Television/RadioAge

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AND NOW THE TOY
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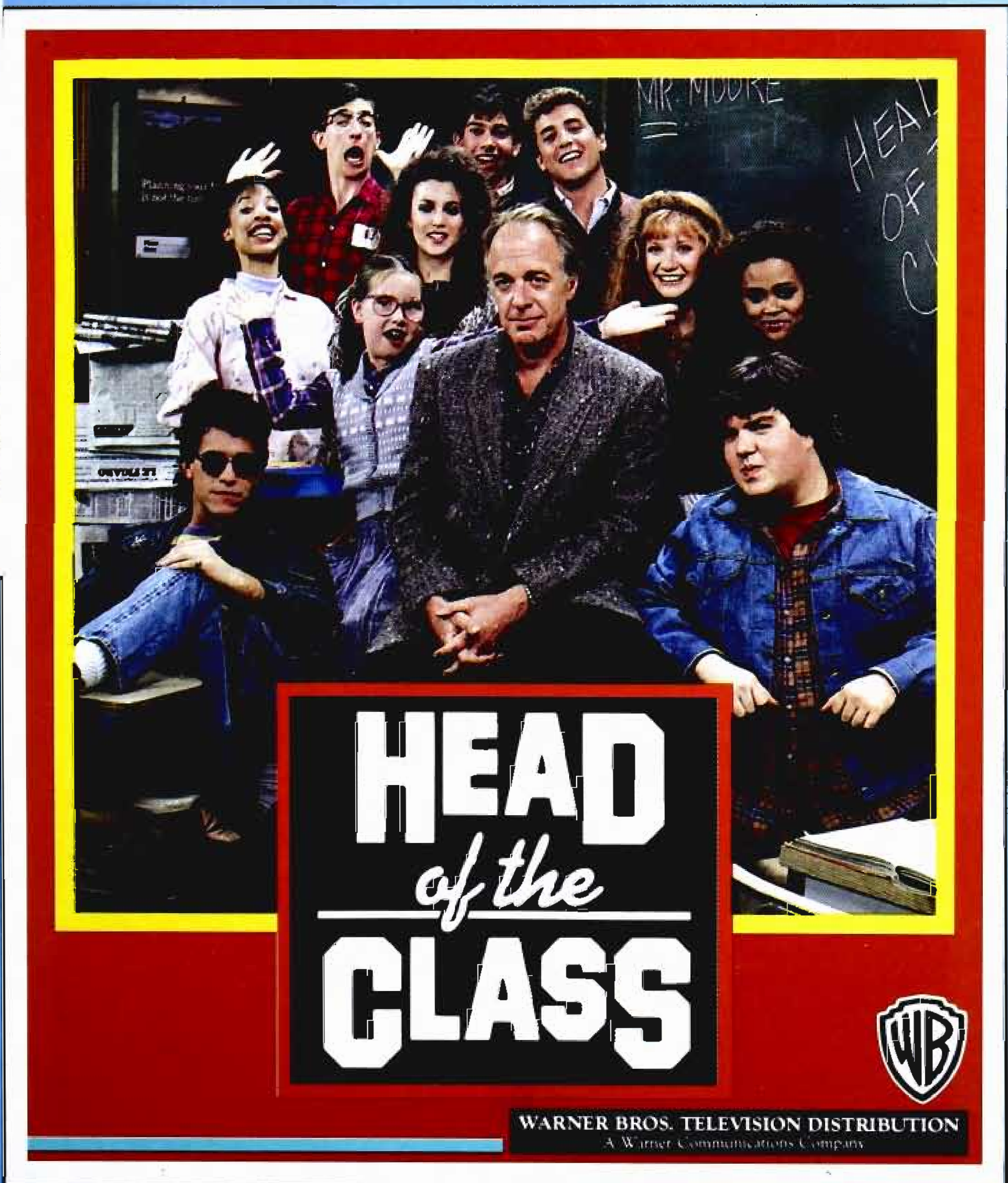
TvB ENTERS NEW ERA
William G. Moll takes helm, plans strategy/65

November 9, 1987 • $3.50



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Highway to HEAVEN

Starring
Michael Landon
and Victor French

Television/Radio Age

November 9, 1987 *Volume XXXV, No. 8*

DEPARTMENTS

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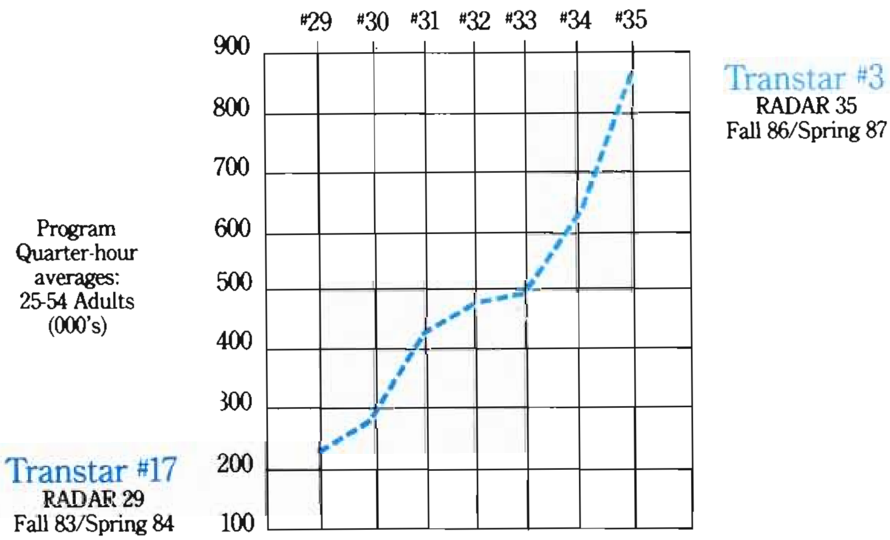

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A unit of Coca-Cola TELEVISION

Pilot coming November 15.
Available for stripping Fall '88

Publisher's Letter

Challenges facing new TvB president range from competition to economy

Thirty-three years ago a group of broadcasters got together and formed TvB—the Television Bureau of Advertising. They felt there was a need for an organization devoted to promotion of the TV business similar to the efforts of print media—newspapers and magazines.

From the outset, TV/RADIO AGE had pushed for such an organization and the reasons for it. But there was a division in the ranks on the organizational objectives. One group, led by Dick Moore, who was then manager of KTTV Los Angeles, insisted that the association should be devoted exclusively to the promotion of spot television. The other held steadfastly to the principle that TvB should be an all-industry promotional arm devoted to network, spot and local. The latter prevailed, and with Oliver Treyz as head, the association got off to a fast start, reflecting the aggressive personality of its enthusiastic, youthful president.

When Treyz was hired away as president of ABC Television after two years at the helm of TvB, his assistant, Norman "Pete" Cash, succeeded him in the post. For the ensuing nearly two decades TvB moved along in a rather static fashion against the backdrop of a steadily expanding industry. As Al Jaffe points out in his excellent article on TvB (page 65), a factional battle broke out in 1974: Many reps and some of the major groups threatened to resign unless the association was restructured and the objectives clarified.

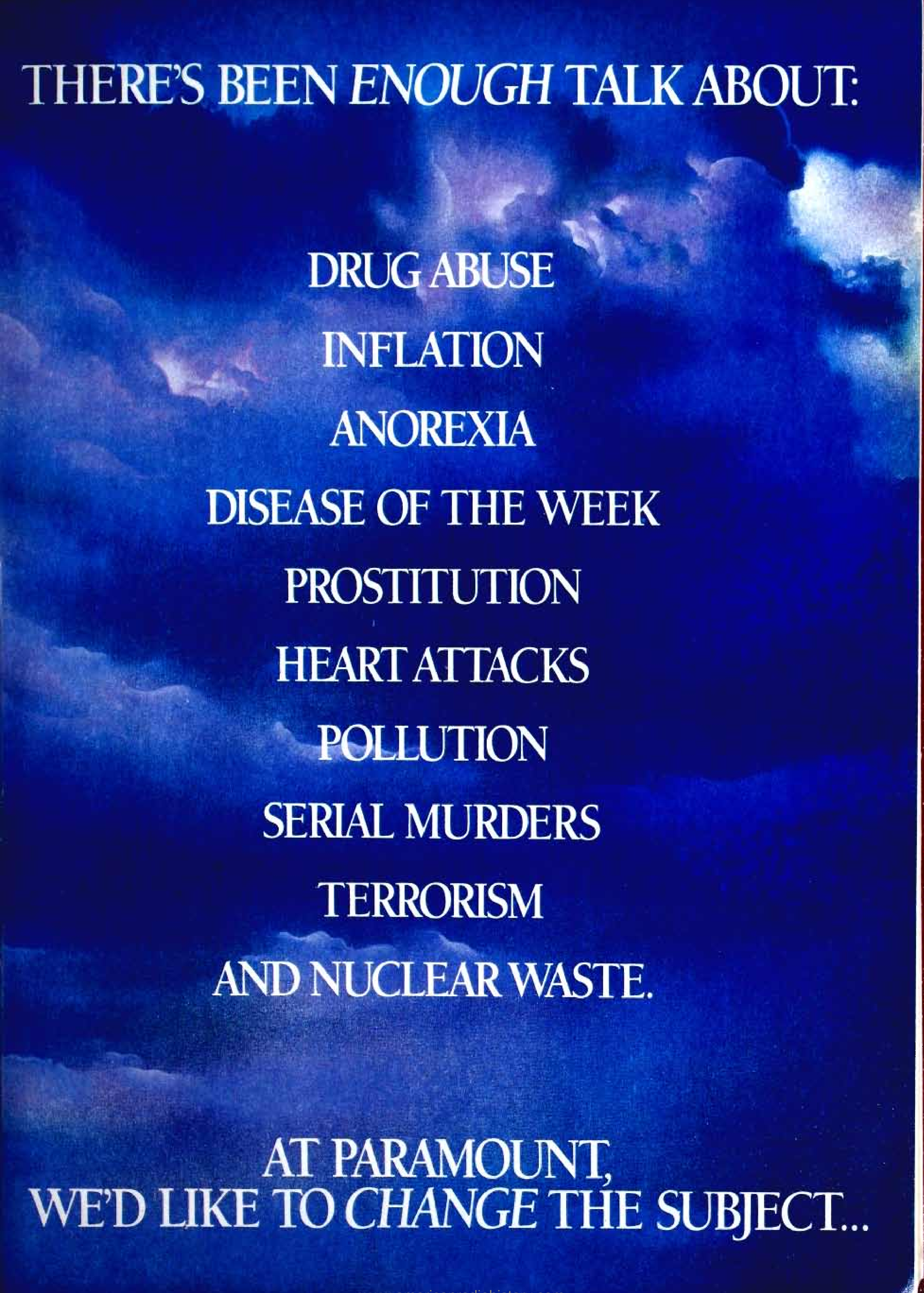
One of the compromises that literally saved TvB was the organization of the reps into a National Sales Advisory Committee under the aegis of TvB. This made sense for two reasons: It gave the reps an important voice in the direction of the association, and, since it was basically a sales organization, the reps gave it the sales orientation that it was lacking up to that point. It was a great tribute to men like Marvin Shapiro of Westinghouse and Walter Bartlett of Multimedia, and many others, that their participation in the middle of a heated factional battle literally saved the organization.

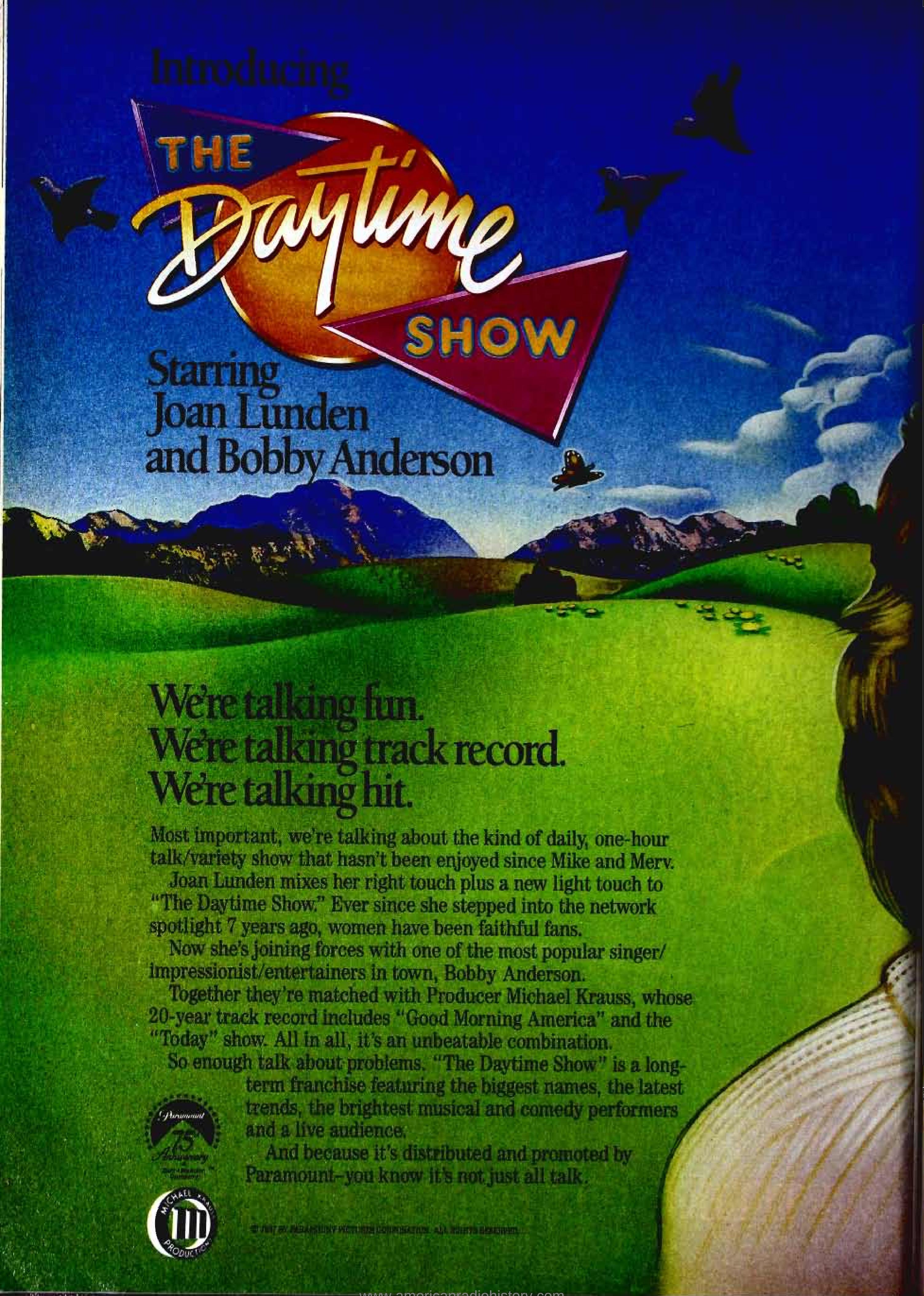
Faces a challenge. Roger Rice, who has been president for the past 13 years, has run a somewhat caretaker administration. To say that TvB under its new president Bill Moll faces a challenge is an understatement. Moll is a perfect candidate for the job: He knows TvB, warts and all, having been on the TvB board for six years. He is a practical executive who has come to grips with the myriad problems that face a group broadcaster.

TvB faces its most critical period since it was organized 33 years ago. The TV industry will face increasing competition from cable, from print media and from non-measured media (i.e., promotion estimated at some $80 billion a year). Bill Moll is Horatio at the Bridge.

Possibly his most challenging task at the outset of his administration is handling the aftermath of the stock market crash. TV station revenue is increasing at a sluggish pace, and a loss of confidence can hit the revenue stream where it hurts. So far the indices of consumer confidence, or lack of it, are not clearcut. It may take months before the full impact of the crash affects consumer spending.

So far as the broadcast industry is concerned, perhaps the issue is not consumer confidence but advertiser confidence. Keeping *that* index of confidence high may be Moll's real challenge. In handling that, the new TvB chief can point to the fact that, among the best stock market performers during October among Standard & Poors' industry groups were package goods, particularly food, beverages and drugs. And package goods are still the mainstay of TV.


THERE'S BEEN *ENOUGH* TALK ABOUT:
DRUG ABUSE
INFLATION
ANOREXIA
DISEASE OF THE WEEK
PROSTITUTION
HEART ATTACKS
POLLUTION
SERIAL MURDERS
TERRORISM
AND NUCLEAR WASTE.
AT PARAMOUNT,
WE'D LIKE TO *CHANGE* THE SUBJECT...



Introducing
THE
Daytime
SHOW
Starring
Joan Lunden
and Bobby Anderson
We're talking fun.
We're talking track record.
We're talking hit.
Most important, we're talking about the kind of daily, one-hour talk/variety show that hasn't been enjoyed since Mike and Merv.
Joan Lunden mixes her right touch plus a new light touch to "The Daytime Show." Ever since she stepped into the network spotlight 7 years ago, women have been faithful fans.
Now she's joining forces with one of the most popular singer/impressionist/entertainers in town, Bobby Anderson.
Together they're matched with Producer Michael Krauss, whose 20-year track record includes "Good Morning America" and the "Today" show. All in all, it's an unbeatable combination.
So enough talk about problems. "The Daytime Show" is a long-term franchise featuring the biggest names, the latest trends, the brightest musical and comedy performers and a live audience.
And because it's distributed and promoted by Paramount–you know it's not just all talk.
Paramount
75th Anniversary
MICHAEL KRAUSS PRODUCTIONS

Letters

NAB radio convention

I read with interest your article on "Will Advertisers Ride the Wave" (Sept. 28 issue).

To set the record straight, the first fall radio convention, jointly sponsored by NAB and NRBA, took place in Los Angeles in September 1984. It was as a result of the merger of the NAB Radio Programming Conference and the NRBA Convention. In 1985, the convention was again cosponsored by both organizations. In June 1986, NAB and NRBA officially unified and the convention that year—September 1986 in New Orleans—was sponsored by NAB as it had continued to do this year.

DAVID E. PARNIGONI
Senior vice president, radio
NAB

Raps O'Shaughnessy

I am disappointed to know you would lower yourself to printing such a self-serving piece as this (William O'Shaughnessy's letter to NAB president Eddie Fritts complaining about the Crystal award process, Sept. 14 issue).

JERRY R. LYMAN
President,
RKO Radio

'CBS at 60'

"CBS At 60" was thorough and marvelous. Everyone here has read and reread it several times.

DAN RATHER
Anchorman and managing editor,
CBS Evening News

That was Central Time

The normally perfect TV/RADIO AGE stubbed its toe on the primetime pre-emption story in the October 12 issue.

KMOL, the NBC-TV affiliate in San Antonio, Texas, does not carry King World's *Comedy Club* in primetime. KMOL, an NBC-TV affiliate for more than 30 years, carries *Comedy Club* Sundays at 10:30 p.m., local time—out of primetime in the Central Time Zone. No NBC-TV affiliate carries *Comedy Club* in primetime.

CURT BLOCK
Vice President,
Media Relations,
NBC

Radio home shopping

An excellent article on radio home shopping—and well-timed, too, with home shopping radio programs arriving and growing! I especially enjoyed the context of the article. It was good journalism to solicit so many opinions.

CHIP UNDERHILL
Vice president,
The Independent Group of Companies

Correction

In the *Final Edition* piece about off-network hours, Oct. 12, Rusty Durante, general manager of KVVU(TV) Las Vegas, intended to say he is paying between $1,000 and $1,200 per episode for *Scarecrow and Mrs. King*, according to a spokesperson for Durante.

Neat writing

I have seen the interview that you wrote [about me] in TV/RADIO AGE INTERNATIONAL.

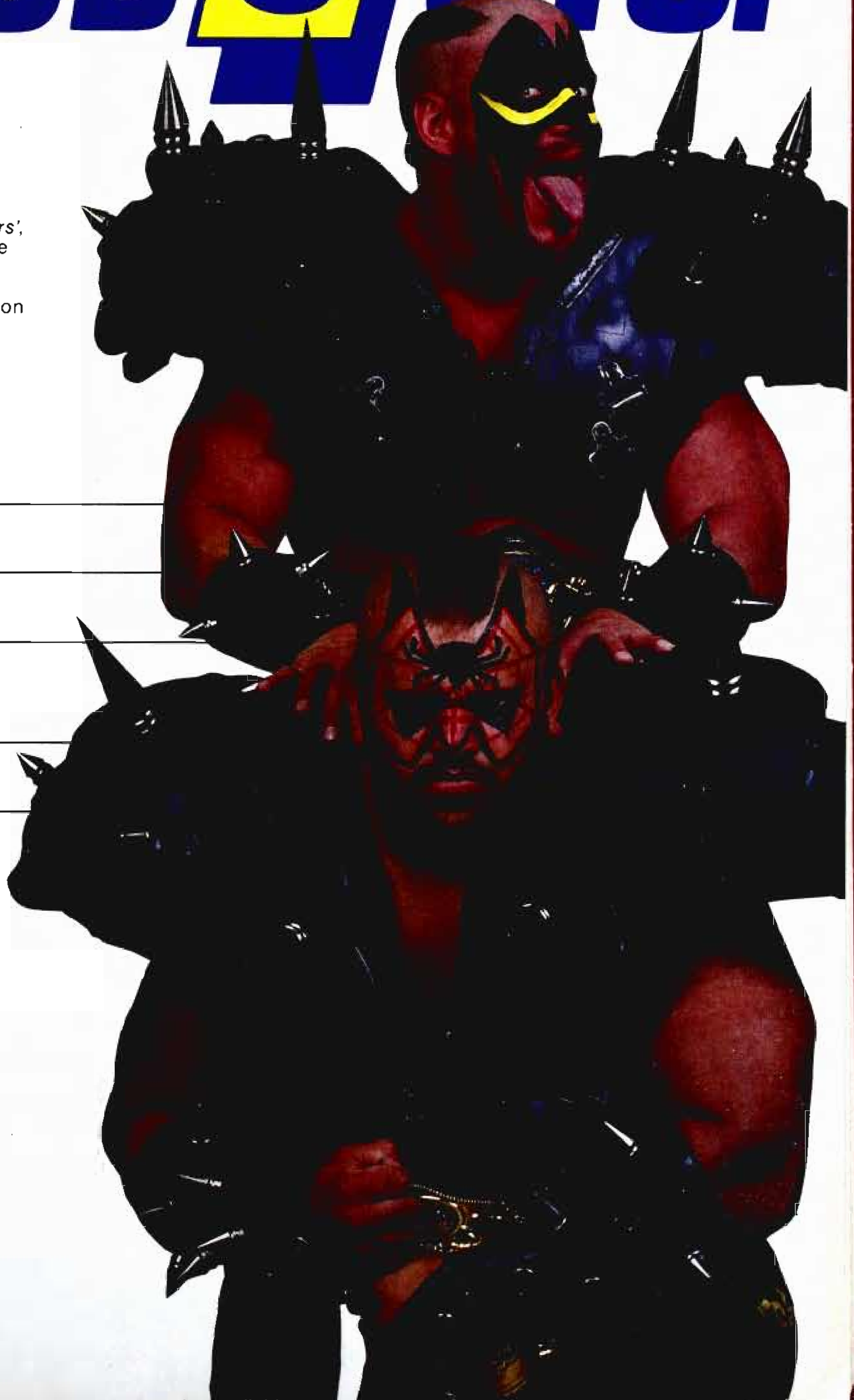
I think it is very fair and thank you for reporting my thoughts so neatly.

