning to pay more attention to local/retail sales development, Kalthoff says, "One reason major market stations didn't pay that much attention to retail [previously] is they didn't have to. They had double-digit increases in spot. When that business dropped down to single-digit increases, they started looking for other opportunities to develop business."

"In smaller markets," interjects Frank Beam, "you know everybody in town; there's no place to hide. Your community responsiveness is more obvious."

Corporate guidance

The Beam management philosophy aims at a balanced mix of corporate guidance and local autonomy.

A corporate creative services director works with individual stations to develop promotional campaigns on-air; a corporate news director critiques all news tapes every other week; and an engineering training program has just been started at KYEL-TV to take advantage of the abundance of military facilities in the Yuma area. "When young men and women with engineering training are released from the service," explains Frank Beam, "it's an ideal step for us to bring them into the station to learn about the television industry."

Of all the aspects of the television station operations, though, Frank Beam keeps coming back to what he considers the heart—news and public affairs.

One public affairs program he's par-

the marketplace

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The 'big fish' campaign was launched in 1984 to generate more awareness in the national ad arena.

Bait for the agencies

ticularly proud of is *Civic Quiz*, a resurrection of a show run in the past by the Service Broadcasters stations. The program, which is airing in access on Friday nights on all Beam stations, involves civic leaders in a trivia question. "The winning team," says Frank Beam, "gets $1,000 to give to their favorite charity.

"By doing things like that," he continues, "you involve what we used to call 'block leaders.' So we're doing a community service, but we also doing a hell of a job of kicking our ratings because everybody in town's talking about this show that's on the air. It's a thing Marv [Reuben] had done eight or 10 years ago. The idea had kind of died, and when he and I started talking about stuff, I said, 'Let's do it.' "

The program has been so successful in Beam's own markets that the company thought there might be a need for it elsewhere, but so far that project has failed to materialize. "We put together a package to show other broadcasters how to do this," Beam says. 'We diagrammed how to build the sets. We put all the questions on computer cards so that we could give a broadcaster the complete show. And we were planning to sell it for whatever a primetime spot was in the marketplace."

But, "what we found is that not too many television stations have the commitment to production and news that we've got. They didn't have the equipment; nor did they have the people that were dedicated enough to try and do something that was a little out of the ordinary. They were used to taking the network feed, or if they were an independent, they were used to playing the shows they'd bought. But they didn't seem to want to take that extra step of community involvement. I was, quite frankly, very surprised."

The news commitment at the four Beam TV operations (all are NBC affiliates except WCFT-TV Tuscaloosa, which is affiliated with CBS) encompass the following: news windows on the network morning shows; half-hour noon news and public affairs; half hour of early evening news (one hour in Laurel-Hattiesburg); half hour at either 10 or 11 p.m. with teasers during primetime; and weekend newscasts. The size of the news staffs range from 12 in Tuscaloosa to 20 in Laurel-Hattiesburg.

In addition to *Civic Quiz*, Frank Beam says all stations have " 'issues and answers' type programs on a random need basis" involving political and local government issues. And "on our Thursday night news we do a people's poll where we ask a question that is either germane locally or nationally." When it's a national subject, "we exchange viewpoints with each of our sister stations the following week so that, in a way, we're developing a national profile, although it's unscientific, of course."

To cover Washington activities pertaining to the various stations' coverage areas, Beam utilizes the services of Sun World Satellite News, which provides each station six stories a month, giving the local outlet the appearance of having a Washington bureau.

In Traverse City, Beam is seriously considering making WPBN-TV/WTOM-TV part of NBC's Skycom satellite newsgathering support system, which would include the purchase (with 50 per cent network reimbursement) of a Ku-band truck.

Beam's performance

For the year ended December 31, 1985, Beam Communications net revenues totaled $10,561,434, up 8.3 per cent over 1984's $9,754,860. Net operating profit was up 7.2 per cent to $4,254,861 from $3,968,078.

For 1986, Frank Beam estimates that net sales, including the Traverse City-Cheboygan stations, will be $13 million. For '87: about $19.5 million including the Yakima-Richland acquisition.

Long-term plans

With a fifth property about to join the Beam fold and the desired standardization of operations seemingly in place, how fast will the goal of 12 stations materialize?