ALAN HOWDEN
General manager,
BBC

GOOD GUYS.

The Road Warriors
Intl. Heavyweight Tag Team Champions

"...believe it or not, "Animal" and "Hawk", the internationally renowned *'road warriors'*, are respected as more than enforcers. The *'warriors'*, who enjoy a tremendous arena and television following in both the U.S. and Japan, are now wrestling exclusively on TWN - The Wrestling Network."



Vital Statistics

Weight: 193 stations, coast to coast coverage

Reach: 90% of the country.

Holds: 15,220,000 total viewers! 8,040,000 homes!*
More than *doubling* total viewers since June premiere.

Rank: 6th highest rated program in national syndication!*

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Rick Pack
JC Whitted
Michael Spalding
Len Ziegel

TWN
THE WRESTLING NETWORK

Station Clearance:
Call Tim Willett or Glen Gurgiolo
(214) 702-8814

*Source NSS: Wk. ending 8/23/87

Putting it on the line for Volkswagen

Those stolid, Teutonic Volkswagen engineers are not only standing behind their cars, but they're now standing precariously in front of them as a test driver slams on the brakes. This is part of a new campaign which Keith Reinhart, chairman of DDB Needham Worldwide, describes as fitting into a new three-to-five-year strategic plan to "make Volkswagen special again."

All four 30-second commercials for the new VW campaign to run on network television, with buys made through the end of April so far, put white-coated German engineers up against it as they stake their lives on VW performance. In one spot, they form a tightening circle around a speeding, circling Jetta.

The 1988 marketing plan is a turnaround from previous attempts at "distress marketing," which Jim Fuller, vice president of Volkswagen United States, says consumers have grown weary and distrustful of. He notes prices have been adjusted so that the company can get "a fair margin without having to go to distress marketing."

Jack Mariucci, the agency's executive vice president, creative director, tells TV/RADIO AGE that focus groups around the country confirm that German engineering means soundness and quality to the consumer. This is what Fuller describes as "going back to the bare bones of who we are."

The network 30s use the voice of actor Gary Merrill for "strength and warmth." VW's dealer advertising campaign also plugs the car's reliability and involves some hair-raising stunt driving. Dealer tags on the TV spots state, "Experience German engineering the Volkswagen way at . . . "

Media. The advertiser declines to specify media budgets but notes the '88 budget is substantially higher than for '87; it also includes a large selection of mostly upscale magazines. Dealer association funds are not far behind national advertising, it's reported. VW has a target audience of 3 million persons "who don't have a lot of money now but someday will." Its target is more heavily college graduates with incomes over $30,000 than that for Japanese-made cars.

An unusual media plan calls for a "Volkswagen Sunday," with a spot an hour across all three networks from 7–11 p.m. on the heaviest viewing evening of the week. There's also an "NBC Volkswagen Thursday," with one commercial per program on the hottest network's hottest night. Ongoing participation has been bought in *60 Minutes*, and the commercials will appear as NFL pregame roadblocks on CBS and NBC. Late night advertising will include *Nightline*, and the company indicates it's also looking at *Saturday Night Live*, *Tonight* and *David Letterman*.

Siing profits in Spain

If current developments are any criteria, Spain will be following France's lead in becoming a land of opportunity for foreign program distributors.

Five more of Spain's 17 regional parliaments are racing to get their TV stations on the air before the three private networks planned by the central government begin broadcasting.

Three regions, Galicia, the Basque Country and Catalonia, already are served by local television. The other five regions apparently still have two years to organize themselves.

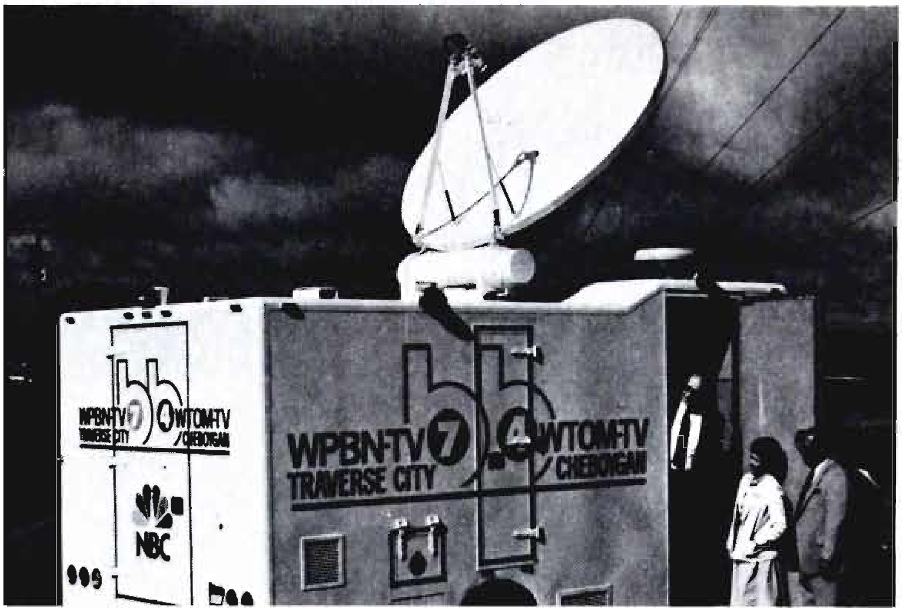
IRTS newsmaker

In what sounds like a humdinger of a gathering, the IRTS Newsmaker luncheon Nov. 24 will include: Sumner Redstone, Viacom; Fred Silverman, his own company; Henry Bushkin, Carson Productions; Brad Marks, Korn Ferry International; and James L. Greenwald, Katz Communications.

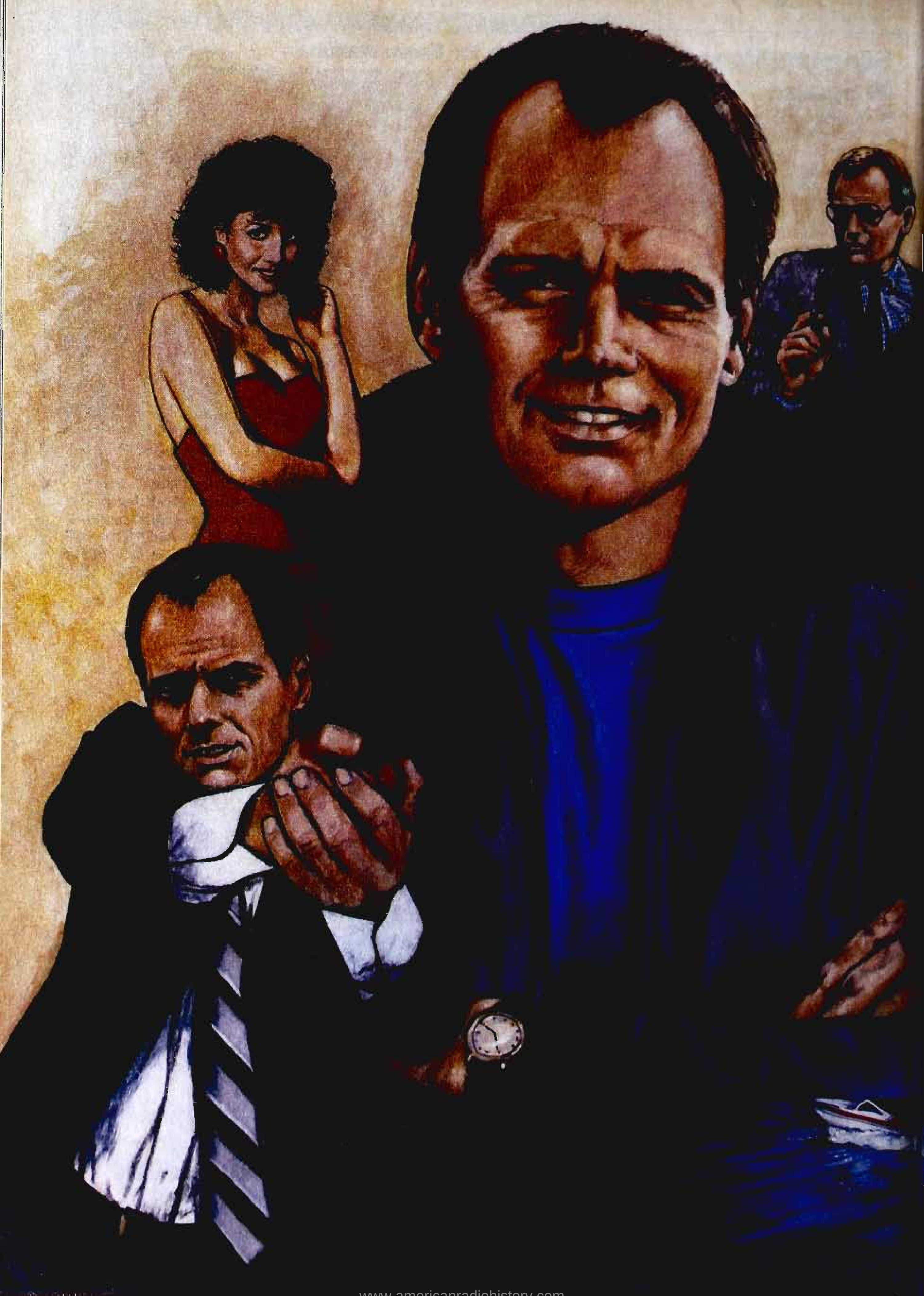
The topic: "Television: New Sources, New Forces."

The event will take place in the Grand Ballroom of the Waldorf-Astoria.

Beaming up for Beam stations



The new uplink *truck that Beam Communications recently purchased from Roscor for its WPBN-TV/WTOM-TV Traverse City-Cadillac-Cheboygan, Mich. is seeing heavy duty. Looking the truck over are, l. to r., Leon Bush, chief engineer; Judy Horan, news director; and Peter S. Good, vice president and general manager. The truck was used at the recent Governors Conference in Traverse City and for regional events including the Cherry Festival, sailboat races, the 100th anniversary of the Grand Hotel on Mackinac Island and a pickup for the Interlochen Music Festival.*

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POLICE

Yankee gets Nicaraguan station fired up, but government says 'nyet' to news

A radio engineer from San Diego helped prove that a congressman's suspicions about the lack of press freedom in Nicaragua is well founded. And the work of this chief engineer, John Buffaloe, of Jefferson-Pilot's KSON San Diego, also underlines the respect both the Sandinistas and their political opposition have for the power of radio in the battle for the hearts and minds of Nicaraguan citizens caught in the middle.

Buffaloe recently returned from Nicaragua where he fixed what was technically wrong with the church's Radio Catholica, a major broadcasting voice before it was shut down by the government in January 1986 after it declined to broadcast a New Year's message from President Daniel Ortega.

The Tarheel Congressman suspected that Ortega agreed to reopen the newspapers and radio stations as a ploy designed to forestall continued U.S. aid to the opposition Contra forces.

In the case of the radio station, the congressman turned out to be right. Although the station went back on the air October 2, in compliance with the Guatemala peace agreement signed by the leaders of all five Central American governments, Radio Catholica has not been permitted to deliver any newscasts.

According to *The New York Times*, the station was preparing its first news report when an Interior Ministry official phoned, saying the newscast "was not authorized." There could be no news until government permission came through. But that has yet to happen.

"The folks at Jefferson-Pilot are old friends and they immediately agreed to lend a hand when I explained the radio station's problem."

Buffaloe says when the station was turned off, the engineers removed the transmitter tubes and hid them so the government couldn't confiscate them. After that, the station was off the air for a year-and-a-half, during which time the station also suffered water damage.

Buffaloe says the station is 37 years old, "and they can't get spare parts down there. It was a real band-aid and bailing wire mess. So when we went down there, we took all the spare parts we could bring with us and retubed the transmitter and fixed the feedback bias problem."

On loan. Buffaloe did this while "on loan" by his boss, Jefferson-Pilot Communications president Wallace J. Jorgenson, to his friend, Rep. Cass Ballenger (R.-N.C.).

Rep. Ballenger wanted to test Ortega's good faith in his restoration of freedom of the press when the Sandinista government allowed *La Prensa* to resume publication.

Says Ballenger: "The folks at Jefferson-Pilot are old friends and they immediately agreed to lend a hand when I explained the radio station's technical problem. Under most circumstances, I know they take a dim view of involvement with politicians, but this was an entirely private project that didn't involve either government."

The station formerly aired a regular news program, but the government turned that off in 1982. From then until the station was shut down last year it broadcast what the *Times* describes as "veiled political commentary, often in a religious context."—**George Swisshelm**

KING turns camera on Korea

KING-TV Seattle has begun airing an 11-part series on Korea. The series is reported by KING's co-anchors Mike James and Jean Enerson, who traveled to Korea in late September. The series, *Korea: Behind the Headlines*, which began Nov. 8, runs through Nov. 13 and airs twice daily in the 5 and 11 p.m. news.

The opening segment is called *Confucianism*, and centers on the cultural influences of Confucianism and Buddhism and how they clash with modern political and economic trends in Korea. The Nov. 9 program *Economic Miracle*, is based on Korea growing from one of the six poorest nations in the world to one of the 12 richest in the past 25 years.

The third segment, *Trade*, shows Korea as a key to economic stability in the Puget Sound region and is now one of the U.S.' five major trading partners. *Education* is a look at the country's education system, while other segments deal with politics, the middle class, women and orphans.

The last two segments, are *North Korea/South Korea—Security*, a report on Korea's place in the world spotlight, the military situation facing North and South Korea; and *1988 Summer Olympics*, a report on how Korea is gearing up for the Olympic Games.

In addition to the 11-part series, KING will produce a one-hour documentary on Korea, to air later this fall.

News directors like spoon-fed video releases

Over three-fourths of television news directors prefer to get video news releases on cassettes and 17% prefer to receive them via satellite, according to a survey of news directors by West Glen Communications, which produces and distributes VNRs.

West Glen president Stan Zeitlin sees the issue as "crucial, because VNRs already add up to annual sales of over $10 million and are used regularly by many of the largest corporations and service organizations."

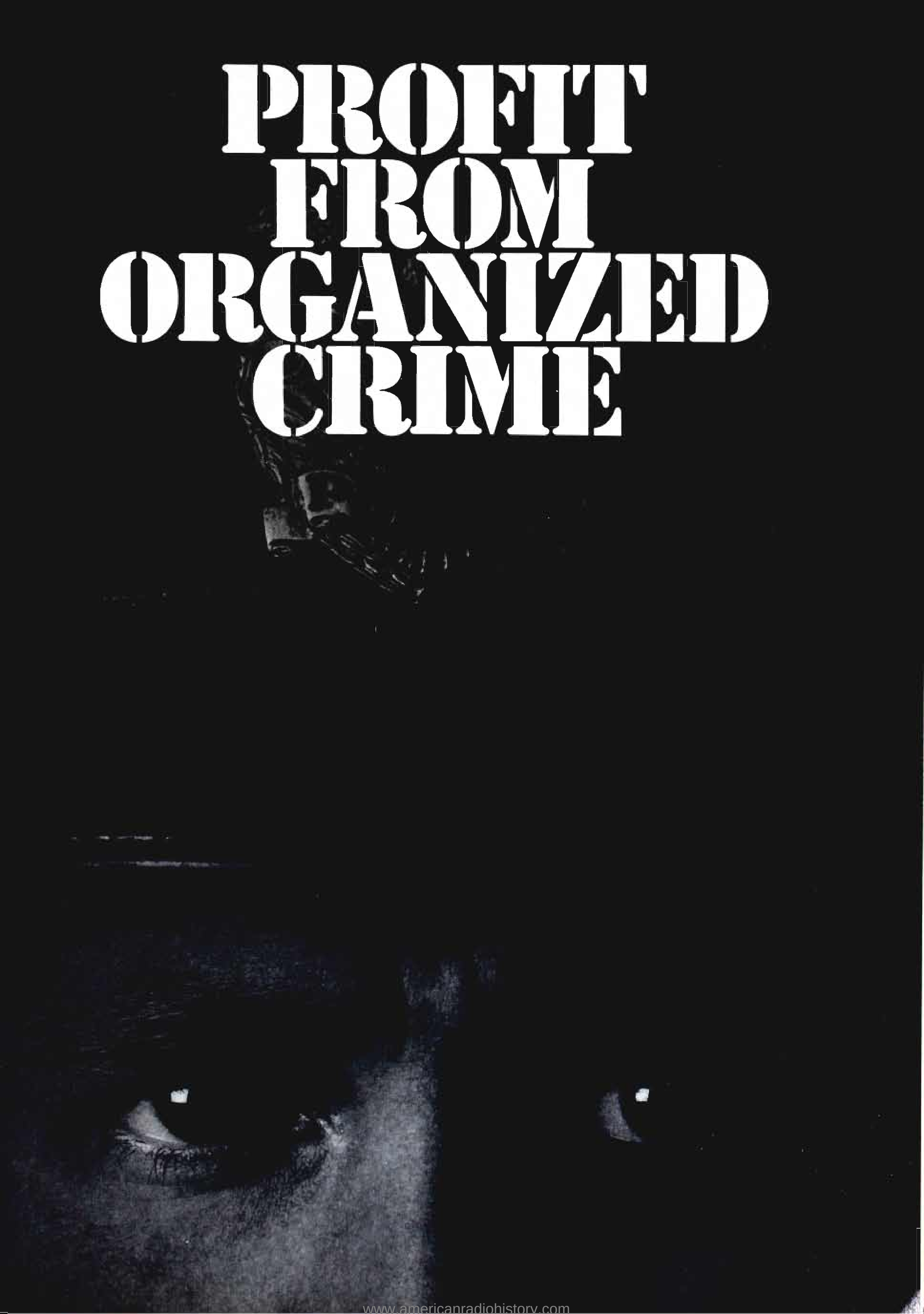
Asked why they voted for cassettes over satellite transmission, most news directors cited convenience and technology. Some 43% of those replying prefer cassettes because no special scheduling has to be set up to receive them. Twelve per cent mentioned poor reception of satellite signals and another 5% feel tape is easier to handle.

How long should VNRs run? Almost 70% prefer 90-seconds to two minutes long, 17% voted for 60-seconds, and 11% favor VNRs longer than two minutes.

Several respondents say they also like to receive a copy of the script with the cassettes because it can help create their own locally tailored segment.

The great majority, 87% of replying news directors, say they like a B-roll included—the extra sound or video footage that enables a station to create its own version of the story. Seventy-seven per cent say receiving a B-roll would increase the chances of using a specific VNR. And 53% say it will increase their use of VNRs in the two-to-four-minute range.

PROFIT FROM ORGANIZED CRIME



35 Plus group, WOR Radio pitch agency planners for over-50 radio

It's "respect your elders" time in the radio industry, with both The 35 Plus Committee and WOR New York making major efforts to educate those under-30 agency planners to the true facts of life after 50.

The 35 Plus Committee is rolling out a multimedia presentation called "The Amazing Invisible Market" around the country, while WOR salespeople are going out armed with a new market report, "55–64 Is More Than 25–34."

Maurie Webster, executive director of 35 Plus—supported nationally by interested stations, networks, syndicators and reps—reports the presentation, put together for the committee by Group W Radio, will be given in at least 25 markets. Webster tells TV/RADIO AGE, "Agencies are still lagging behind in their interest in the 35–64 market but not as much as they were a year ago.

"Many of the agencies didn't think there was enough glamour in the mature market. Most of them have research departments that have done studies showing its value—but most of the planners have not seen their 29th birthday and just put these studies up on the shelf."

The point. The committee's presentation, written by Charles Furlong, director of communications at Group W Radio, uses nine projectors and a synchronized soundtrack. It features as announcer *Saturday Night Live*'s Don Pardo and a dialog between Jerry Stiller and Anne Meara. Harking back to '50s technology to get its point across, the presentation involves handing out 3-D glasses to make the invisible market visible.

Some of the facts delivered about the over-50 market are:

- It accounts for over half of all discretionary income in the U.S.—about $800 billion.
- It represents 80% of the country's savings and 77% of all financial assets and has five times the net worth of the average American.
- The total population under 50 will grow only 8% in the next 12 years, but people 50-plus will grow by 23%.
- People over 55 buy 30% of all food eaten at home.
- The mature market is more likely to try new products than are younger people.

As a matter of comparison, the couple portrayed by Stiller and Meara look at their boy Bruce—"every marketer's dream." While they describe him as at "the high acquisitive stage of life" and "highly educated," a super shows, "He owes $11,586 in student loans and can't spell."

The 35 Plus Committee previously was known as The 35–64 Committee, but Webster says this was changed because "We don't want to shut if off at 64." He admits, though, "If the 65–74 age cell is in use in five years, I would consider that a major breakthrough."

Webster argues that agency planners are starting to fall behind their clients in recognizing the value of the older market. He notes the facts are shown constantly in consumer publications and in clients' trade publications, such as *Supermarket News* and *Discount Store News*. He adds, "The head of the New York Cadillac Dealers Association recently told me that maybe he had been wrong to worry that the average Mercedes buyer was 10 years younger than the average Cadillac buyer." He points out that most of the Cadillac dealer advertising on radio lately has been going to stations serving an older demographic.