"A lot depends on our continuing to have the performance levels we've had," says Frank Beam, "and on the money market." Two key unknowns: "How effectively we can work in raising new capital; and how quickly good stations become available—stations that can be bought at affordable prices, not multiples that we know we never can come out from under."

Beam doesn't rule out an eventual move into radio. "The management you have in the radio business," he says, "is very different from management you have in the network affiliate television business. Our goal is to get into radio after we've filled our complement of television stations. And, hopefully, we will acquire a group with strong management in place." □

Inside the FCC

Mark S. Fowler

Chairman, Federal Communications Commission, answers charges by groups representing minorities and women that "the FCC has been making a concerted effort since 1981 to eradicate all vestiges of affirmative action in FCC policy."

Preferences to minorities, women at issue as result of recent brief by FCC

The Federal Communications Commission has come under attack by the National Association of Black Owned Broadcasters (NABOB) and 11 other organizations representing minority groups as a result of a brief the FCC filed recently in the case of Steele v. FCC. In the brief, the FCC essentially concedes—as a result of a decision it made that was subsequently overturned—that it can no longer grant license preference to minorities and women solely on the assumption that this will create diversity in programming.

The issue recently came to a head in testimony before the House Subcommittee on Telecommunications, Consumer Protection and Finance. Following are the gist of comments by minority group spokesmen as well as an explanation by FCC Chairman Mark S. Fowler on the rationale behind the brief.

Rev. Jesse L. Jackson, president, National Rainbow Coalition:

"*Steele* represents the commission's most recent attack against the policy of awarding "enhancement credits" to those groups who have suffered historic discrimination—namely minorities and women. In this instance the commission, in a confessing mood, advised the court of appeals that it felt it had gone too far in awarding credit and had in fact acted "unconstitutionally." This is not the first time that Chairman Fowler of this commission has expressed these views. He did so in *Waters* where he lost. But this *is* the first time the full commission has attempted to use the court as its sword."

James L. Winston, executive director and general counsel, NABOB:

"The brief completely reverses and contradicts arguments previously made by the FCC in the same case in a previous brief. The FCC analyzes the same cases that it analyzed in its previous brief and comes down with an opposite conclusion as to their legal significance. Such a total reversal reflects one very clear message. The FCC has undergone a major political shift and is willing to take whatever steps it finds necessary to implement its new agenda. Under the leadership of Chairman Mark Fowler, the FCC has been making a concerted effort since 1981 to eradicate all vestiges of affirmative action in FCC policy."

Pierre M. Sutton, chairman of NABOB and president of Inner City Broadcasting Corp.:

"With the installation of Chairman Fowler, things and times for minorities in broadcasting changed with the commission. Blacks left from staff positions and were not reappointed. Minority initiatives were directly attacked at commission meetings. The message was clear: Deregulation under Fowler would be achieved with abandon in Common Carrier and with a "remembrance of things past" in broadcasting. And in broadcasting's past, blacks and other minorities were not a factor. To a commission committed to a philosophy that the only good rule is no rule, it was only a matter of time before the *Policy Statement* would come under attack. The current attitude at the commission towards minorities is very clear: 'Just be thankful for what you've got.' "

Comments by Chairman Fowler:

In a routine comparative case for an FM radio station, the commission granted a woman applicant a preference which proved to be dispositive in that license contest. The commission has routinely granted preferences to any woman or minority applying for a broadcast license who intends to be involved in management. The white male applicant in that case, Mr. Steele, received no preference and lost his bid for a license. He appealed the case to the D.C. Circuit, claiming the commission's preference policy was discriminatory and unconstitutional.

A divided panel overturned the commission's decision, threw out the commission's women's preference policy, and criticized the assumptions underlying our minority preference policy. The full court subsequently decided to rehear the *Steele* case and therefore vacated the prior decision. The court then asked the commission to answer two questions: first, whether granting the women's preference was within the commission's statutory authority; and, second, whether that preference policy is constitutional.

Review by commission

Our general counsel came to the commissioners to ask us how we wanted to respond to those questions. In an effort to make that determination, the commissioners undertook a thorough examination of our preference scheme and the basis for adopting it, as well as a review of the relevant Supreme Court case law. Let me briefly share with you what we found.