And the stations themselves—those featuring such formats as all news, news/talk, big band and Music of Your Life—"are becoming more convinced they did the right thing when they went that way." They've had more trouble with advertisers than with ratings, Webster explains, and now they're less likely to let their time go as cheaply.

WOR roars. Speaking of talk radio, WOR's special report, comparing the buying power and spending habits of 55–64 with those of 25–34, is being delivered to marketing executives and media planners.

"While this age group (55–64) has higher discretionary income and more buying power than the younger group, it is often ignored by marketers," according to WOR vice president/general manager Lee S. Simonson. "Ironically, most advertisers continue to target 25–54 in their media buys when, in fact, a switch to 35–64 would prove significantly more efficient. This is particularly true in the New York market, where the younger (25–34) demo indexes 7% lower than the national average and the 55–64 group indexes 2% higher."

The report, based primarily on data compiled from research by Simmons Market Research Bureau, gives 55–64 the following advantages over 25–34:

- Income 39.3%
- Discretionary income per capita—73.6%
- Financial assets—590.3%
- Use of domestic tour packages—86.8%
- Frequent food shopping—76%
- Purchase of new cars—37.5%

The study was developed by Ramm Advertising, Cranford, N.J.—
Ed Rosenthal

Sifford joins Tribune

David Sifford, former president of King World Enterprises, has landed on his feet and back in the syndication business. In his new life, Sifford becomes executive vice president for marketing and sales for Tribune Entertainment.

He will report to Sheldon Cooper, president of the television production company, and concentrate chiefly on Tribune's daytime strip, *Geraldo*.

Sifford is expected to be a regular visitor to Tribune's Chicago headquarters, but being a southern gent, he'll open Tribune's first—and only—office in his hometown of Nashville.

Before joining King World, Sifford was president of both Osmond Comworld and Centerpoint Distribution and was a member of the NATPE board.

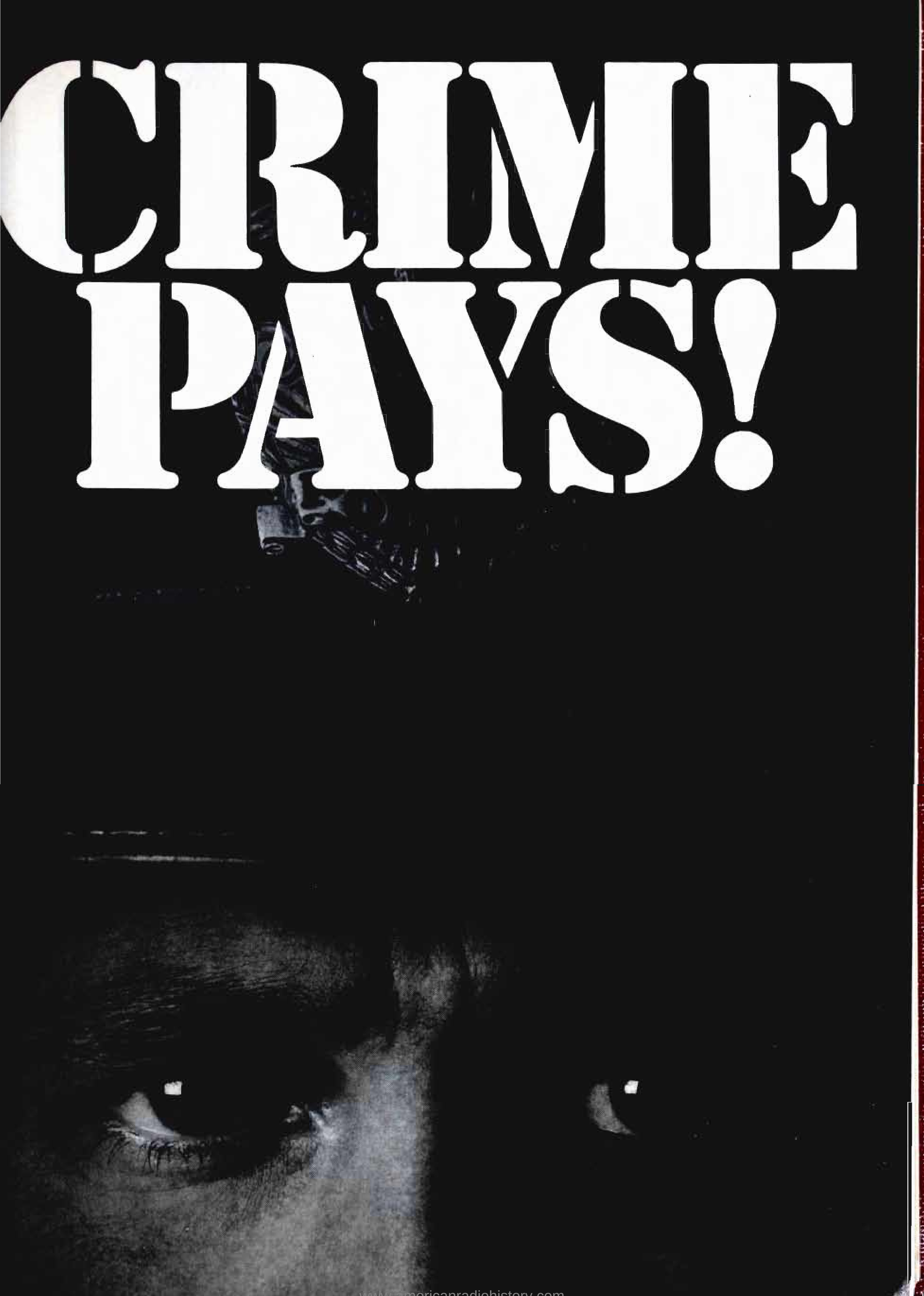
'Getaway' makes N.Y. rep pitch

The consensus from several of the major reps and a few of the agency buyers attending a presentation in New York of *Getaway*, a new Group W Productions and Andy Friendly Productions access strip looking for a fall 1988 debut, is on the mixed side.

Not-for-attribution initial comments on the projected series, which is understood to carry a $20-million cost tab the first year, vary from that the series lacks in substance and is too much like a travelog to that it has excellent production values.

One upbeat rep canvassed after the presentation/screening, Dean McCarthy, vice president, director of programming services at Harrington, Righter and Parsons, notes, "It may be a little too glitzy, but the show is well done and has potential."

(Final Edition continued on page 26)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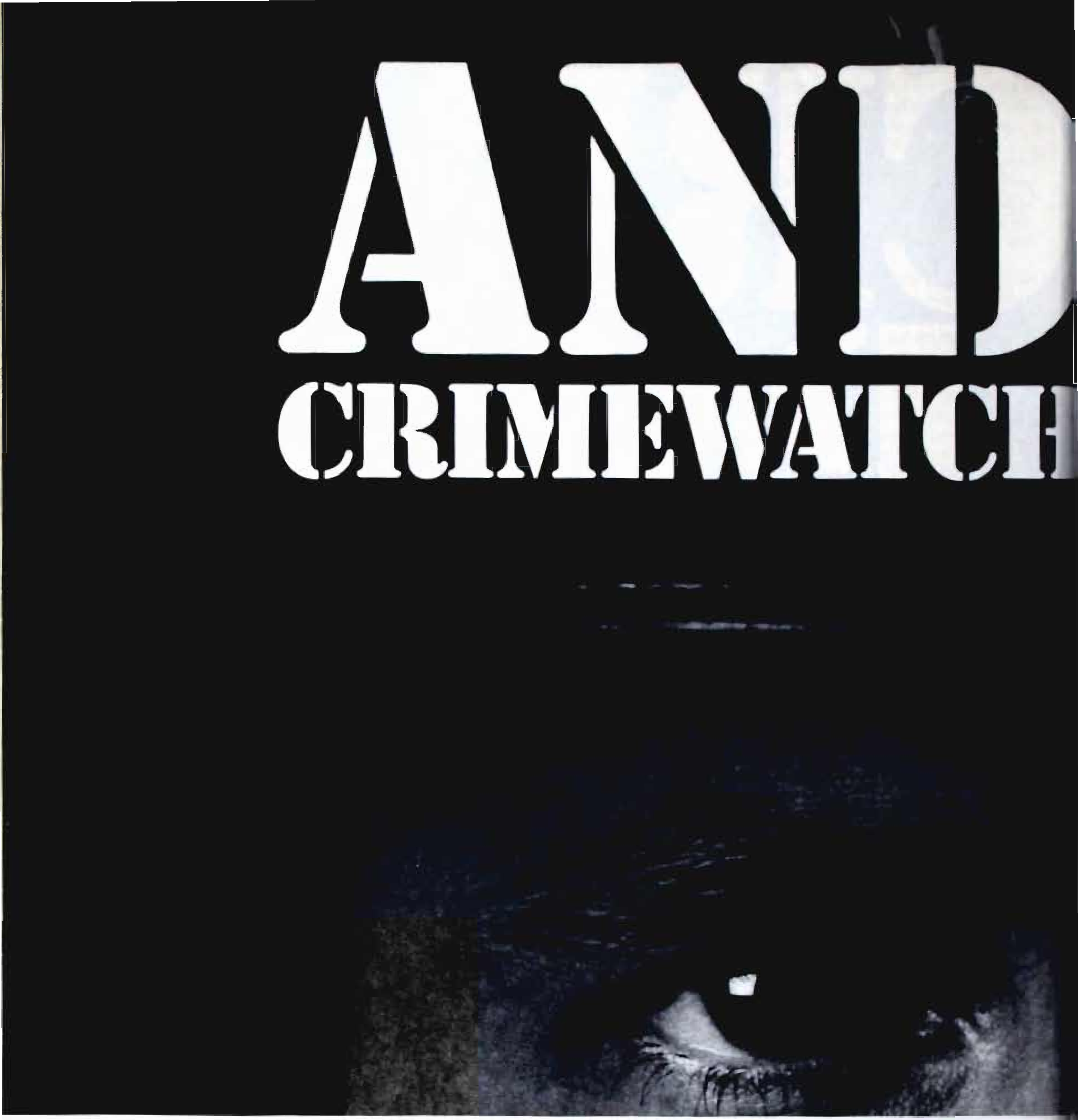


AMERICA'S NIGHTL

VIEWERS ARE EAGER TO TURN TO CRIME!

Across the country, the network dramas and syndication specials that capture the highest ratings are almost always crime oriented. Now, Orion introduces Crimewatch Tonight, a national, network quality program dedicated solely to crime related coverage.

WE CAPTURE IT DAILY!

With a hard-hitting half-hour every weekday, Crimewatch Tonight will cover every facet of crime. From white collar crime to terrorism; from espionage to the mob; from street crime to government corruption; from crimes of passion to crimes of compassion.

THE WORLD IS OUR BEA

Fed daily, we'll use the latest satellite technology to deliver the hottest crime stories. Our anchors and field producer/reporter will tackle the world of crime each day, utilizing our own national burea plus TV stations, newspapers and wire services in the U.S. and overse

Low-power TV courting liquor ads; raps NAB for shunning new industry

Low-power commercial television stations, rebuffed by the NAB, are charting new advertising waters on their own by mixing a little liquor into their drink.

John Kompas, president of the Community Broadcasters Association, has been talking to several liquor manufacturers, including Seagram's, about running commercials on low-power stations. Most full-power television stations refrain from carrying liquor advertising.

"We think there is a possibility for liquor companies to make their way into broadcasting," said Kompas, adding that the low-power alternative is particularly attractive because "we have no content requirements."

While Kompas added that a decision on whether or not to air liquor ads "will be made on a station-by-station basis," fact is at least half of the 200 commercial low-power stations currently on the air are group owned, and these groups are hungry for increased ad revenue. Also, that 200 station figure is expected to grow substantially over the next year. For example, Charles Woods Broadcasting currently has only three low-power stations on the air with CPs for another 15. But the company is looking to build a network of 250 stations. Another major group owner, The Russell Group, also has big plans.

The other area where low-power stations are hoping to make inroads is against radio stations, and herein lies some reason for the cold shoulder the low-power industry is getting from the NAB.

"We're targeting the radio advertisers because this opens up a whole new level for us," said Kompas. "We think we can bring the traffic into the store" better than radio.

If the low-power industry sounds like a loose cannon, Kompas blames it all on the NAB's lack of attention.

"The NAB has not given us one single reason why we should join that association," said Kompas. "They have basically ignored us. Why should we join the NAB? I think it's incumbent on them to tell us why." Kompas said the last meeting the low-power industry had with the NAB was with NAB president Eddie Fritts in 1985.

"There's been nothing since then," Kompas said. "The NAB has still not accepted the premise that low-power technology is there. But it is, and we'll be here for a long time."—**Jack Loftus**

'Photoplay' gets another chance

Photoplay, magazine/entertainment half-hour strip series which didn't make it to the syndication tube after being introduced during the past NATPE convention for fall availability, has a new distributor and is a go for January.

Photoplay had failed to make the fall syndication grade when it couldn't get enough station clearances to warrant a September start-up.

Now, however, *Photoplay* will be distributed by Firestone-Cohen Entertainment, in association with New Century Entertainment, the previous *Photoplay* syndicator.

While the series, which features Morgan Brittany as host is technically a first-run syndicated show, it actually consists of the same 35 weeks of 105 episodes produced two years ago and test-marketed by KCBS-TV Los Angeles. According to a Petry report on Photoplay, the show "struggled" when it ran on KCBS.

KPNX-TV switches to M-II format

The NBC affiliate in Phoenix—KPNX-TV—has become the first TV station in the U.S. to switch from Betacam to M-II, according to Panasonic Broadcast Systems Co.

The station began the switch in its news operation the end of last month and plans to convert the entire station to M-II. The news operation will be completely converted by early next year.

The KPNX-TV order is valued at more than $1 million and involves more than 50 units. Reasons for the switch, according to vice president and chief engineer Leon Anglin, include the availability of 60- and 90-minute videocassettes and the "high quality" of the M-II format.

Betacam has been the dominant half-inch recording system among U.S. stations and is considered in some quarters a de-facto standard. However, NBC is converting its entire TV broadcast operation to M-II.

Figures show Florida tax hurt stations

The Florida tax on advertising has had a clearcut negative effect on national and regional spot TV advertising. TvB/BAR figures on the six largest Florida markets for the third quarter—which were the first three months that the tax was in effect—show a drop of 11.8% from the corresponding '86 quarter.

BAR estimated national spot expenditures for the six markets during the July–September period at $66,480,300, down from $75,342,000 the year before. However, local spending was up 2.5% to $82,392,100.

Hardest hit by the spot decline were the Jacksonville stations, down 19.8% to $5,744,900. This was hardly offset by a local rise of 3.5% to $7,892,100. Tampa-St. Petersburg dropped 17.1% to $16,252,700, but local was up 10.0% to $20,861,600. Orlando-Daytona Beach-Melbourne got it both ways: Spot was down 15.1% to $11,727,600 while local dropped 8.4% to $15,089,900.

Florida's biggest market, Miami, was off 6.9% in spot to $24,535,100, while local inched up 0.9% to $23,946,600.

Faring well overall was Mobile-Pensacola, whose 11.7% drop in spot to $2,975,000 was overcome, and more, by the 21.7% rise in local to $6,144,300. Also doing okay was West Palm Beach-Ft. Pierce, the only one of the six markets up in spot, which rose 4.0% to $5,245,000, while local dipped 0.9% to $8,457,600.

Ohlmeyer works on NBC comedy

NBC, which premiered one new series this last summer—*The Days and Nights of Molly Dodd*—will have at least two new series next summer.

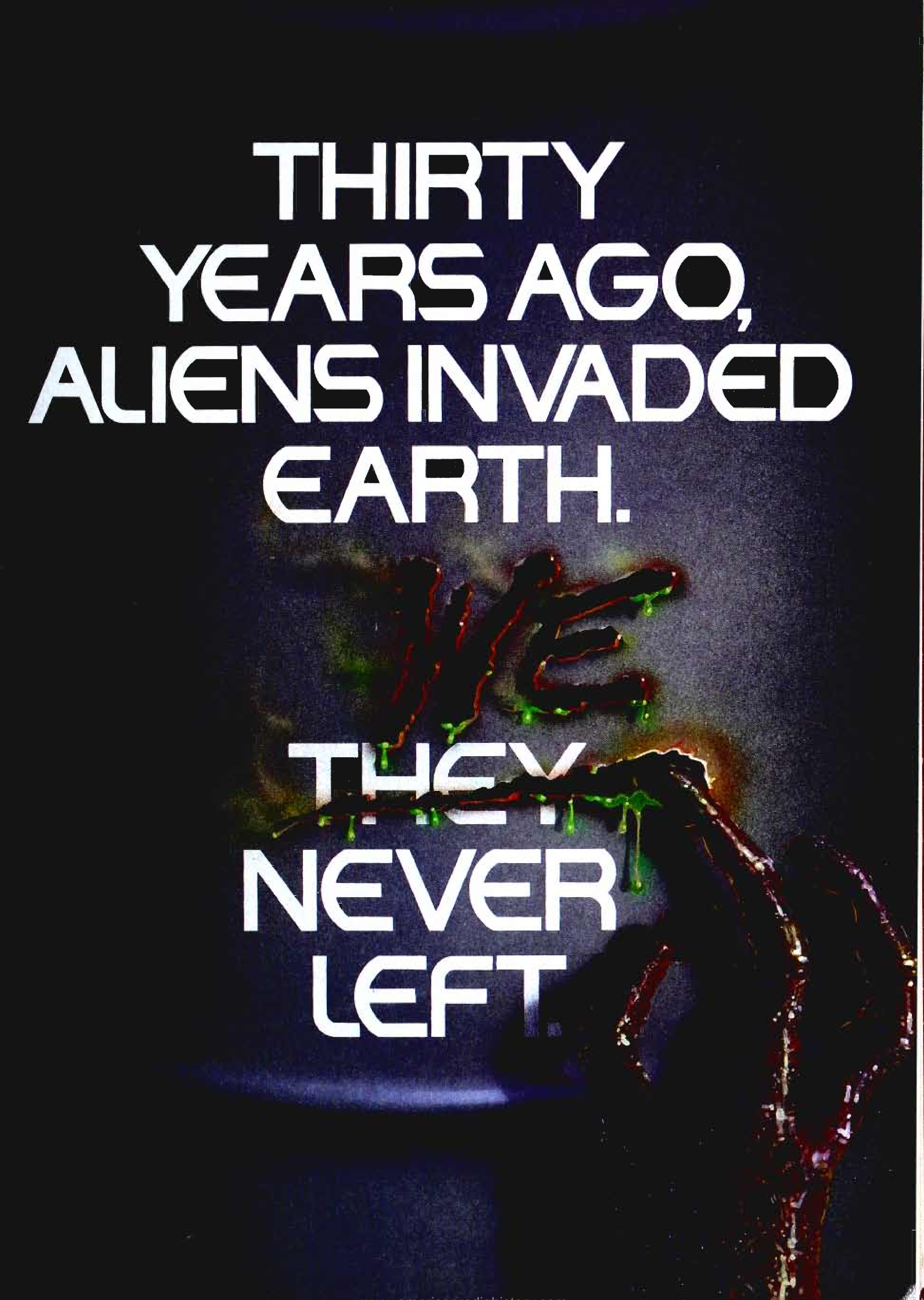
The game plan is to air some pilots in May, with backup scripts already written. If reaction to at least two of the pilots is favorable, the two series will debut in July.

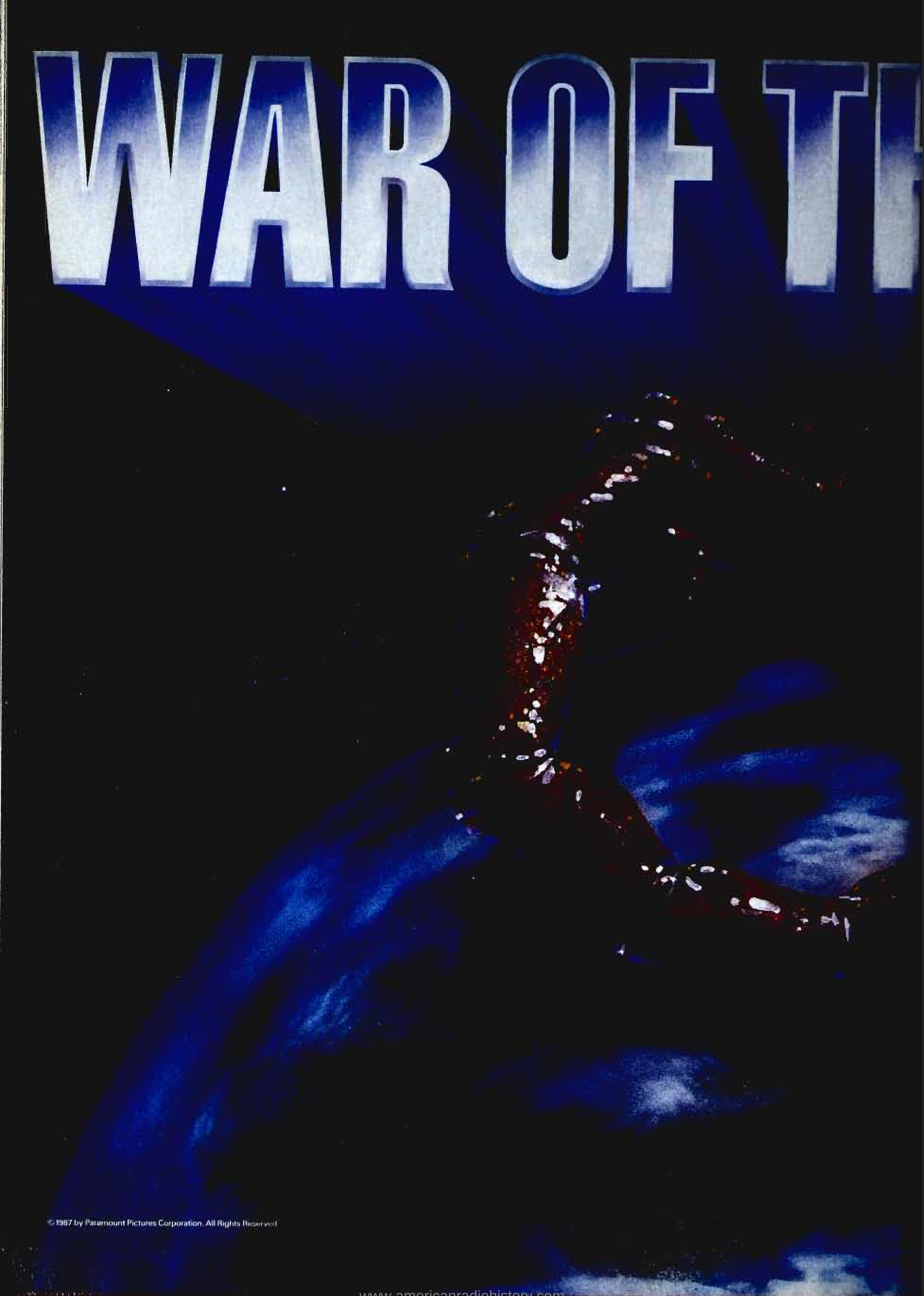
The programs will be hour-long serials. NBC wants to air 40 new episodes, continuing through the fall, winter and early spring of 1989.