The women's preference scheme was a direct outgrowth of our minority preference policy, so let me go back to 1972 and the *TV-9* case. In that case, the commission refused to award a minority preference without a demonstration that the proposed minority ownership would enhance program diversity. The D.C. Circuit reversed the agency, and told the commission that it should grant a preference to the minority owner based solely on the *assumption* that minority ownership and participation would lead to program diversity. No factual record was developed on the issue.

Since then, the commission has followed the court's mandate in *TV-9*; preferences are now routinely granted to minorities without requiring that a nexus to program diversity be shown.

In 1978, the commission's review board extended the minority preference policy to females, on the theory that the logic of *TV-9* applied equally to women. Therefore, a nexus to program diversity again was *assumed* without conducting a factual inquiry. The commission acquiesced to that extension of the preference policy in subsequent cases. But neither the commission nor the board ever discussed or examined further the assumptions upon which the policy was based—that is, until the court directed the commission to answer its questions in *Steele*.

Given recent Supreme Court precedent, the commission is concerned that it may not continue to rely solely upon the presumed correlation between minority or female ownership and increased program diversity, absent a factual showing that such a correlation does, in fact, exist. Now, the Supreme Court has not exactly been united on the issue of preferences, and different terms and standards have been bandied about. But there is no disagreement among the justices on the fundamental fact that governmental classifications based on race or sex are inherently suspect, presumptively invalid, and subject to stringent scrutiny under the equal protection guarantee. Whether the test is termed "strict scrutiny" or "heightened scrutiny," neither race nor gender preferences will be upheld under the ordinary equal protection standard, which requires that the classification merely be rationally related to a legitimate governmental interest; rather, a very high standard is employed.

Court precedent

The commission's preference policies constitute such government classifications based on race and sex. It is therefore Supreme Court precedent—*not* FCC or administration policy—that renders those policies suspect, presumptively invalid and subject to heightened scrutiny. We therefore requested that the court remand this case to us for detailed examination of these interrelated questions of law and policy.

To the extent that heightened scrutiny requires certain factual predicates, we discovered that notwithstanding our statements in the past regarding the assumed nexus between minority or female ownership and program diversity, a factual predicate has never been established. For example, the commission has at no time examined whether there is a nexus between a broadcast owner's race or gender and program diversity, either on a case-by-case basis or generically. We had no reason to, because the court in *TV-9* told us we could, and indeed must, *assume* such a nexus.

But subsequent Supreme Court cases instruct that an agency must first find an exceedingly persuasive justification for imposing gender and racial preferences.

It is our reading of the relevant case law that such a justification may not exist unless and until it has been established, by factual record, (1) that a nexus exists between the use of race or gender preferences and the goal of diversity, and (2) that the women's or minority preference scheme is *essential* to achieving the goal of program diversity.

Issue of constitutionality

The court asked us if our preference scheme is constitutional as it exists today. It did not ask us if we thought it could ever be constitutional; in other words, if the necessary factual record could be established. Instead, the court asked us to answer the question on a snapshot basis—that is, what record or lack of record exists today and not what hypothetical record might be developed. We responded only on that basis and therefore expressed our concern that the preference schemes do not meet the constitutional or statutory requirements, and for that reason we have requested that the court remand the case for further consideration.

Let me emphasize that we did *not* decide whether a factual record could ever be established that would support the constitutionality of a preference scheme. On the contrary, we asked the court to remand the case to us so we can collect evidence to explore that issue. And in a public notice, the commissioners unanimously committed to undertake such a proceeding.

The commission also did *not* decide the issue of whether our preference scheme makes sense from a policy perspective. That, too, we will not decide until we give the public the opportunity to comment and we have examined the record.

I, like my fellow commissioners, firmly believe that one of the commission's most important goals is to foster increased opportunities in the broadcast industry for those who have heretofore been underrepresented. At the same time, however, I myself have some preliminary reservations about using classifications or preferences based on race or gender as a tool to achieve that goal.

Let me mention some of those reservations. But first let me emphasize two points. First, these are my own views, not those of the commission, which has not addressed the policy question.