One of the serials being contemplated is a black comedy about television, a la *Network*. Don Ohlmeyer, who produced this year's Emmy's show, is developing the show.

Also, don't be surprised if NBC moves *Night Court* next season, in a change similar to the successful breaking out of *Family Ties* this year.

(Final Edition continued on page 30)


THIRTY YEARS AGO, ALIENS INVADED EARTH.
WE
~~THEY~~
NEVER LEFT.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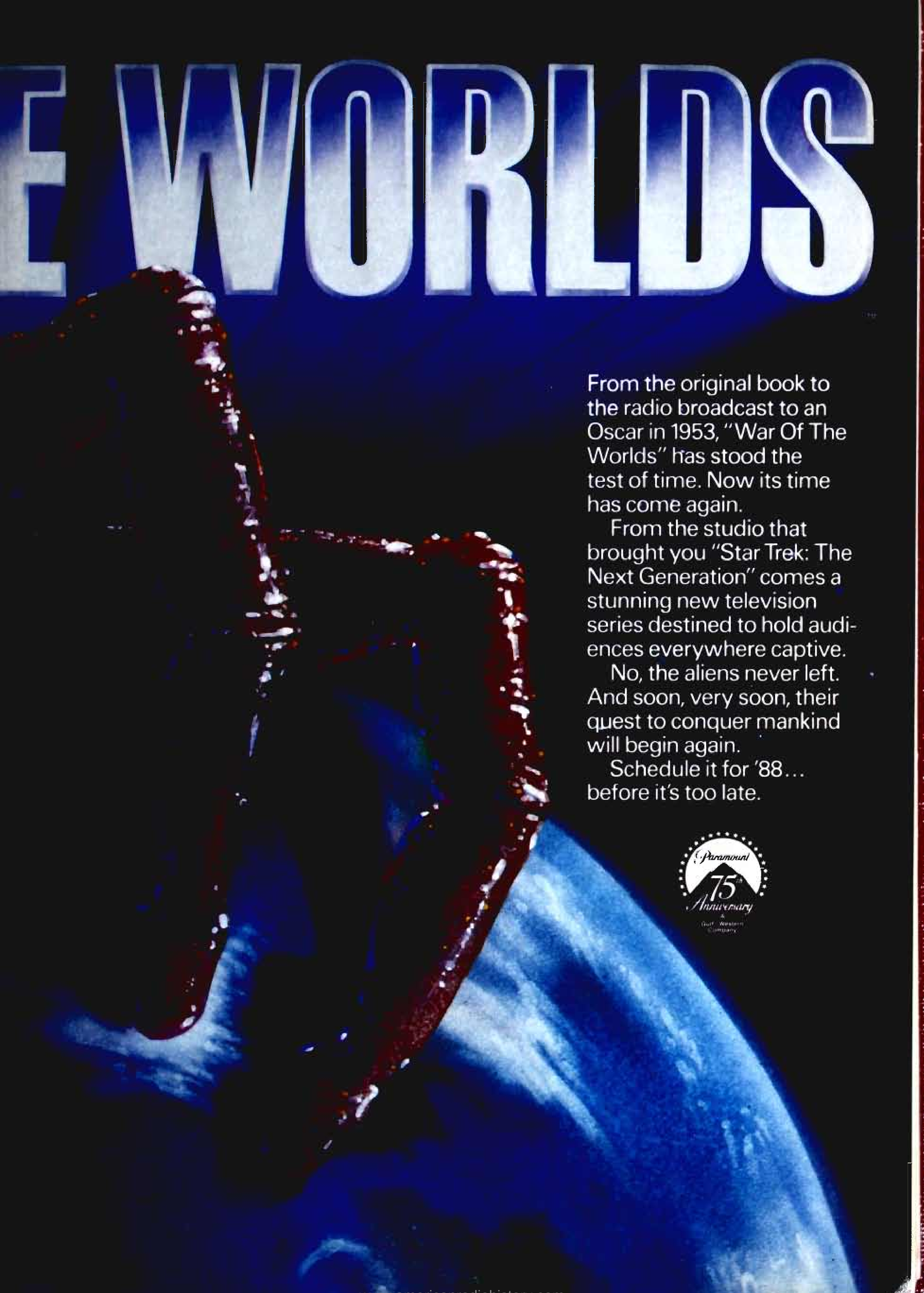

E WORLDS
From the original book to the radio broadcast to an Oscar in 1953, "War Of The Worlds" has stood the test of time. Now its time has come again.
From the studio that brought you "Star Trek: The Next Generation" comes a stunning new television series destined to hold audiences everywhere captive.
No, the aliens never left. And soon, very soon, their quest to conquer mankind will begin again.
Schedule it for '88… before it's too late.
Paramount
75th Anniversary
A Gulf+Western Company

New Katz reach/frequency, media mix systems labeled breakthroughs

Katz Communications has launched a collection of computerized media analysis systems for the Television Group that are described variously as "nothing short of technological breakthroughs" and "among the most powerful sales tools in the television sales industry."

Developed by Katz Media Data and the two Belitz brothers who head the unit—Paul, president, and Jim, vice president and general manager—the systems fall into two categories: reach-and-frequency and media mix. While there are a number of such computerized systems used by reps, Katz executives maintain that the Media Data software goes well beyond them.

This is because, they say, Katz is using a mainframe computer, permitting more complex and sophisticated programming than is possible on a PC and because the data are "market specific." The systems employ large databases, including Arbitron and Nielsen TV rating and cume data, newpaper circulation data from the Audit Bureau of Circulations and Birch Radio ratings and cumes. Paul Belitz notes that while other reach-and-frequency formulas for TV are based on national data, the Katz results are "extremely accurate" because they are calculated on an individual market level.

"Reach and frequency [use] is relatively new to TV," says the Media Data president. He points out that, while radio rating books and tapes already include cume (reach) data, this is not the case with TV reports, which is the reason reliance is put on national data. He adds that the accuracy of the new systems have been tested by use of actual rating figures.

Michael Panethere, *c., account executive, Katz American, Atlanta, explains the rep's new reach-and-frequency and media mix systems to two BDA/BBDO media execs, Martin Hollinger, l., senior vice president/ director of media, and Steve Sussman, manager of programs and media services.*

The new systems have been added to KOSMIC, a collective acronym for Media Data's various existing TV systems. KOSMIC stands for Katz On-line Systems for Management Information and Communications. Ninety Katz stations—in addition to Katz Television branch offices—are already on-line with KOSMIC and thus need no additional hardware to use the reach-and-frequency and media mix systems. Both systems have been available for two months and are already in use. The 90 stations have free use of them until the end of the year, at which time those stations continuing to use the systems will be charged at cost only. Media Data, explains Paul Belitz, is not run as a profit center.

The new systems have been tested by actual ratings.

Belitz was asked why Birch ratings and cumes were used instead of Arbitron, considering that the latter offers a week of actual diary cume data, while Birch weekly cumes are developed from formulas and based on two days of listening. Belitz says that Arbitron does not want radio data to be used by TV stations without their paying for it. But this is not a problem for Birch since it doesn't have a TV service. However, Belitz notes that 30 to 35 advertisers were shown the system and there was no criticism of the use of Birch cumes.

In discussing the benefits of the reach-and-frequency program, Jim Belitz explains: "The system is extremely valuable for competing against other stations. Consider a situation in which a Katz-represented station has been excluded from a proposed buy. Katz, or the station itself, can use the system to create two schedules—the original schedule, which excludes the client station, and another one that replaces some spots with dollar equivalent spots from the Katz station. By comparing the two schedules, the buyer can be shown that including the Katz station will deliver a larger reach at an equal or less cost."

Other advantages cited by the Belitz brothers include the use of metro ratings and cumes for individual demos. "Not even Arbitron and Nielsen have this feature," Paul Belitz says.—**Al Jaffe**

Katz system targets errors in radio sample

A computer system that identifies possible sampling errors in Arbitron reports has been developed by Republic Radio, a Katz Radio Group company.

The new system, according to Bruce Hoban, vice president, director of research, covers more than 200 markets and will produce a complete analysis every quarter. A summary analysis will be distributed throughout the industry.

Hoban said there was a need for such a system because of the growing number of radio stations reported on by Arbitron and the lower average shares for each station.

"Because of this, the ratings have become more volatile and can be subject to wider swings if there are sampling problems," he said.

The new, PC-based system, called SampleTrac, works by analyzing three areas in the Arbitron sampling procedure: (1) the contact, agree, return and response rates for listed and unlisted households; (2) the persons-per-diary-value (PPDV) for all demos in the metro and whether the in-tab demo is higher or lower than the ratio of the demo population to the total population (PPDV is the number of in-tab diaries for a particular demo divided by the total metro population of that demo, according to the Katz definition); and (3) the PPDV for high-density black areas and high-density Hispanic areas for all metros where Arbitron uses ethnic controls.

The database is described as "huge," with diary return data from 1982 to the latest books and PPDV data from winter, '86, to the present.

Broadcast pioneer Walter Hariu dies

Walter R. Hariu, one of the pioneers of broadcast engineering, primarily as an employee of Morgan Murphy Stations for almost 50 years, died recently in Madison, Wisc. He was 73.

He engineered the first Morgan Murphy radio station, putting it on the air in Hibbing, Minn. Subsequently he oversaw startup operations for radio stations in Duluth, Minn., Rice Lake, Wis. and Eau Claire, Wis., followed by television stations in Eau Claire, Des Moines and Madison.

Hariu was involved in the WISC-TV sign-on in Madison in 1956, where he was chief engineer for 25 years.

(Final Edition continued on page 32)

Thanks KTLA for making Punky Brewster a star performer!

Our thanks to KTLA for making Punky Brewster a star performer in Los Angeles. Punky Brewster premiered in L.A. with a 7 rating and grew to an 8 rating in one week, making Punky Brewster the second highest-rated program in KTLA's access checkerboard. With numbers like these, it's obvious she's a star performer.

PUNKY BREWSTER

Coca-Cola TELECOMMUNICATIONS

A unit of Coca-Cola TELEVISION

Source: L.A., Nielsen, Sept. 14 through Sept. 30, 1987

Ampex struts its stuff for SMPTE; digital VTR seen as one-inch replacement

Ampex demonstrated its D-2 composite digital videotape recording format at the fall SMPTE convention in Los Angeles last week and said a studio VTR version will be introduced at the NAB exhibition at Las Vegas in April.

Deliveries of the studio machine and the ACR-225 commercials spot player will begin late next year, the company said.

When Ampex revealed its composite digital plans two-and-a-half years ago there was concern this would slow up, if not derail, the spread of the component digital D-1 format. which is now an international standard.

Component recording, which also is employed by the half-inch broadcast systems (Betacam and M-II), separates the black-and-white and color signals for an improved picture. Composite recording, a la D-2 and NTSC, combines the two, though digital provides multi-generation copies without apparent degradation.

Despite the initial fears about D-2, it is apparently being accepted as an interim format.

Big claim. Ampex is touting the D-2 system as a replacement for type C (one-inch tape) recorders and "as the preferred format for general purpose broadcast and post-production over the next 10 years." This is a significant claim since Ampex is a major supplier of type C recorders. In fact, Ampex also introduced at SMPTE an "extended performance" timebase corrector for its type C machines. And the company was quick to point out that type C will remain a "dominant format."

Ampex linked its new digital format to the Sony Betacam/Betacam SP line, of which it is now a supplier, by emphasizing the use of half-inch recordings (D-2 uses 3/4-inch wide tape, which Ampex prefers to call 19mm) as field acquisition sources for the D-2 studio machine). Once Betacam recordings are digitized, D-2 can maintain first-generation quality through the production process, according to a company spokesman.

The manufacturer did not announce a price for the studio machine, but said it would do so at the NAB and that the price would be competitive with high-end type C configurations, including a timebase corrector.

MTM pilots 'Flash Point'

MTM Productions has begun work on a new one-hour weekly offering for syndication called *Flash Point.*

The pilot for the politically oriented point-counterpoint formatted show will be produced in New York by Times Square Studios in December.

The house conservative on the show will be Bob Grant, who is heard frequently on WABC radio, while the liberal wing will be represented by Steve Kane of Miami.

If the pilot flies, MTM hopes to have it available by spring 1988. Richard Mincer, former executive producer for *Donahue*, is the producer for *Flash Point.*

Ohlmeyer & RJR to stay together

Don Ohlmeyer, who wrote the book on televised sports coverage while at ABC and NBC and then became a successful independent producer, will be closing his New York office and moving to Los Angeles and apparently keeping his partnership with RJR Nabisco.

Not making the trip west, however, will be John Martin, president and chief operating officer of Ohlmeyer Communications, and Bill Liss, head of public relations for the production company. Instead, both are understood to be moving up the RJR Nabisco corporate ladder, possibly even moving to the company's headquarters in Atlanta.

Under the new setup, Ohlmeyer gives up responsibility for the RJR-N media buying service (called RJR Nabisco Broadcast) as well as The Management Company which manages such events as the Nabisco Grand Prix of Tennis, Nabisco Golf and many others.

Under the restructuring, both the rep business and the management company may wind up reporting to Martin at RJR Nabisco, thus freeing Ohlmeyer to concentrate on what he does best—production.

Rumors that Ohlmeyer and RJR-N split up were denied by both RJR and Ohlmeyer, though neither side would say what the specifics of the new relationship will be. The RJR board is to meet this week and presumably will straighten things out then.

Public offerings: MTM withdraws; HBO & MGM o.k.

MTM Entertainment, which registered with the Securities and Exchange Commission at the end of August to go public, has withdrawn its offer in light of the downturn on Wall Street.

The company had planned on offering up to 4.6 million shares at $28 each. Sources says MTM may now pursue another company to buy MTM.

Bad news on the stock market may mean good news for other investments. Meaning that HBO and MGM, both of whom have limited partnership offerings registered with the SEC (TV/RADIO AGE, Oct. 26) could stand to benefit.

At least that's the opinion of Nancy Schwalb, vice president of MGM's Star Partners, of the offering for $75 million.

"I think without question what's happened with the stock market will make our offering much more attractive," she says.

A spokesman for Kidder, Peabody & Co., which is handling HBO's $100 million Take One partnership offering, agrees.

It is expected that both partnerships will become effective by the end of the month.

Cummings dies; ran WBBM-TV

Gary Cummings, a former vice president and general manager of WBBM-TV, the CBS O&O in Chicago, died unexpectedly last week of complications resulting from melanoma, a type of skin cancer. He was 46.

Cummings, a veteran print and broadcast jounalist, was chairman of the broadcast news program at the Medill School of Journalism at Northwestern University.

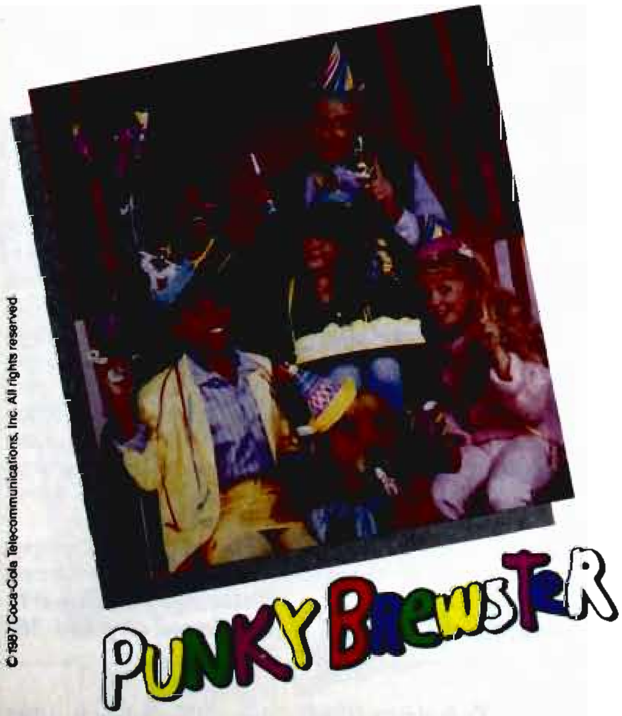
In 1972 Cummings became assistant new director at WBBM and in 1981 moved to the CBS flagship in New York, WCBS-TV. Three years later he took the job of running WBBM.

Edward M. Joyce, former president of CBS News and one of Cummings' long-time colleagues in both Chicago and New York, praised Cummings as "a fine newsman. He had that mixture of a New Hampshire Yankee combined with a wonderfully droll sense of humor . . . He was doing a splendid job at the University and was really beginning to move that department along. This is a real loss."

Cummings began his journalism career with UPI in Concord, N.H.

"Punky's first in her class!"

Kevin P. O'Brien, General Manager,
KTVU, San Francisco



Punky Brewster is the #1 independent program in San Francisco in the 5:30 P.M. time period, averaging a 5 rating and an 11 share.

Coca-Cola TELECOMMUNICATIONS
A unit of Coca-Cola TELEVISION

Source: San Francisco, Nielsen, Sept. 23 through Oct. 2, 1987

Peace breaks out at Super Channel; now if Hooper can just keep the lid on

Having just gone through a period of major bloodletting in which the European satellite channel, Super Channel, will cut next year's projected costs by close to $12 million and fire some 25 employees, SC's managing director Richard Hooper hopes "a period of peace has broken out."

Faced with a group of uncompromising stockholders representing all but one of the U.K.'s commercial television outlets, plus Virgin Vision, Hooper has taken a line from his own philosophy ("the name of the game is survival") and emerged from the storm with both his job and his pride intact.

But included in the bloodletting was Hooper's joint managing director, Charles Levison, plus one of the company's German offices.

Hooper's goal now is to move SC out of red ink and into the black.

What it takes. Hooper believes that an investment of between $85 million and $100 million is needed before a satellite channel can break even. Neither Sky Channel, which began broadcasting in 1982, nor Super Channel is close to making money, although optimistic management people at Sky think profit is just around the bend. But even Rupert Murdoch doesn't believe that any more and has begun to look elsewhere for help. Sky officials probably are correct when they blame their poor revenue figures this year on the competition from Super Channel.

Hooper calculates there will be enough money in the market by 1989 to support both networks. While media researchers agree that international advertising will increase, few share Hooper's optimism.

Hooper has emerged safe from the storm. "The name of the game is survival," he says.

"The company is now taking in revenue at a rate of eight to 10 times greater than we were a year ago," Hooper claims. That higher income probably shows up because the Channel did not begin broadcasting until the end of January and even then was embroiled in months of wrangling over union fee payments. In real terms, that means Super Channel took in $500,000 in September, "not enough," acknowledges Hooper, "but going in the right direction. The market is beginning to get used to the idea of European TV channels."

Hooper credits Super and Sky channels with breaking down some of the monopolistic practices prevailing in TV advertising in Europe. Claiming "We are the agents of change," he identifies the inability of advertisers to target their buys on some European terrestrial stations as one example in which the satellite channels are providing a better service.

Richard Hooper

Hooper also praised the support the Channel receives from Japanese and American advertisers, two groups, he believes, who understand the concept and value of international television.

Nix British image. In an effort to broaden its European appeal, Hooper carried on a successful campaign to abandon Super Channel's *Best of British* concept, adopting in its place programming which stands a better chance of appealing to audiences who only have a limited, if any, grasp of English.

Sporting events, of course, which are more visual and do not require an understanding of English, are expected to be featured more prominently in the future. U.S. college football, for instance, is now running on Super Channel.

"I have spent a great deal of time making sure that the shareholders understand that 98% of the audience is outside the U.K.," Hooper explains, adding "The biggest change since I came on is ensuring that the service is genuinely European in outlook."

Later this month the channel will begin broadcasting a half-hour weekly repeat of a popular Dutch comedy in Dutch with English subtitles, a marked departure from its previous all-English mission. (The highest percentage of Super Channel viewers live in The Netherlands.)

While Hooper didn't speculate on the issue, if programs such as the Dutch experiment are successful, it might become commonplace to find satellite broadcasters more regularly transmitting in several languages. In the long run that conceivably could transform European satellite channels broadcasting from London into a television version of the multilingual Voice of America or the BBC World Service, certainly English language based, but with a number of programs intended for specific countries broadcast in the appropriate language.

"I have spent time making sure shareholders realize 98% of our audience is outside the U.K."

Coincidentally, that theory would not be inconsistent with Hooper's own philosophy that while the state-owned European terrestrial channels are supply driven, competitive channels are market driven: "We ask, what does the viewer want? What does the advertiser want?"