Second, these are only my general, preliminary views on preferences; and although they will affect how I approach the issue, I want to make clear that I have made no final judgment on the issue of preferences in the licensing context. If the case is remanded to the commission, I will promptly give this matter a full and fair review.

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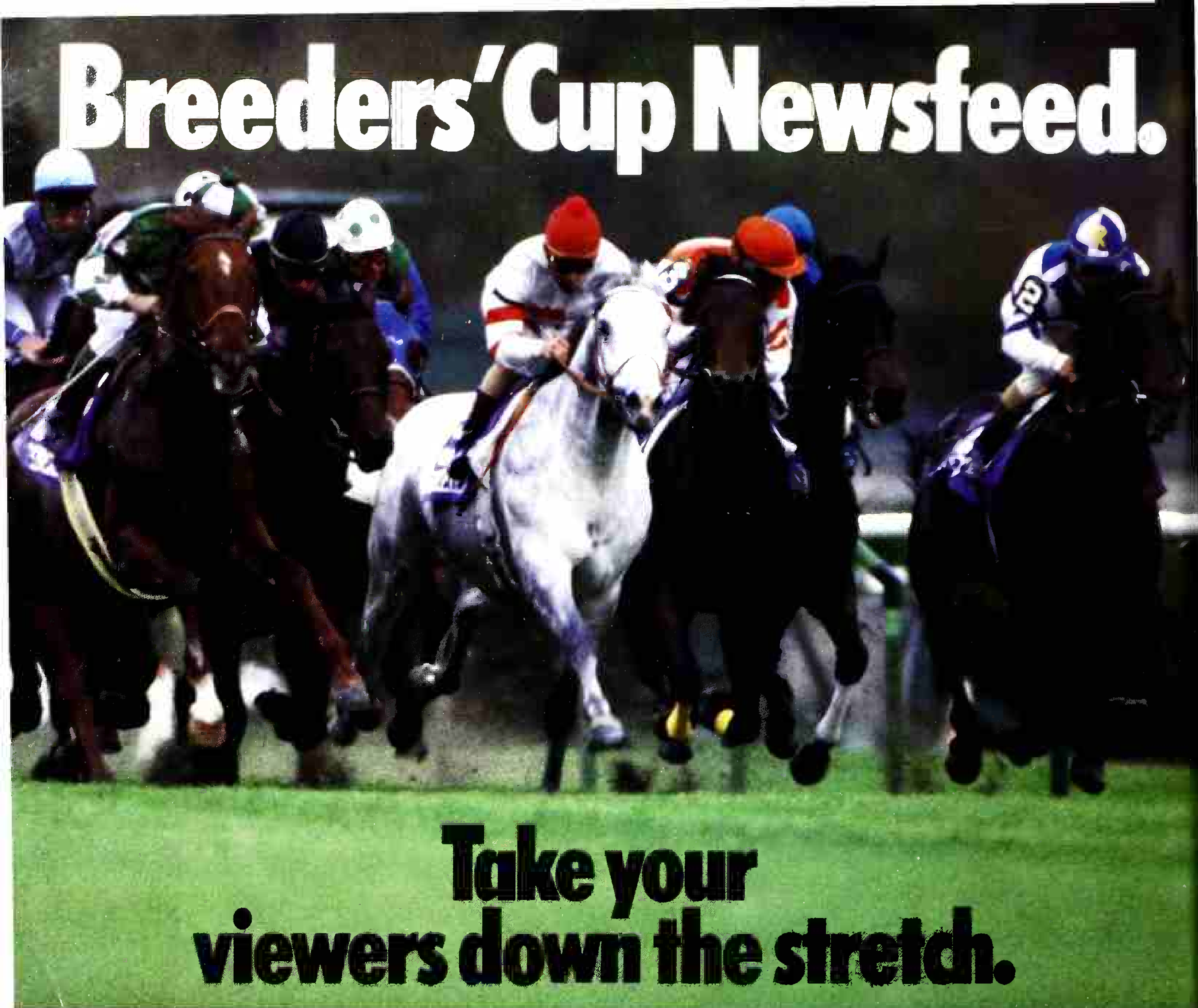

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