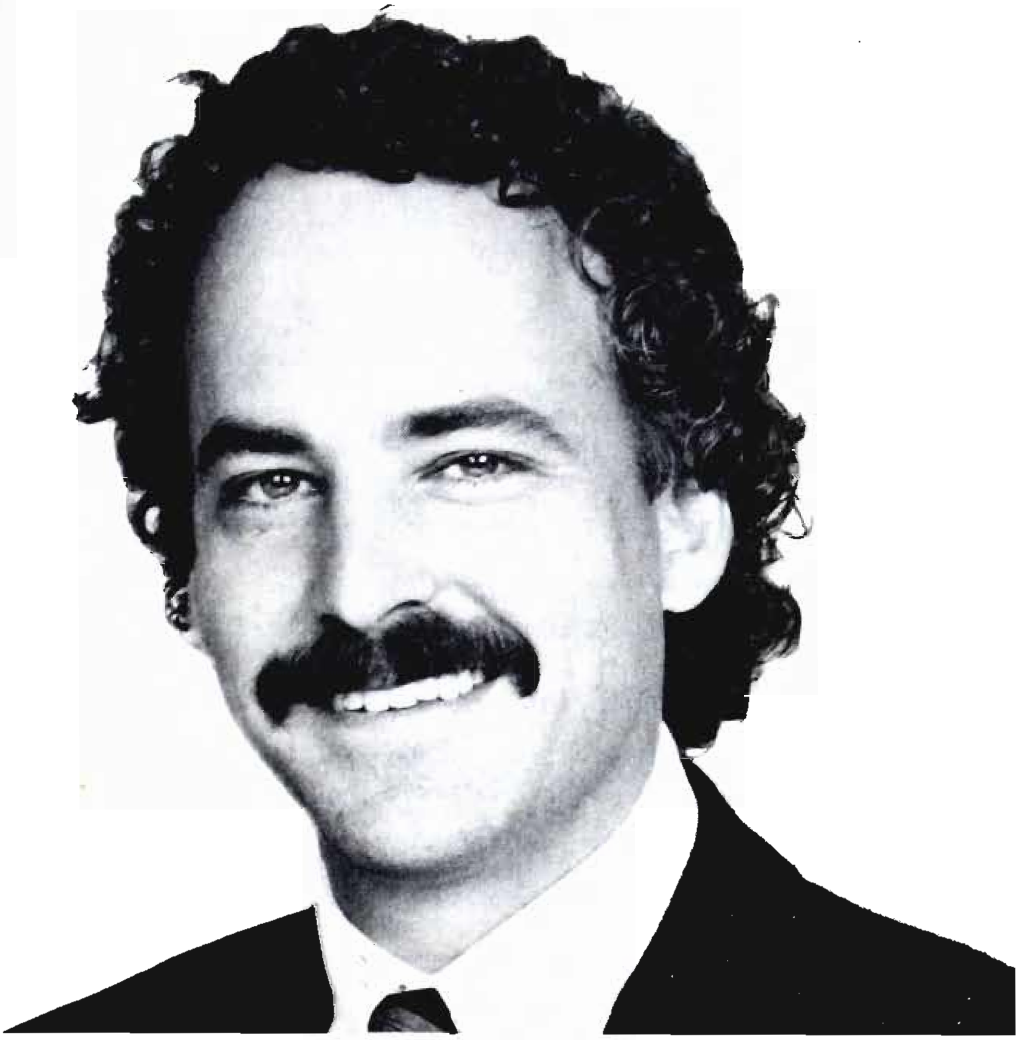
U.S. factor. Whether viewers and advertisers actually want more American programs is academic, because neither Sky nor Super Channel schedules many, although Hooper wonders why Sky doesn't. From a pure programming standpoint, Hooper sees the great strength in American series stemming from the availability of episodes. "Once you buy *Hogan's Heroes*, you don't have to worry about that time period for years."

In spite of the benefits which could be derived from U.S. imports, both channels see their future success in establishing a strong European image.

Both channels also are likely to become more European in another way. Like Sky Channel, Hooper also is looking for European partners. He says that although there are some people interested in investing, the organization is not particularly in a hurry. One suspects, however, that if Rupert Murdoch makes a deal with European investors to broaden Sky's ownership base first, Super Channel will move with greater dispatch.

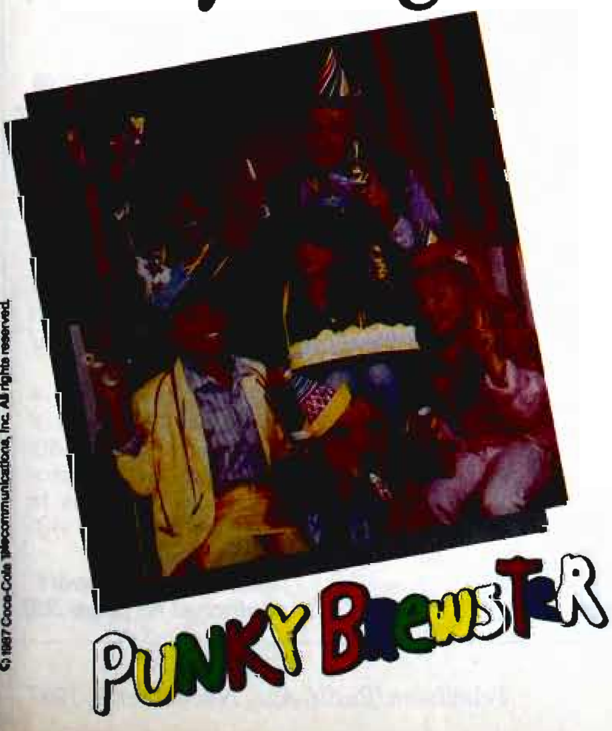
While Hooper says that any European share deal could result in lowering

(International Report continued on page 36)



"Punky Brewster is a successful early fringe vehicle for our station!"

Doug Johnson, General Manager, WXON, Detroit



Punky Brewster is averaging a 6 rating in the 5:30 P.M. time period, a 50% increase over last year's rating.

Coca-Cola TELECOMMUNICATIONS
A unit of Coca-Cola TELEVISION

Source: Detroit, Arbitron, Sept. 21 through Oct. 2, 1987 the present owners' holding, he considers it more likely that some of the smaller shareholders will sell out, an option he seems to favor: "Fifteen shareholders are not as managable as eight or 10," he points out. He also probably would be happier if some of the current owners showed less interest in competing satellite channels: "It brings problems into board meetings," he comments.

Although some shareholders asked why expenses were not pruned as soon as it became obvious that income would not meet expectations, Hooper shrugs off the criticism with the usual comment about the value of hindsight. "It happens to all new ventures. There was a revenue shortfall."

Faced with the reality of cost-cutting, he has sliced in half the costs of the half-hour weekday newscast prepared by Independent Television News (ITN) without noticeably affecting the viewer perception of the presentation—a $2.5 million saving in one swoop. Yet, he adamantly defends the necessity of maintaining quality, rejecting at an early stage the suggestion that Super Channel merely repeat the ITN newscast aired on the British commercial network.

Music Box. Clearly on the plus side of the Super Channel ledger has been the growth in the size of the network during the past year. To ensure a stable beginning, Super Channel purchased the satellite channel, Music Box, for $25 million. "It gave us four million homes and a place on the satellite," states Hooper, adding that undoubtedly MTV Europe, the most recent addition to the English language satellite battle, "will discover it costs more than $25 million to get four million homes."

While MTV is broadcasting to far fewer than two million homes, Super Channel has just reached the nine-million-home mark with Hooper forecasting 11 million homes during the coming year.

Hooper admits he's worried about how his network can get from 10 million homes to 40 million. He hopes the additional satellite channels coming on stream will attract additional homes from which all the satellite channels will be able to capitalize. If that happens, he says, 40 million homes by 1995 begins to look possible.

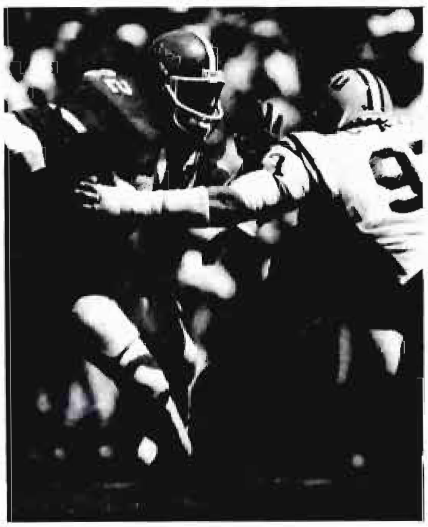
Hooper credits Super and Sky Channel with breaking down some of the monopolistic practices in European TV advertising. "We are the agents in charge," he says.

Cable failure. Ironically, because of the colossal failure, so far, of cable to make any meaningful impact on the U.K. market, Britain itself presently represents only a miniscule part of the Super Channel network, arguably offering an extremely fertile ground for satellite broadcasters.

As a practical matter, however, virtually no one, including Hooper, foresees the number of cabled homes dramatically increasing or a massive sale of the yet-to-be-developed low-cost satellite dishes occurring for years. Still, with a potential audience of that magnitude existing, Hooper remains hopeful: "Sooner or later we will crack the British market."

There are three options under consideration. They involve deals to use the British DBS and/or ECS-2 and/or Astra, the satellite to be launched next September if there aren't any more French Ariane failures. Hooper says any satellite deal must offer economy and homes, adding that at the moment, Astra, the one many people like to talk about, still cannot provide nine million homes.

But those considerations are for the future. For now Hooper is preoccupied with what surely will please his stockholders: Keeping down costs while building revenue.—**Irv Margolis**



Football on Super Channel

British post 9 nominations for Int'l Emmys

The International Emmy Awards, scheduled November 23, in New York's Sheraton Centre, have 17 nominees, including nine from the U.K., five from Canada and one each from Sweden, Italy and Australia.

Under the rules of the National TV Academy, which administers the Emmys, the programs must be non-U.S. shows in order to compete.

In the Drama category, the finalists are Yorkshire Television for *The Christmas Story*; Network TEN, Australia, *Vietnam*; RAI, Italy, *The Octopus*; Channel 4 Television, U.K., *Porterhouse Blue*.

Popular Arts: BBC, *Alias Smith and Jones*; Yorkshire TV, *Room at the Bottom*; Sveriges Television/SVT-2, *The Prize*; HTV Ltd., *The Little Match Girl*.

Documentary nominees: Granada TV, *The Sword of Islam*; Societe Radio-Canada, *Le Coeur d'un Autre*; Yorkshire TV, *The Falklands: The Untold Story*.

Performing Arts: Thames TV, *Maya Angelou in Performance*; Thames, *The Belle of Amherst*; Primedia Productions/CBC, *Onegin*.

Childrens: CBC, *Down at Fraggle Rock*; CBC, *It's Late: Degrassi Junior High*; Societe Radio-Canada, *L'Homme Qui Plantait des Arbres*.

The five winners will be announced during the black-tie gala chaired this year by Mark Cohen of ABC. Also being honored are Jacques-Yves Cousteau with the Founders Award and Jeremy Isaacs, chief executive of Channel 4 Television, with the Directorate Award.

Horowitz gets Lynn

Anthony J. Lynn, formerly president in charge of cable, pay TV and home video for Coca-Cola Telecommunications, has found a new home at MGM/UA.

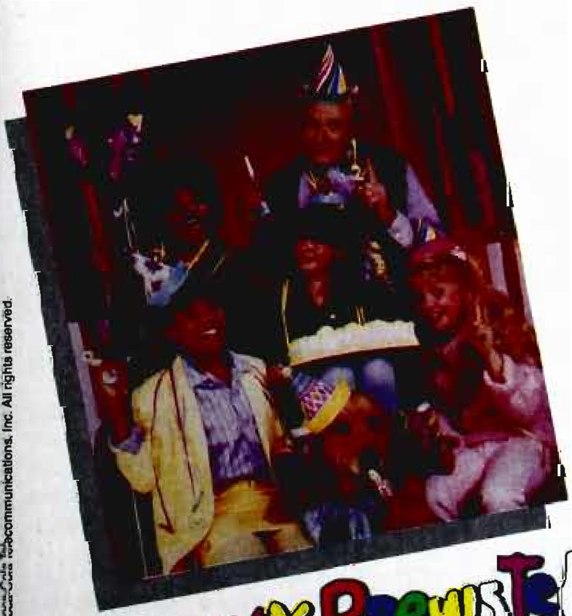
As executive vice president, international TV distribution and worldwide pay TV (that's his title), Lynn will report to Norman Horowitz, president and chief operating officer for MGM/UA Telecommunications.

Lynn joined Columbia Pictures as vice president and general manager of its pay TV unit and advanced rapidly through the organization until his promotion last January to president in charge of cable, pay TV and home video.

(International Report continued on page 38)

"We wanted a strong performer for a tough 5-6 P.M. time period. Punky's been great!"

Harvey Cohen, Executive Vice President
and General Manager, WDZL, Miami



PUNKY BREWSTER

Punky Brewster perked up Miami in the 5-6 P.M. time slot with growth of 66% from last year's time period.

Coca-Cola
TELECOMMUNICATIONS
A unit of Coca-Cola TELEVISION

Source: Miami, Nielsen, Sept. 21 through Oct. 2, 1987

LBS serves a barter brew to Europe; finds U.S. advertisers tasting too

LBS, known in the U.S. as a barter syndicator, has created a new international division and placed Mark Mascarenhas in charge with orders to work some barter into a European market that's pretty much operated on a cash-and-carry basis when it comes to buying U.S. programming.

Mascarenhas, who took over as vice president and general manager of LBS International earlier this year, is no stranger to the changing marketplace, having introduced the barter concept to CBS Broadcast International in its dealings with India, East Europe and China. And along the way, Mascarenhas got to know the folks at McDonald's, a major new client that he was able to bring into the LBS fold.

Mark Mascarenhas

"The cash market for most U.S. programs is suffering from a glut," Mascarenhas says. But he was able to break out of it with the sale of *Care Bears* to the French broadcaster TF-1. In that deal, both the station and the advertiser put up the money. "We ended up getting top dollar by finding the right advertiser and the biggest broadcaster in France and putting them together," he says. While Mascarenhas wouldn't identify the advertiser involved in the TF-1 sale, he says some of the more aggressive advertisers making barter deals throughout Europe are McDonald's, P&G and Coke.

"These companies are looking for new ways to do business, and they are even bringing their agencies with them to markets like MIPCOM," continues Mascarenhas.

McDonald's, for example, bought the live-action special *A Child's Christmas in Wales* from Atlantis Films, and LBS is selling it overseas on a cash plus barter basis. In France, where McDonald's has a major presence, the company is holding back two 30s plus a billboard, while in Italy, where McDonald's is not so well known, the company is taking only a billboard.

Where is it all heading? Mascarenhas thinks that in five years ad agencies will be buying time all over Europe, with France leading the way.

With LBS' international operations just at the startup stage, Mascarenhas isn't ready yet to jump headlong into merchandising, though he says *Care Bears Family* (13 half-hours) is a natural for this business. American Greetings has all merchandising rights, and Mascarenhas admits "we need a greater level of cooperation" between TV and merchandising.

Worldvision's been there

Turns out that Kevin O'Sullivan, chairman of Worldvision, knew what he was doing 20 years ago when he insisted on staffing his international distribution offices in foreign capitals with his own employees.

Worldvision has had its own offices in London, Paris, Rome, Tokyo, Toronto and Sydney (where the average length of employment by the chiefs there is 15 years) since the mid-60's.

This fact came into focus at the recent MIPCOM market in Cannes when Lorimar announced it was opening a new office in Rome under the direction of Rosario Ponzio.

Ponzio founded ITC Italia in 1975 and over the years has built up a fine reputation for himself as a master of the Italian TV scene. Now, however, he's no longer an agent, but a Lorimar employee.

In making the announcement, however, Lorimar may have gotten a bit carried away by claiming this opening represented a major new trend, saying it was the first time an American distributor had opened its own office outside London (the traditional capital for U.S. operations in U.K. and Europe).

Not so, says Worldvision's international chief Bert Cohen. "Kevin realized this was the way to go 20 years ago." It's nice to know others are catching on.

Is there a Pepsi in BBC's future?

Don't be surprised if in the not too distant future a Pepsi logo shows up on the BBC's venerable *Top of the Pops* program when it's aired in the U.K.

It's no secret that the BBC has been considering on-air accreditation of corporate sponsorship, and sources tell TV/RADIO AGE that a Pepsi/*Top of the Pops* connection could be among the first greenlighted.

Even if the ad is only approved for the sponsorship of one chart, the revenue realized could go a long way in offsetting the approximately $200,000 weekly cost of the show.

Drew Levin, president of U.S.-based The Entertainment Network, which sells *Top of the Pops* everywhere but in the U.K., won't comment on the Pepsi deal but says the series will be sold internationally next year with a 30-second spot reserved for an advertiser," plus cash.

The series currently is sold on a cash only basis. The international barter spot "will keep us from having to raise the price of the show," Levin says. The show is in about 30 countries, and Levin says about 75% will likely run the spot. The others probably will note that the program is sponsored by Pepsi and show a logo.

Levin says the proliferation of commercial stations in a number of foreign countries have made the international barter spot a reality.

TEN also is continuing to sell its Montreux Rock Festival and British Record Industry Awards specials on an international barter basis. "A two hour special, on a cash basis, does about $250,000–300,000 in foreign sales," Levin points out. "With international barter you can do in excess of $1 million."

Levin says TEN has been able to figure out CPMs against local projected homes reached in most countries. The spots work out to an average of about $25,000 per country.

Soviet-Turner in TV film talk

Soviet Television and Turner Broadcasting are talking coproductions.

Robert J. Wussler, executive vice president of Turner Broadcasting, arrived in Moscow November 7 to discuss a TV-movie idea "along with a number of other projects," according to a Turner spokesman.

The TBS official says the movie, titled *Zeus' Weapon*, is "in the talking stages."

Breeders' Cup Newsfeed begins Tuesday, November 17, and your news audience can get up to the minute reports on the top horses and jockeys competing in the 1987 Breeders' Cup on November 21st.

Your viewers will gain a unique perspective of the trainers' strategies and owners' hopes as they prepare for racing's $10,000,000 championship day.

Unscrambled and completely unrestricted, Breeders' Cup Newsfeed is a daily 15-minute satellite delivered package of features, interviews, celebrity appearances and location footage direct from Hollywood Park, California. You will receive all the stories needed to cover this seven race championship event, without leaving your newsroom.

Last year, over 100 stations took their viewers to the finish line with Breeders' Cup Newsfeed. So this year, don't leave your audience at the gate. Put them on the inside track from the start with Breeders' Cup Newsfeed, and you'll finish a winner.

BREEDERS' CUP NEWSFEED BEGINS TUESDAY, NOVEMBER 17 THRU FRIDAY, NOVEMBER 20

EARLY FEED–
3:30pm – 4:00pm EST
TELSTAR 301, TRANSPONDER 12V
AUDIO 6.2 & 6.8

LATE FEED–
9:00pm – 9:30pm EST
TELSTAR 301, TRANSPONDER 12V
AUDIO 6.2 & 6.8

To learn more about the Newsfeed or Breeders' Cup Day, call the Breeders' Cup Newsfeed Staff at (213) [illegible] after November 13.

BREEDERS' CUP NEWSFEED

Breeders' Cup


YOU CAN ROLL THE DICE,
SPIN THE WHEEL,
EVEN PICK THE SECRET SQUARE.
OR YOU CAN PLAY...

OUT

Wipe out game show remakes and retreads.
Wipe out comedy-celebrity "soft" games.
Wipe out faltering also-rans.
Wipe out the losers with WIPEOUT, the provocative new game show
that challenges contestants without leaving viewers baffled.
Hosted by Peter Tomarkin, WIPEOUT is fresh, original and built to last.
A great game show can be a franchise for years to come.
And a great game show is precisely what we've got.
No dice.
No wheel.
No squares.

Paramount
75th Anniversary
A Gulf+Western Company

TV Business Barometer

September local sales up 10.1%

Local came up with its best numbers for the year in September—in percentage terms, anyway—and almost its best numbers in dollar terms. The dollar performance was in line with the end-of-summer seasonal pickup, though it must be noted that September was a four-week Standard Broadcast Month (SBM), as was September of last year.

The percentage increase of local time sales in September was 10.1%. The previous percentage high for the year was in March, when local billings rose 7.9%. In addition, the percentage increase in September was twice that of the previous month and was three times as high as the figure for spot (3.2%).

Volume in September came to $516.1 million, the third month local time sales topped half a billion this year and the sixth time *ever* that local monthly billings topped $500 million. The September volume compared to $468.8 million during the same month last year and to $474.7 million last August. Record monthly local billings for the year came last May, when business reached $554.6 million. The third half billion dollar-plus month was March (barely), which amounted to $500.9 million. However, spot volume in September was slightly higher than local, amounting to $521.4 million.

Smaller stations did best in local performance during September, while medium-size stations came out poorest. The larger stations were close to the overall average. September was the eighth month in which the smaller stations ranked first in monthly percentage increases.

In the area of network compensation, September came up with a percentage figure better than most months, though it didn't have to go very high to achieve that distinction. The increase was 3.5%, which was tied with June for the second best percentage increase. The record for the year was in August, which was up 4.0%. It may be recalled that three of the first five months showed minus signs.

The actual station take from network comp in September was $37.3 million vs. $36.0 million last year. The figure for August was $41.6 million.

For the third quarter, local billings were up 7.2% to $1,398.8 million. This compares to increases of 6.8% and 4.6% in the first and second quarters, respectively. Network comp was up 3.1% for the quarter, the best three-month performance this year.

Year-to-date figures for local billings come to nearly $4 billion—actually $3,974.0 million. Time sales were up from $3,744.2 last year, representing an increase of 6.1%. This compares with $4,248.5 million in spot for the nine months.

For network comp, year-to-date data show a total of $344.6 million vs. $340.3 million the year before.

September

Local business +10.1%

(millions)

1986: $468.8 **1987: $516.1**

Changes by annual station revenue

Under $7 million	+13.1%
$7–15 million	+5.7%
$15 million up	+9.9%

Network compensation +3.5%

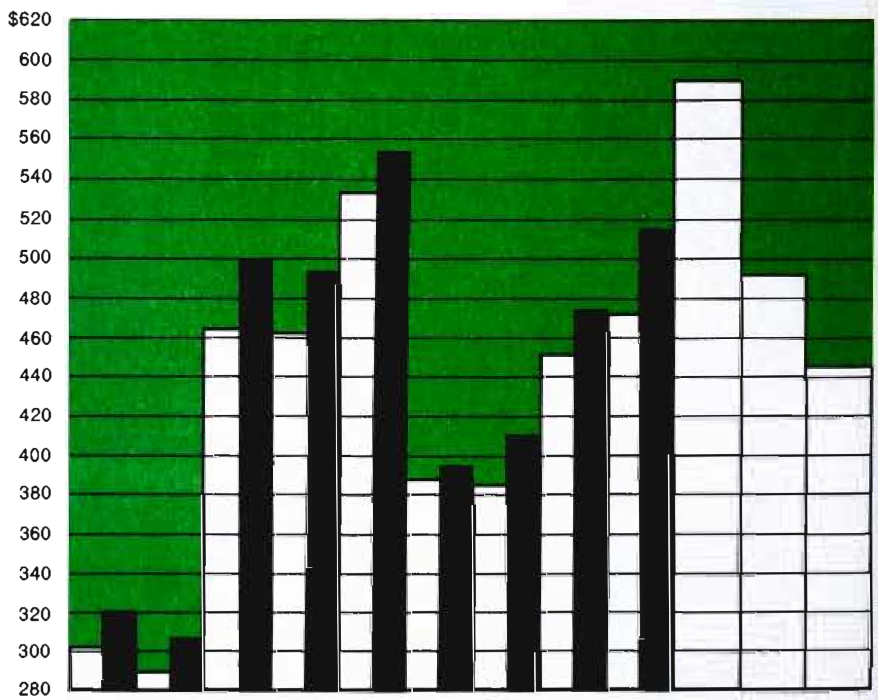
(millions)

1986: $36.0 **1987: $37.3**

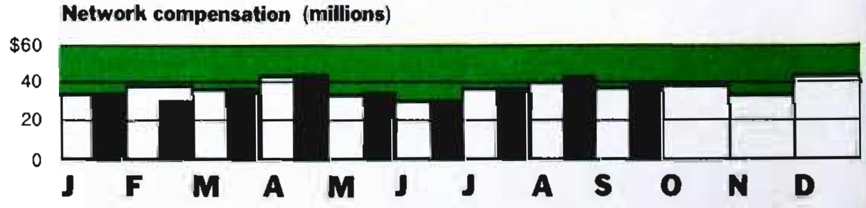
Changes by annual station revenue

Under $7 million	+1.6%
$7–15 million	−0.6%
$15 million up	+5.0%

Local (millions)



Network compensation (millions)



FROM THE ENTERTAINMENT & MUSIC EXPERTS

TELEVISION PROGRAM ENTERPRISES

TPE

A DIVISION OF TELEREP, INC

THE CREATORS OF

ENTERTAINMENT TONIGHT

Lifestyles of The RICH and FAMOUS

Star Search

COMES

TRIPLE THREAT

TRIPLE THREAT,
a unique new half-hour weekly game show.

TRIPLE THREAT,
where **three** generations of families in **three** rounds of competition try to identify songs from **three** areas of the entertainment world—Popular Songs, Movies and Television Shows—totally from musical clues!

TRIPLE THREAT,
the once-a-week hit you'll want as a strip!

MUSIC AND FAMILIES ARE PROVEN INGREDIENTS FOR GAME SHOWS.

TRIPLE THREAT

HAS BOTH OF THESE ELEMENTS PLUS MUCH MORE!

- The glamour and glitter of entertainment: HIT SONGS, MOVIES, TELEVISION SHOWS.
- The unique interaction of three generations expanding the demographic appeal to its widest possible base—more than any other game show. The ultimate family game show.
- Non-stop music using original hit recordings.
- The opportunity for promotable celebrity family competition.
- Designed to be easy for all family members to play.

TRIPLE THREAT

THE SHOW FOR ALL AGES!

THE SHOW FOR ALL TIME PERIODS!

THE SHOW FOR 1988!

Available on an advertiser-supported basis.

FOR FURTHER INFORMATION, CALL PHIL FLANAGAN (212) 750-9190

TELEVISION PROGRAM ENTERPRISES

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A DIVISION OF TELEREP, INC

TELEVISION PROGRAM ENTERPRISES
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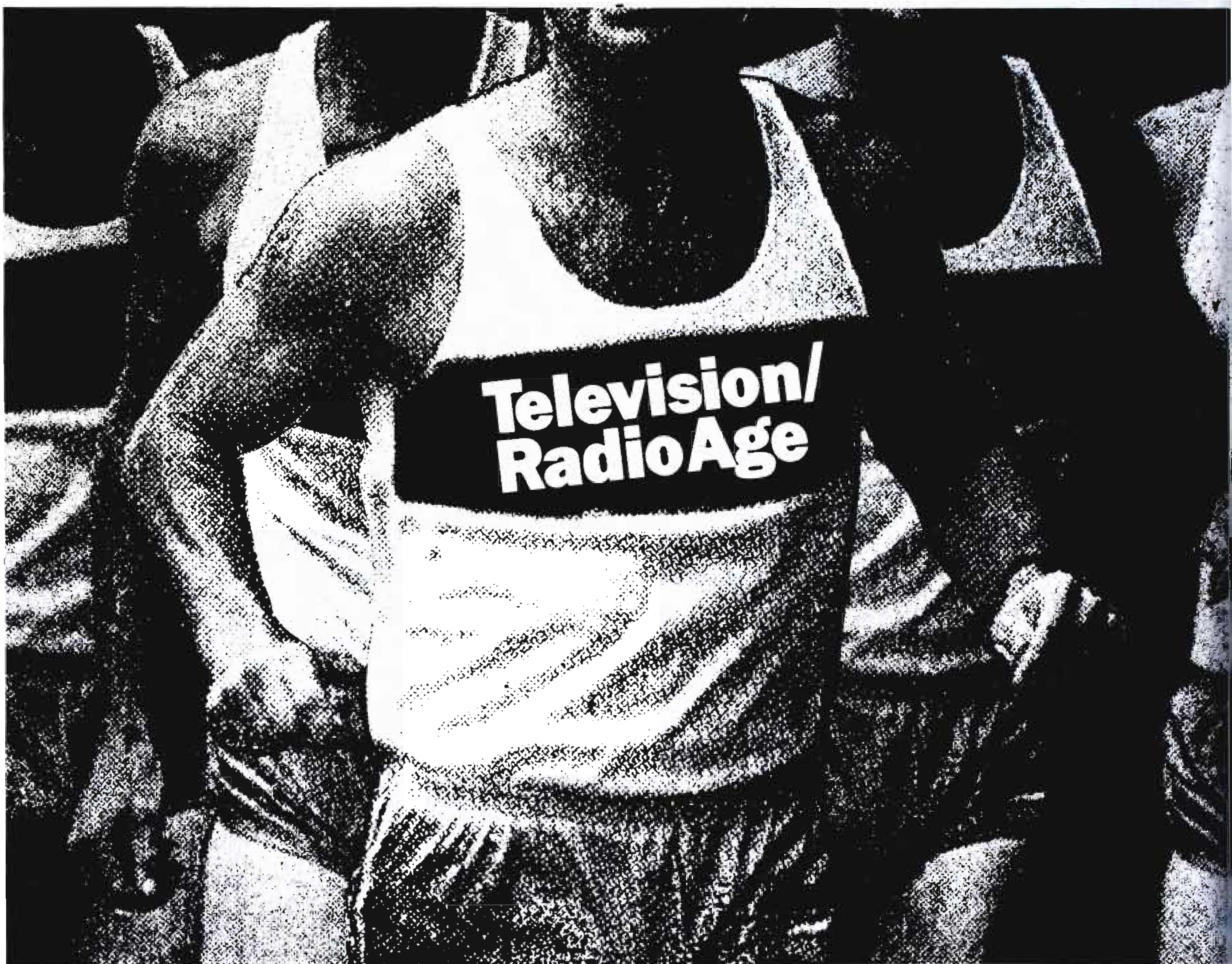
875 Third Avenue
New York, New York 10022



OUT IN FRONT TO INTV, NATPE AND BEYOND

The *Television/Radio Age* "ROAD TO NATPE" series is in its *9th consecutive year.*

This exclusive 5-part series explores, in detail, what stations are looking for in each daypart. Included will be the projected program needs of independents, affiliates and advertisers. This series takes the reader through INTV into NATPE and BEYOND.

Along the way we will explore other major issues, including the status of "syndicated exclusivity," "financial interest" and "network pre-emptions."

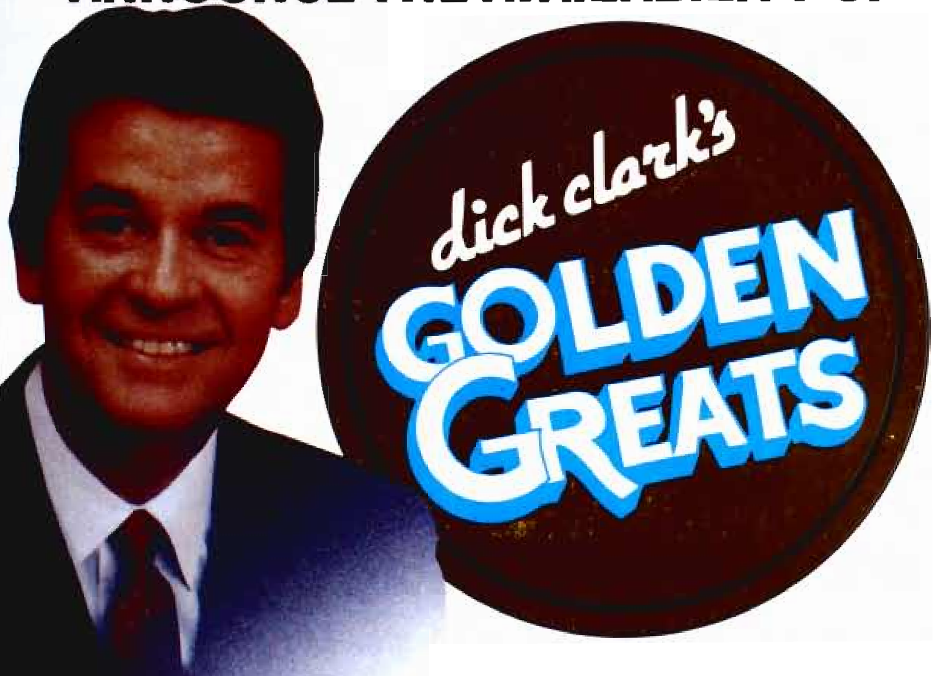
Television/Radio Age's exclusive program syndication coverage will not end with NATPE, but will continue during the post-NATPE period when sales continue to be made.

ISSUE DATE			CLOSING
DEC. 7, 1987	EARLY FRINGE	(PRE INTV ISSUE)	NOV. 23, 1987
DEC. 28, 1987	PRIME TIME	(INTV ISSUE)	DEC. 11, 1987
JAN. 11, 1988	LATE NIGHT	(POST INTV)	DEC. 28, 1987
JAN. 25, 1988	DAYTIME		JAN. 11, 1988
FEB. 8, 1988	ACCESS	(PRE NATPE ISSUE)	JAN. 25, 1988
*FEB. 22, 1988		(NATPE ISSUE)	FEB. 8, 1988
MAR. 7, 1988		(POST NATPE ISSUE)	FEB. 22, 1988
MAR. 21, 1988		(POST NATPE ISSUE)	MAR. 7, 1988

* Includes complete directory of programmers, product and personnel.

To place your space reservation now, please call Mort Miller in New York (212) 757-8400 or Jim Moore in Los Angeles (213) 464-3552.

TPE, AMERICA'S LEADER IN FIRST-RUN SYNDICATION, IS PROUD TO ANNOUNCE THE AVAILABILITY OF



26 half-hour weekly shows that feature the best of 20,000 performances from Dick Clark's personal library. Perfect for a variety of time periods from early fringe to late-night, targeting in on your prime audiences, the 18-54-year-old market.

TARRING THE MOST POPULAR HOST N AMERICA, RECOGNIZED BY 1% OF ALL AUDIENCES:

87 Performer Q Host/Announcer

ICK CLARK	**91%**
OHNNY CARSON	90%
AT SAJAK	83%

usic shows on the networks hosted by Dick Clark have ways delivered between 28 and 46 shares! For example:

America Picks the #1 Songs/ABC
17r/28 share
31% increase for the 9-11 time period

Dick Clark's Good Old Days/NBC
24r/37 share
33% increase for the 8-10 time period

American Bandstand's 25th Anniversary/ABC
24r/46 share
81% increase for the 9-11 time period

Dick Clark has selected five "Golden Great" performances from his private collection for every show. Here's the first week's extraordinary lineup:

ROD STEWART, in London, singing his first hit,"Maggie May"

DONNA SUMMER performing her smash,"Last Dance"

THE BEACH BOYS, in their first filmed appearance, doing "Surfin' Safari!"

BUDDY HOLLY & THE CRICKETS— and the *real* live Peggy Sue!

Plus **THE JACKSON FIVE,** and their chartbuster hit "ABC"

Five reasons you should have Dick Clark's Golden Greats for your station!

- A proven dynamite host
- Top hits performed by top stars
- A format that is a proven ratings success
- Time period versatility
- Universal demographic appeal

FOR FURTHER INFORMATION, CALL PHIL FLANAGAN (212) 750-9190

TELEVISION PROGRAM ENTERPRISES
TPE
A DIVISION OF TELEREP INC

TELEVISION PROGRAM ENTERPRISES
distributed by TELETRIB
875 Third Avenue
New York, NY 10022

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1987

November 11–13	Television Bureau of Advertising Annual Meeting, Atlanta Marriott November 9, 1987 Issue

1988

January 6–10	INTV, Century Plaza, Los Angeles December 28, 1987 Issue
January 23–25	RAB's Managing Sales Conference, Hyatt Regency, Atlanta January 11, 1988 Issue
February 8–13	International Television Film & Video Programme Market, Monte Carlo Television/Radio Age International February Issue
February 25–29	NATPE International George Brown Convention Center, Houston February 22, 1988 issue
April 9–12	NAB, Las Vegas Convention Center April 4, 1988 Issue
April 10–12	Cabletelevision Advertising Bureau Conference, Waldorf-Astoria, N.Y. April 4, 1988
April 17–20	Broadcasting Financial Management Association, Hyatt Regency, New Orleans April 18, 1988
April 28–May 3	MIP-TV, Cannes Television/Radio Age International April Issue
April 30–May 3	NCTA, Los Angeles Convention Center April 18, 1988
June 5–11	Banff Television Festival, Banff, Canada May 30, 1988 Issue
June 8–12	BPME, Bonaventure, Los Angeles May 30, 1988 Issue
September 14–17	NAB Radio '88, Washington September 5, 1988 Issue
October 14–18	MIPCOM Cannes Television/Radio Age International October Issue
November 16–20	Television Bureau of Advertising Annual Meeting, New Orleans November 14, 1988 Issue

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

You'll be amazed how far you can getaway in thirty minutes.

GETAWAY IS ROMANCE

One evening you'll bask in th
brilliant blue of a tropical sk
happily lost on a little-know
island. The next evening you'll slip along
midnight indigo of the island cliffs, searching the seas

Already Sold

KCBS
Los Angeles

KYW
Philadelphia

WBZ
Boston

KPIX
San Francisco

ship that sails on the new moon. And you'll leave the
s in love with a new part of the world.
m America to Zanzibar, the *GETAWAY* hosts will
ne audience the "inside" information on the fun
the romantic escapes, and the secret hideaways.

They'll share their enthusiasm and insights, entertaining and informing the audience. With them, viewers will meet unforgettable people, witness captivating events, and revel in breathtaking beauty.

Moving, funny, romantic—real: GETAWAY is a first class ticket to the top of the ratings.

For Fall '88

KA
burgh

WJZ
Baltimore

Produced By
Andy Friendly
PRODUCTIONS
In Association With
GROUP W
PRODUCTIONS
A WESTINGHOUSE BROADCASTING COMPANY
3801 BARHAM BOULEVARD LOS ANGELES CA 90068 (213) 850 3800

Supreme Court hands cable a pole-attachment victory

In one of the first actions of its new term, the U.S. Supreme Court handed the cable industry another victory. It refused to review a case involving four couples who brought a "potential class-action" suit against cable pole attachments that lacked consent of the owners of property over which the lines stretch.

The case involved an attempt to apply the high court's five-year-old Teleprompter Manhattan CATV decision involving the placement of lines across the roofs of buildings to the placement of lines across backyards.

Four couples in Louisville, Ky., had claimed that the 1982 decision in which the court ruled that cables could not be laid across the roofs of adjoining buildings without owner permission meant that cable companies had no automatic right to use easements granted to public utilities.

As usual, the high court gave no reason for its decision not to hear the appeal, but arguments against its taking up the matter contended that no federal issue was involved—that the state courts acted within their jurisdiction in finding against the property owners.

Three levels of Kentucky courts found that the easements allowing access to utilities were apportionable to cable, and that neither the cable companies nor the utilities had to have separate permission from the property owners to attach the cable to the utility poles.

Ironically, all of the couples subscribed to the cable systems passing their property, two of them to Times Mirror Cable Television of Louisville, and the others to Storer Communications of Jefferson County.

They brought what they called a "potential class-action suit" against the cable companies and the respective utilities whose poles they used—a telephone company and an electric company. A survey said 31,000 single-family dwellings in the county were similarly affected.

Although the couples subscribed to the cable systems passing their homes, they apparently objected to the appearance of the lines crossing the five-foot easement across the rear of their property. They said in their brief appealing the case to the U.S. Supreme Court: "CATV cable is thick, located low on the pole, is unsightly, and causes damages."

The Fifth Amendment. The case took shape shortly after the high court ruled in Loretto vs. Teleprompter Manhattan CATV Corp. in 1982 that a state statute requiring landlords to allow the installation of cable television facilities on their rental property was unconstitutional.

The couples cited the same Fifth Amendment argument the high court had used in the Teleprompter case. The Amendment says private property cannot be taken for public use without just compensation.

In their brief, the couples said they were seeking damages "for trespass to land by the location of overhead CATV distribution cable and a CATV guy wire on the property of petitioners in public utility easements without their permission, or payment of just compensation, for this taking of interests in land."

They said their main issue "was that their easements were interests in land not apportionable to new uses or new users such as CATV" and that the utilities and cable companies "were guilty of fraudulent concealment of their duty to disclose to landowners the question of trespass and landowner permission for use—thus negating consent."

The Kentucky courts ruled at all levels that the easements were apportionable by the utilities to the cable companies and that compensation to the property owners was not required. In doing so, the courts found that the cable companies were utilities.

In response, Times Mirror said the Teleprompter case didn't apply in the Kentucky case because "in that case, this court invalidated a state statute requiring landlords not to interefere with, or charge a fee for installation of cable television facilities upon their rental property. The state law issues of construction of easements and whether there had been consent to an alleged trespass were not at issue in that case, as they are here."

The record's clean. Storer argued that "the Supreme Court of Kentucky found the record clear that petitioners had no objection to the installation of the cable television equipment when it was installed, that petitioners signed an agreement permitting the cable television companies access to their properties for installation and maintenance of the cable television equipment, and that petitioners agreed to the installation of an aerial drop line across the properties outside the confines of the easement to connect the cable within the easement to their residencies."

Times Mirror said that in addition to the series of consents that the couples gave to installation of cable, the deed to their property provides that the land is subject to easements that include a five-foot strip for utilities. It added that even if those were arguable questions, the U.S. Supreme Court did not have jurisdiction to consider them because "this case presents no issue of federal law. It is a trespass action and the judgment of the Supreme Court of Kentucky is based upon an independent and adequate state law ground, that is, petitioners consented to the presence of Times Mirror's coaxial cable.

Neither the question of trespass nor the question of whether easements are apportionable "is an issue of federal law, arises under any provision of the Constitution of the United States, or presents any issue of the construction of a federal statute," the Times Mirror brief said. After the couples had lost the original round in trial court, the Kentucky appeals court found that utility easements could be apportioned to cable television. The Kentucky Supreme Court centered its decision in favor of the cable companies and utilities on the finding that they were not guilty of trespass—**Howard Fields**

New Jersey Assn. officers

Elected officers *of the New Jersey Cable Assn.: Joel Goldblatt, secretary; Phil Patterson, vice president; Paul Freas, president and chairman; David Breidinger, treasurer.*

FNN expands coverage

Financial News Network, which has been having a field day with all that's going on in Wall Street, has expanded its contract with *Nihon Keizai Shimbun* (*The Japanese Economic Journal*) to increase its distribution from two to four programming segments.

"The Pacific rim countries are becoming increasingly important to the financial community," says Mike Wheeler, senior vice president and general manager of FNN.

Under the terms of the agreement, four programming segments will be picked up each day from FNN's transponder on Satcom III-R, and then transferred to Intelsat for direct beaming to Japan. The programming will be shown on *TV Tokyo*, which is a *Nihon Keizai Shimbun* television program and distributed via an international network. FNN's current international financial coverage includes daily reports from London, Tokyo, Frankfurt, Sydney and Hong Kong.

In other news from FNN, Gary Salem, former news director at KSTS-TV San Jose, has been named anchor of the service's *World Business Report* and *World Business Update*. Both reports focus on the international financial markets.

ESPN claims football record

ESPN is claiming that its four NFL pre-season cablecasts set rating and share records for any program series on basic cable TV. Using Nielsen data, ESPN says the football cablecasts averaged an 8.5 rating (good for 3.6 million homes) and a 14 share. The games aired August 16, 23, 30 and September 3.

"ESPN's 14 share performance was comparable to the three broadcast networks, which averaged a 17 share in ESPN homes in August," says C. Dana Redman, ESPN vice president for research. ESPN's weekly primetime reach (cume) increased from 24.5% (10.5 million homes) prior to the NFL telecasts to 35.5% (15.2 million homes) during the weeks the network ran an NFL game. This represents a 45% increase in the number of homes tuned to ESPN in primetime.

ESPN's NFL preseason games also were aired on broadcast stations in the markets of the competing teams. The combined cable and over-the-air rating average for the four games was a 9.4 (4.25 million homes), according to ESPN.

People in cable

The New York State Cable Television Assn. has elected **Eric S. Kronen** as chairman. Kronen is vice president and general manager of **Viacom Cablevision** of Long Island.

Rene Garcia has been named executive producer, special programming, for **MTV: Music Television,** and **Hal Wolf** is promoted to director, affiliate market development . . . At **Showtime/The Movie Channel**, **Sharon Portin** has been promoted to national sales vice president for Viewer's Choice.

LBS cable strategy

LBS Entertainment has taken *Inspector Gadget* out of syndication and is "resting it on cable," according to the company's president, Paul Siegel.

Nickelodeon has the series exclusively for one year, then nonexclusively for a second. "Then we'll try and resyndicate it," Siegel says. He adds that LBS is getting about $10,000 per episode from Nickelodeon.

While Siegel was not specific, he says LBS is planning to do some first-run programming for cable, programming that later will go to home video and syndication. "But right now," he says, with *Inspector Gadget* "we're doing the reverse."

Political gabbing in D.C.

The Cabletelevision Advertising Bureau (CAB) is trying to drum up interest in a cable TV political advertising workshop to be held January 15 in the Caucus Room of the Cannon House Office Building in Washington.

The CAB is working with the NCTA to set up the conference aimed at demonstrating the impact cable has on political communications.

A&E going 24-hours

True to earlier predictions, Arts & Entertainment says it will begin fulltime, 24-hour-a-day service beginning January 1. "The demand for a 24-hour schedule for A&E programs from both affiliates and individual subscribers has been substantial," says Nickolas Davatzes, president and CEO of A&E.

Meanwhile, A&E has begun running the five-part documentary series on the Civil War, *The Divided Union*.

Markets Sold

Boston/WFXT
Chicago/WFLD
Dallas/KDAF
Duluth/WDIO
Grand Rapids/WOTV
Greenville/WNCT
Houston/KRIV
Las Vegas/KLAS
Los Angeles/KTTV
Minneapolis/KSTP
New York/WNYW
Norfolk/WTKR
Roanoke/WSLS
St. Louis/KTVI
Washington, D.C./WTTG

Ideal for News and Prime Time viewers.

According to Nielsen, more of A Current fair's women 25-54 viewers watch affiliate ws and affiliate prime time than any of its me access competitors.* That makes A rrent Affair the perfect transition from your ws to prime time!

Over the past year A Current Affair has en a hit with major national advertisers cause it appeals to a young, upscale and olved audience—especially in the key nographic of women 25-54.

A Current Affair is ready to be your station's next Prime Access franchise. Available now!

"You win the bet, and I owe you a dinner."

Ron Devillier, President
Devillier Donegan Enterprises

DEVILLIER · DONEGAN · ENTERPRISES

October 26, 1987

Mr. Mort Miller
Vice President & Sales Director
Television/Radio Age
1270 Avenue of the Americas
New York, New York 10020

Dear Mort:

The one-third page ads we ran exclusively in Television/Radio Age in '87 worked beautifully.

So you win the bet, and I owe you a dinner --

We'll definitely take the same schedule in '88 ... But the bet's off!

Cheers,

Ron Devillier
President

THEY MADE
MORE THAN
MOVIES . . .

THEY MADE
HISTORY

"Hollywood:
The Golden
Years"

6 x 1 hr Narrated by Ed Asner

The rich archives of RKC
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* *based on 12/86 BPA/ABC Audit Statements*
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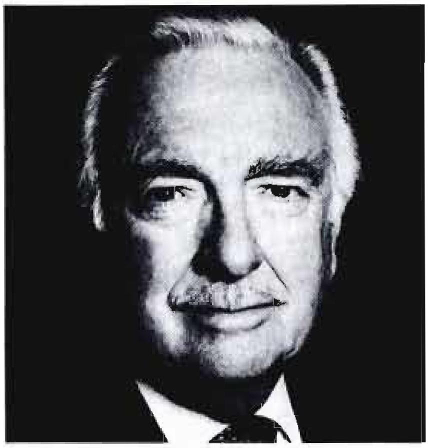
Radio Report

Cronkite's 'Twentieth Century' makes radio debut

Walter Cronkite, perhaps still "the most trusted man in America," is back on the air—this time courtesy of CBS Radio, which will satellite-feed *Walter Cronkite's Twentieth Century* to more than 400 stations.

The 90-second Cronkite inserts (60 seconds of editorial, 30 commercial) began airing November 2, Monday through Friday, at 1:25 p.m. The short features are produced for CBS Radio by Radio Today under the production eye of Dan Formento.

Cronkite, who remains a senior correspondent for CBS News, also has recently been freed of a contract



Walter Cronkite

which prohibits him from doing television or radio productions outside CBS.

Cronkite's return to broadcasting on a regular basis (he signed a one-year commitment to the show) was pulled off by Alice Allen of Hill and Knowlton. Her client, Chronicle Publications, was looking for something to promote its book, *Chronicle of the 20th Century*. Chronicle has agreed to sponsor the show for the first 13 weeks, according to a spokesman for Radio Today.

(Short) wave of the future

With the audience for shortwave radio expected to climb from today's 4% of the population to about 20% in the next 15 years, shortwave commercial radio stations are scheduled to double from one to two when KUSW Worldwide, a new 2.5-million watter out of Salt Lake City, joins WRNO New Orleans in broadcasting overseas by year's end.

Ralph Carlson, president, Carlson Communications, describes KUSW's planned coverage areas as including "all of North America, and we'll also be heard in Europe and parts of Africa."

Meanwhile, Alan D. Hague, executive vice president of KUSW Worldwide Radio, says the initial reception of KUSW's plans by major ad agencies and companies "has been very encouraging. Examples of marketing success abroad abound: McDonald's in Paris, Coca-Cola in China, and blue jeans throughout the world." He adds that sales representation of KUSW will be handled within the U.S. by Interep's Durpetti & Associates and in Canada by All Canada Radio & Television.

KUSW programming, he says, will be mostly music but will include news, weather and public affairs.

The Wave fights AIDS

KIWV-FM continues to make waves in Los Angeles, this time with a new promotional campaign themed "Wave Aid." According to the station's program director, Frank Cody, the New Age formatted station—known locally as The Wave—is hitching onto the American Foundation for AIDS Research (AmFar) to produce, market and sell a 60-minute CD and cassette recording featuring some of the best in New Age music recordings. Proceeds from the sales will go directly to the AmFar campaign, says Cody.

The CD and cassette will be released November 23 and distributed to retail outlets throughout Southern California by California Record Distributors. Artists and songs on "Wave Aid" include Suzanne Vega, *Marlene on the Wall*; Mannheim Steamroller, *Mere Image*; Swing Out Sister, *Communion*; David Benoit, *Kei's Song*; Jennifer Warnes, *Bird on a Wire*; Richard Burmer, *Across the View*; Steve Kindler/Teja Bell, *Windsurfer*.

According to Cody, the station plans to produce 10,000 units in the initial pressing, with an eventual total reaching perhaps as high as 25,000 units. The CD is selling for $14,98 and the cassette at $9.98.

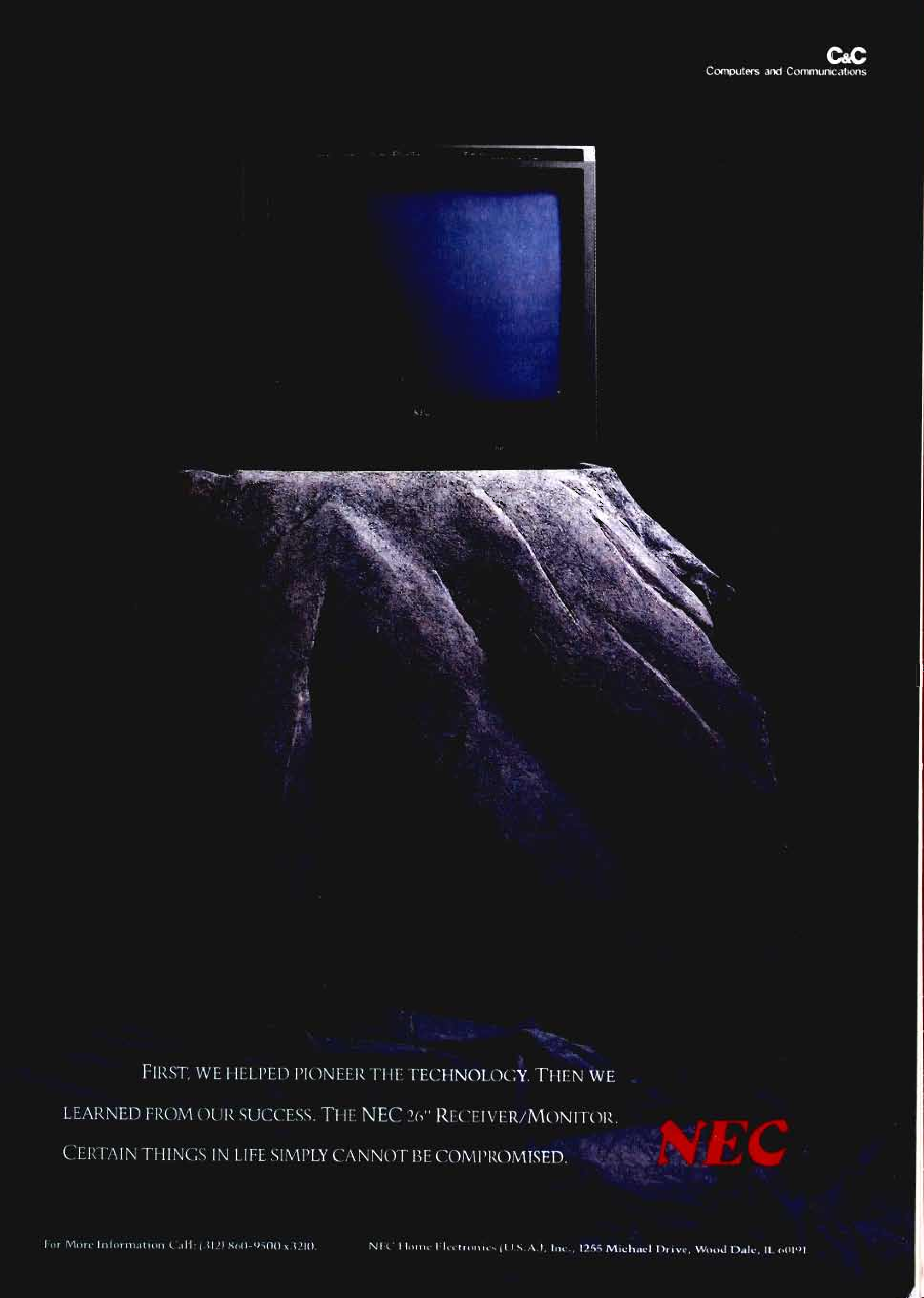
Best of The Wave. The recording, says Cody, "represents the best of The Wave." When Cody, station general manager Howard Bloom and others first came up with a list they felt best represented The Wave sound, they had almost 40 titles. At that point they turned the project over the Chris Brodie, the station's music director, who began negotiating with artists and record companies for the rights to repackage their recordings.

"The reaction was terrific," says Cody. "The artists were saying 'What do you need and how can we help.' They were all very eager to help. The response was overwhelming."

Since KTWV reformatted into the New Age sound, its ratings have gone through the roof, and one promotional campaign after another has further solidified The Wave's position in the market.

Up to this point, one of the station's most successful community service campaigns, according to Cody, was The Wave beach (trash) cans along the nearby beaches. This time, Cody says, "We were looking for a new way to put a spin on the ball, to do something so different, and at the same time give something back." The station's logo and a new logo for "Wave Aid" will go on every CD and cassette.

And if the Southern California campaign turns out to be a hit? Look for a national campaign to follow.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Radio Business Barometer

September spot radio off 4.1%

September was another down month for spot radio, according to the latest figures from Radio Expenditure Reports. The drop was 4.1% and followed a dip of 2.5% in August and a small rise of 1.4% in July.

The third quarter is down a little, therefore, the summer seeing the continuation of a really slow year for spot radio. Except for February, which unaccountably jumped up over the year before by 13.2%, there hasn't been a really good month for spot in '87.

The RER figures for September, based on reports from all the major reps, show time sales of $76,536,900, down from $79,819,300 the year before. This follows an August which billed $95,032,500. However, August was a five-week Standard Broadcast Month (SBM), while September was four weeks. In both months, the SBMs were the same the year before.

July, which was a four-week SBM, also compared with a four-week SBM in '86, so there were no adjustments for the third quarter. The quarter came in at $246,137,400, compared with $250,771,700 last year. The resulting decline amounts to 1.8%.

The third quarter was not as bad as the second quarter, however, the latter three-month period suffering a particularly poor May, which was down 10.1%. Consequently, the April–June period decreased 5.2% in billings. The first quarter was on the plus side, up 2.1%, primarily due to the unusual February spurt.

All four market groups broken out by RER were down, particularly the 11th-to-25th markets. This group was down from $18.0 to $16.4 million, a drop of 9.0%, a percentage almost twice that of any other group. Least affected were the top 10 markets, down from $30.5 to $30.0 million, a dip of 1.5%.

Even the 51-plus markets, which have been up slightly over last year, were down in September, as well as during the third quarter. The September decline was from $19.2 to $18.7 million, a drop of 2.7%. As for the 26th-to-50th markets, they were down 5.5%, with time sales dropping from $12.1 to $11.4 million.

Three of the four groups were down in the third quarter, with the top 10 markets showing a slight gain. This market group was up 0.6% to $94.8 million. The 51-plus markets, down 3.1%, had time sales of $59.8 million. The other two groups were both off 3.5%, with the 11th-to-25th group showing sales of $54.1 million and the 26th-to-50th group registering billings of $37.5 million.

Year-to-date

At this point, through September, spot radio is off 2.2%, dropping from $683,826,900 to $668,962,100. The only market group not down is the 51-plus markets, up 0.4% to $170.2 million. The 26–50 group was down the most, off 4.6% to $100.8 million, the top 10 markets were off 3.7% to $251.2 million, and the 11–25 group was off only 0.8% to $146.8 million.

National spot —4.1%

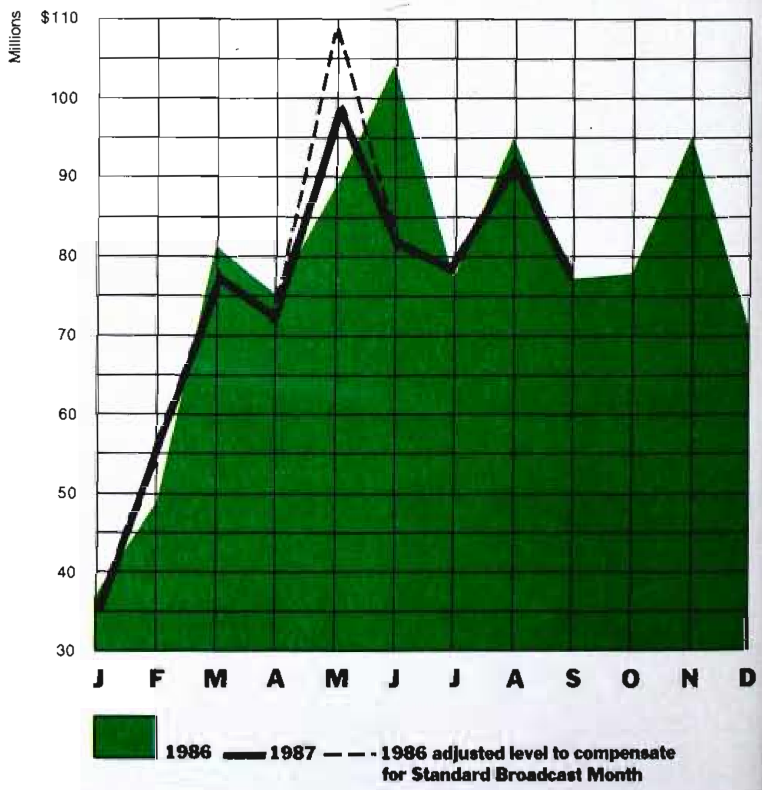
(millions) **1986: $79.8** **1987: $76.5**
1986 adjusted $79.8

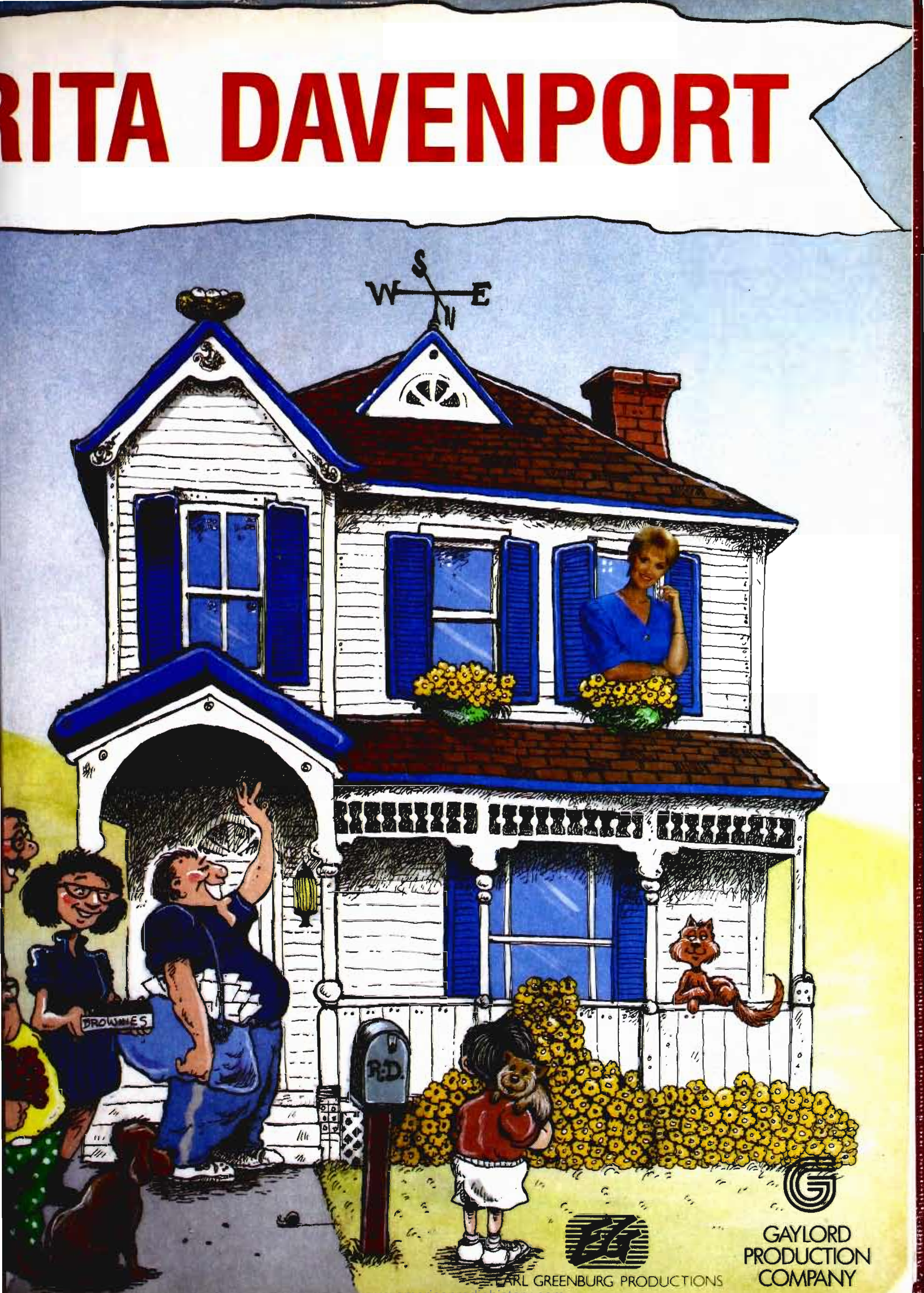
Changes by market group

Market group	Billings (mils.)	% chg. 87–86
1–10	$30.0	−1.5%
11–25	16.4	−9.0
26–50	11.4	−5.5
51+	18.7	−2.7

Source: Radio Expenditure Reports

September

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P&G deals with Turner/Tribune, Katz put agency execs' wheels into motion

Can agency aces hold TV network CPMs in check?

By EDMOND M. ROSENTHAL

Television/Radio Age
November 9, 1987

With network upfront CPMs having gone up 10–30%, the name of the game is creative alternatives.

In the ongoing poker game that agencies and advertisers play with the networks to keep advertising rates in line, some new wild cards are being added.

While cable and syndication—and sometimes even spot TV—have been used as alternative media to strengthen the advertiser's hand for some time, two recent deals made by Procter & Gamble are being looked upon by some agency media executives as possible new aces in the hole.

With network upfront CPMs having gone up 10–30% and the immediate scatter market not looking much better, the name of the game is "creative alternatives," and while some buyers of network time aren't terribly excited about the approaches P&G is taking, the majority view is pretty well summed up by Bob Daubenspeck, senior vice president, national director of broadcast at Foote, Cone & Belding, when he says, "Any time a new form comes out that's an alternative to network, our feeling is that our clients should support it—because it keeps network prices in line."

While some agency execs say the P&G buys may not be as innovative as they seem, they note that what sets them apart is the amount of money involved. The first shoe dropped when the nation's biggest advertiser placed $10 million with Turner Broadcasting Co. and Tribune Broadcasting, which combined as an "unwired network."

The buy applies to superstation WTBS and Tribune's six independent stations, which together reach 65% of the country, in primetime and primetime access. Units are being priced 15–25% below network TV, which is comparable to barter syndication pricing. Turner and Tribune indicate that, as a similar arrangement is offered to other advertisers, Turner's CNN and Headline News plus other independent stations may be fit into the package.

The second shoe to drop was a multimillion-dollar deal for P&G to buy 60-second pods of access time on all 191 Katz Television Group stations for two quarters. With 91% of the country covered, the money reportedly comes from national vs. spot budgets. While Katz asserts there is no dicounting of station rates, agency execs refuse to believe it. Meanwhile, TeleRep discloses it is offering its entire station list, 46 stations, in a similar arrangement (TV/RADIO AGE, *Final Edition*, Oct. 26).

"We might do some deals with the

"You have to be careful in comparing network Nielsens with spot market Nielsens. . . . A 15% CPM spread could easily be the difference between the two types of rating services."

Richard Kostyra
Executive vice president
J. Walter Thompson

"I think P&G made a mistake in passing on the upfront market because they thought it was too high and found scatter proportionately even more expensive . . ."

Gary Pranzo
Director of local broadcast
Young & Rubicam

reps like that," discloses Gary Pranzo, director of local broadcast, Young & Rubicam. "We've been talking with a couple. But we're still more likely to buy on a station-by-station basis. No one has proven any advantage to me yet except that they're talking one bill—letting the reps do the work for us. In any case, we'd be looking for a price incentive, and we want to make sure the inventory is there when we want it."

Lou Schultz, executive vice president, director of media serices, Lintas USA, also is talking new alternatives. He says the Turner/Tribune deal is "something I had looked at for some time for some of our clients, and I think it's a very innovative approach." More specifically, he reports having talked to Tribune alone in terms of combining with other station groups for a General Motors deal—"but it never got off the dime. If you can get the markets and CPMs you want, this can be very effective. But it was hard to get all the parties involved, and we wanted certain guarantees and restrictions on programming."

The big difference between a GM and a P&G, Schultz notes is that P&G is looking primarily for women 18–49 and can be more flexible in the programming it will accept than a more male-oriented advertiser.

Schultz had been speaking recently with Fox Network, Katz and Blair Television—"but the reps had some markets we were not interested in." As for making an entire-list deal with a rep, he contends,"We would need some pricing incentive, some guarantees, and guidelines in the kinds of shows the spots would run in. We have no plans to do anything along these lines at this point."

The Turner/Tribune deal is "not revolutionary," according to Richard Kostyra, executive vice president and director of media services at J. Walter Thompson. "The only difference is that they bought the two together. I don't know what the economics are, but the fact that P&G has done it will spur others to looking at that alternative."

For a tonnage-oriented advertiser like P&G, a station group/cable or rep "network" deal could work pretty well, Kostyra holds, but a cable-oriented offering 15–25% below network CPM "doesn't warrant much consideration, because any spot on cable should normally come in at that much below network."

In a rep deal, he adds, "You have to be careful in comparing network Nielsens with spot market Nielsens. In one, you're dealing with the people meter, and in the other, you're not. A 15% CPM spread could easily be the difference between the two types of rating services."

Page Thompson, executive vice president and media director at DDB/Needham Worldwide, doesn't believe the P&G deals represent an accelerated move to get out of network TV. He notes the condition of the network marketplace may have influenced the deals somewhat, but the search for alternatives is something P&G is always doing, as are other major advertisers.

But Pranzo of Y&R has another perspective: "I think P&G made a mistake in passing on the upfront market because they thought it was too high and found scatter proportionately even more expensive because there was less of it to go around." So, he concludes, these buys became necessary in order to fill the void.

To Mike Drexler, executive vice president and national media director at Bozell, Jacobs, Kenyon & Eckhardt, "P&G, which is always looking for more efficient ways to allocate money, uses these elements for small portions of its overall budget. This is not going to be a major allocation for P&G. It's just another way of parking funds to get tonnage. They've indicated they're going to go further into targeted programming, and I feel they got a cost-efficient deal" in the Turner/Tribune arrangement.

As for the Katz deal, he asserts, "It's another form of syndication—an ad hoc network with the objective of tonnage and good CPM. There *has* to be a CPM advantage in th deal. I think the only problem in this kind of deal is that you may not get the uniformity you're looking for in terms of dayparts; they'll be all over the lot.

"I tried to institute ad hoc networks with reps a couple years ago when I was at Doyle Dane Bernbach. I was trying to see if there was enough interest from stations and reps, but the commitments were not big enough. The stations are always concerned that, if they sell themselves short, it will be hard to bring up the rates again. They'll only be willing to go along if the commitment is large enough."

At BBDO, according to Steve Grubbs, senior vice president and director of national TV buying, most cli-

(*Continued on page 94*)

"There has to be a CPM advantage in the [Katz-P&G] deal. I think the only problem . . . is that you may not get the kind of uniformity you're looking for in terms of dayparts . . ."

Mike Drexler
Executive vice president
Bozell, Jacobs, Kenyon & Eckhardt

Agencies await web rate relief

It's a story of people meters, panic, new upfront money

Soaring network TV CPMs have created a chain reaction in the broadcast marketplace, according to top agency media executives, overflowing into similarly high CPMs in the fourth and first quarter scatter markets and even into the spot TV market.

They see no loosening up of inventory and rates until the second and third quarters, and some say this will be partly due to the recent Wall Street nosedive's effect on advertiser spending.

Blame it mostly on the people meter. What comes out as a 10–30% increase in CPMs in comparing people meter results with those from the old household meters may be just several percentage points if comparisons are made on a like basis. But try to tell that to an advertiser, who will probably say, "This is the first true measure of the audience we've had." Nevertheless, the people meter and the networks' defensive actions to it have had a lot to do with what's happened to the network marketplace.

"I believe the networks may have extracted CPM increases that are not justified," holds Michael Moore, senior vice president and corporate media director/USA division at D'Arcy Masius Benton & Bowles. One effect of the people meter, he says, is that the uncertainty it caused for advertisers may have motivated them to put a disproportionate amount of their spending into the upfront market in order to have the comfort of guarantees.

But this could wash out favorably in the scatter market, he notes, because, "If the networks held more inventory to back up those guarantees than they needed to, there may not be a lot of scatter money left, and those units may go cheap." From what Moore has seen, "There has not been the kind of demand for spot TV that there has been for network. High network prices may have sucked a lot of money out of spot."

"I believe the networks may have extracted CPM increases that are not justified. . . . High network prices may have sucked a lot of money out of spot."

Michael Moore
Senior vice president
D'Arcy Masius Benton & Bowles

People meter vs. household meter comparisons aside, "This has got to be the best year the networks have ever experienced so far," claims Bob Daubenspeck, senior vice president and national director of broadcast at Foote, Cone & Belding. "The upfront market was $2.9 billion for all three networks. That's an increase of $400 million (16%) over a year ago. Take into account the reduction in the supply of rating points and you have a scenario of whopping increases.

"I would have thought there would have been a softer scatter market, but there was not. Everything is priced out from primetime, and if it goes up, so does everything else. The money flows to other dayparts to offset the rising costs. So there's no way daytime can get whopping increases if primetime is priced downward."

Page Thompson, executive vice president and media director at DDB Needham Worldwide, comments, "The scatter market has not driven us to any other forms as of yet because we expect to see some softening in the scatter market. Because of the high prices in upfront, many advertisers went immediately into the scatter market. But we're going to see loose scatter in the second and third quarters. Prices aren't going to be low, but they're not going to be as high as some expect."

Thompson adds that some clients, for internal reasons, had wanted to get out of buys—particularly the World Series—but were unable to do so because there was still some inventory left.

Lou Schultz, executive vice president and director of media services at Lintas USA, compares the behavior of the upfront market to what happened recently on Wall Street: "A few people panicked and created a stampede. A lot of big players were unwilling to move early on upfront—and a lot of medium-sized advertisers did. The majors did get in, but they got in late.

"When the majors did get in, all dayparts moved at the same time, includ-

(Continued on page 102)

"I would have thought there would have been a softer scatter market, but there was not. Everything is priced out from primetime, and if it goes up, so does everything else."

Bob Daubenspeck
Senior vice president
Foote, Cone & Belding

The big TV rep switches: Phase Two

The big rep switches that kept exploding all through 1987 won't have as much effect on the economy as the collapse of the stock market, but it was just as traumatic to the principals involved. While there was no clearcut cutoff to the rep domino-like turmoil, it is now winding down after an unprecedented number of stations moving from one rep to another (see story, TV/RADIO AGE, July 6).

The listing below covers the changes in TV representation in 1987 as of the end of October in the top 100 markets. Though there may be a few stations who switched reps that were not included in the listing, all the major changes are shown.

This listing updates a smaller listing in the July 6 story. Some additions include switches made before the July 6 story was written and were inadvertently left out—such as the Knight-Ridder stations that moved to Harrington, Righter & Parsons early this year. But other switches kept occurring after the article was published—such as the Chris-Craft and Grant Broadcasting stations moving to Katz.

Not repeated are the two contending theories which were offered as the reasons for the massive switches: (1) fundamental changes involving FCC regulations and station ownership and (2) a chain reaction set off by one or two groups.

Rep switches in top 100 markets in 1987

DMA rank	Market	To TeleRep Sta.	To TeleRep From	To Katz Sta.	To Katz From	To Petry Sta.	To Petry From	To Seltel Sta.	To Seltel From	To MMT Sta.	To MMT From	To HRP Sta.	To HRP From	To Blair Sta.	To Blair From
1	New York					WNYW	Katz								
2	Los Angeles	KTLA	Petry	KCOP	T-R	KTTV	Katz								
3	Chicago	WGN	Blair	WGBO	Seltel	WFLD	Katz			WPWR	T-R				
4	Philadelphia	WPHL	Petry	WGBS	Seltel			WTAF	T-R						
5	San Francisco			KBHK	MMT					KOFY	Katz			KICU	Seltel
6	Boston					WFXT	ITS								
8	Dallas-Ft. W.	WFAA	Petry	KXTX	Seltel	KDAF	Katz	KTXA	MMT	KTVT	T-R				
9	Washington	WTTG	Katz					WDCA	T-R					WUSA	MMT
10	Cleveland									WUAB	T-R				
11	Houston	KHOU	HRP					KTXH	MMT	KHTV	T-R	KRIV	Katz		
15	Seattle	KCPQ	MMT							KSTW	T-R				
16	Miami	WDZL	Katz	WBFS	Seltel			WCIX	T-R						
17	Mpls.-St. P.	WCCO	Katz	KMSP	T-R										
18	St. Louis	KMOV	Blair			KPLR	T-R								
19	Denver	KWGN	Petry												
20	Sacramento	KXTV	HRP			KRBK	T-R			KTXL	Petry				
25	Portland, O.			KPTV	T-R										
29	Milwaukee					WVTV	T-R								
31	Nashville							WCAY	T-R						
33	New Orleans	WGNO	Petry			WVUE	T-R	WNOL	MMT						
35	Raleigh-Durham							WLFL	MMT	WKFT	ITS				
36	Okla. City	KWTV	HRP									KTVY	MMT		
39	Memphis							WMKW	MMT						
41	Salt Lake C.									KTVX	T-R				
42	Providence											WPRI	MMT		
44	San Antonio							KRRT	MMT	KMOL	T-R				
46	Norfolk	WVEC	Petry	WYAH	T-R			WTVZ	MMT						
50	Albany											WTEN	MMT		
53	Tulsa	KOTV	Petry			KTUL	T-R								
59	Mobile											WALA	MMT		
65	Albuquerque	KGSW	MMT												
66	Syracuse													WIXT	Katz
77	Austin					KVUE	MMT								
81	Tucson	KMSB	Blair									KOLD	MMT		

Owners of stations shown—Ackerley Communications: WIXT. Allbritton Communications: KTUL. Belo: KHOU, KOTV, KXTV, WFAA, WVEC. Camellia City Telecasters: KTXL. CBN: KXTX, WYAH. Chris-Craft: KBHK, KCOP, KMOL, KMSP, KPTV, KTVX. Fox: KDAF, KRIV, KTTV, WFLD, WFXT, WNYW, WTTG. Gannett: KVUE, WUSA. Gaylord: KHTV, KSTW, KTVT, WUAB, WVTV. Grant Broadcasting: WBFS, WGBO, WGBS. Griffin Television: KWTV. Kelly Bros.: KCPQ. Knight-Ridder: KOLD, KTVY, WALA, WPRI, WTEN. Koplar: KPLR, KRBK. Newsweb Corp.: WPWR. Odyssey Partners: WDZL. Providence Journal Broadcasting (Mountain States Broadcasting): KGSW, KMSB, WPHL. Tribune: KTLA, KWGN, WGN, WGNO. TVX: KRRT, KTXA, KTXH, WCAY, WCIX, WDCA, WLFL, WMKW, WNOL, WTAF, WTVZ. Viacom: KMOV. Ralph C. Wilson Industries: KICU. Notes: DMA rankings are 1986–'87. T-R stands for TeleRep. ITS is Independent Television Sales

International TV sales business includes toys, books, comics and T-shirts

U.S. distributors climbing aboard merchandise wagon

By JACK LOFTUS

"Oh mommy, mommy I want Alf, please, please!" Mother smiles: "We'll see dear."

"I mean the talking Alf, mom, please, just like the one on TV? And the shirts, mom, look at all the different T-shirts. Please mom, huh?"

"We'll see dear."

"And don't forget the clothes for Alf, ma, and the books and the comics. Please, come on ma?"

Again mother smiles. "But dear, we can't lug all that stuff home today, maybe another time . . ."

"No, no ma, you don't understand. It's not all this stuff. I'm talkin' rights, ma, merchandising rights, maybe for Europe and Australia. Call Michael Solomon over at Lorimar, ma, lemme talk to him. Maybe we can work something out. You remember him, ma, he sold us *Max Headroom!*"

No question our young entrepreneur is talking about the right guy, because Solomon, president of Lorimar, has to keep milking that money cow, squeezing more and more out of his international sales operations in order to (1) keep the company on an even keel after Lorimar overextended itself, and (2) to feed the company's new-found appetite for theatrical film production.

For the current fiscal year ending March 30, Solomon's international sales troupe will kick in between $80–90 million, making it by far the most profitable unit in Lorimar (but then this part of the company has very little expenses), and next fiscal year the powers-that-be are turning the screws even harder, demanding $100 million. Can Solomon deliver?

Haven't the time

Not every company has the size and luxury of being a one-stop-shop when it comes to combining television, homevideo and merchandising.

Take, for example, Crystal Vision, the U.K. producer of *Merlin's Memories*. This children's television pilot is aiming to become a series, but distributor Claire Rowcliffe has her hands full just trying to make a TV deal.

"We'd like to merchandise the character," she laments, "but we just haven't the time."

A good part of that answer depends on an alien life form called *Alf*, a hit on NBC-TV that's just beginning to make its presence felt in the international TV marketplace. But it's not just the series Solomon's banking on, but the merchandising of the character as well. And therein lies a whole new dimension to what used to be a straightforward, I-got-it, you-want-it television sales business to foreign broadcasters.

For the current fiscal year, *Alf* merchandising probably won't amount to more than $3.5 million from overseas distribution, but according to Jeff Schlesinger, senior vice president for international merchandising operations under Solomon, the following fiscal year could see a 50% growth.

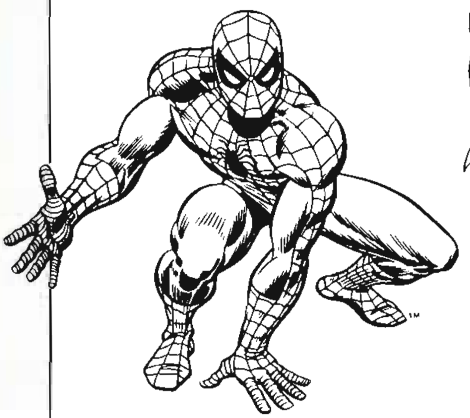
'Alf.' The alien really sells!

As the trend in merchandising gains momentum, the smart distributors are organizing their sales forces into a one-stop-shop.

'Incredible Hulk'

'Gumby'

'Spiderman'



Even without a TV deal, merchandising can create enough hoopla to spark a TV sale.

Alf has plenty of company in *Thunder Cats, Silver Hawks,* and, a bit later, *Gumby.*

Either by themselves or through their TV sales agents, distributors are falling all over themselves hoping to cash in on the merchandising connection. Schlesinger calls it a three-tier blitz involving television, home video and merchandising.

Even Bernard Chevry, organizer of the MIPCOM and MIP markets in Cannes is getting into the act. His Micel merchandise licensing market earlier this year was a dud as far as the Americans are concerned because it just attracted agents, no manufacturers.

This time around, however, Chevry says he will combine the 1988 MIPCOM and Micel markets into one big happy family.

"The place is going to be a madhouse," mused one of Chevry's agents. "You won't be able to move."

"It's going to be overwhelming," says Lorimar's Schlesinger. "I don't know if I can handle it." Well, that's the kind of problems salesmen love—being too busy to write all the orders.

Nevertheless with the trend in merchandising gaining momentum among U.S. overseas distributors, the smart ones are reorganizing their sales forces into a kind of one-stop-shop, bringing the three elements of international distribution together under one roof: television, home video and merchandising. That's how Solomon has reorganized Lorimar's international operations.

Other companies surveyed during the MIPCOM market in Cannes are scrambling to catch up, though some like New World, which bought Marvel a year ago, are better positioned than others.

Surprisingly, while several U.S. international distributors see the merchandising/television combo staring them in the face, they are almost helpless to aggressively pursue the expanded market because of the way their company is structured. Some new companies, for example, have grown so fast their people simply don't have the time to talk to one another. Sometimes the executive in charge of international distribution is in a separate division from the exec handling merchandising.

"Sometimes we talk to one another, but not often enough," laments one distributor referring to the company's merchandising staffer sharing the same booth at MIPCOM. "I'm just so busy that I don't have the time."

Then there are the companies which have written the book on the television, video, film and merchandising relationships. Walt Disney, for example.

But most international distributors don't have the luxury of a Disney organization and its vast library. Instead, they've had to start from scratch, and meld the merchandising trend into an already changing marketplace.

Lorimar forms merchandise unit

Lorimar president Michael Jay Solomon has reorganized his international sales operations and placed Jeff Schlesinger in charge of merchandising.

Presently, according to Schlesinger, Lorimar deals with manufacturers or publishers through its own agents. "We use our agents now as dealmakers," says Schlesinger, "but we are becoming more involved ourselves."

Pointing to Lorimar's television and video launch of *Alf* in overseas markets, he sees the company's growth in three stages: from agent, to joint venture with the manufacturer or publisher to an owned-and-operated company.

"We want to control our own destiny," says Schlesinger, "by applying the same techniques that made Telepictures so successful."

One way to go, says Schlesinger, is to handle merchandising for other companies with which Lorimar already has a TV distribution agreement. Take, for example, DIC, the French production company which distributes as well as merchandises its own product. However, Lorimar distributes DIC shows in Latin America and Southeast Asia.

"Since we are distributing for them in these countries," says Schlesinger, "we may want to handle the merchandising for them as well." □

TV deal comes first

But on one aspect of merchandise licensing they all agree: The television deal must come first.

"The television deal must come first, absolutely," says Lorimar's Schlesinger. Agrees James McNamara of New World International: "Without the TV deal you're a dead duck."

Some of New World's characters from the Marvel collection include *Spiderman, Spiderwoman, Commander Video, Robocop* and *The Incredible Hulk,* though McNamara says he's doing well merchandising *Santa Barbara* in France on the heels of a sale to TF-1. The merchandising plan includes books, magazines and T-shirts.

New World has a real zinger in the

(*Continued on page 93*)

William G. Moll, new president, sees study helping to create strategic plan

TvB: Changes in the wind, although the succession is quiet

By ALFRED J. JAFFE

New administrations of trade organizations are often new brooms sweeping clean. That was somewhat the case when Roger Rice took over as president of the Television Bureau of Advertising 13 years ago. With Rice retiring and his successor, William G. Moll, taking over this month, the succession appears, outwardly at least, seamless. But there are changes in the wind.

There is, for example, a broad TvB study going on to help create a strategic plan for the bureau. Also, one of Moll's priorities is a sweeping review of TvB's promotional output. And there is concern about the national/regional spot doldrums.

Moll, 50, who joined the bureau last week and was previously president/CEO of Harte-Hanks Television, says an overriding issue for the debut of his administration is developing new sources of revenue. While this sounds somewhat obvious (What's a promotion bureau for, after all?), there is special concern about the overall TV station revenue stream. TV/RADIO AGE's *TV Business Barometer* shows spot up about 4% and local up about 6% for the first nine months of the year, not considered a satisfactory performance. And the signs for the fourth quarter do not signal any turnaround. It is true that TvB is predicting good numbers for '88, the Olympics/election year (local up 12 to 14%, spot up 10 to 12% and network up 10 to 12%), but the long-term outlook is not so cheerful.

Hi, guys!

Moll will meet large sections of his membership at the annual TvB meeting this week (November 11–13), but it's not like he will be greeting strangers. He's been on the TvB board for six years, was board chairman and was a member of the executive committee (ex-officio) at the time of his taking over the presidency. He will speak at the concluding luncheon, where he was scheduled after the agenda was printed.

Moll will attend a meeting much like TvB annual meetings of the past—heavily larded with speeches oriented to behavioral and conceptual aspects of management and rousing the troops. Subjects include "The Psychology of Winning," "The Stress of Success and How to Cope," "How to be a 'Ten' in Television," etc. Says a TvB insider: "It's what station managers like. It's all about sell, sell, sell!"

Moll is not forthcoming on specific plans, preferring to wait until he gets settled in and, in particular, until results of the TvB study are in. This is being conducted by Butterfield Communications, Cambridge, Mass., a consulting house with considerable experience in analyzing stations and markets and advising management.

All areas of influence are being tapped by the survey, which is being conducted via focus groups, one-on-one personal interviews and less detailed telephone interviews. Respondents include group heads, general sales managers of stations, client and agency executives and even Wall Street sources. Butterfield will report to the board on the study—which will cost about $60,000-plus—in January.

What is the study about? It's about how TvB is doing its job and about what needs to be done, explains Moll. Rice says the study, basically, is to find out where the respondents see problems that affect TV advertising. Moll says that the study will help create a strategic plan. Rice says it will fine-tune a strategic plan already in existence.

Whatever comes out of the study, the fact remains that the engine that drives the organization consists of members and money, the latter representing a budget closing in on $8 million. As to the former, Moll said, before he actually took over as president, that during his first week on the job, he intends to target high priority stations and groups who are not members.

Membership has been growing. Three years ago, which was TvB's 30th anniversary, there were 567 station members (see TV/RADIO AGE, October 29, 1984). Today there are 659. There are, of course, a lot more stations around than there were than. Other memberships include 15 reps, including every major firm, and eight syndicators, who are associate members

TvB also has a number of foreign members, including two English-speaking television bureaus, those of Canada and Australia. Other foreign members include London's two independent program contractors, Thames Television and London Weekend Television; and broadcasters in Brazil, Sri Lanka, Honduras and Paris.

Moll says the bureau's budget is "adequate to do what we're doing," but future financial needs will depend, of course, on what comes out of the Butterfield study, the board's reaction and Moll's vision, still not public, of what he believes the bureau should be. The same applies to the question of the bureau's employee total, which is now 69.

The great frustration of any organization, Moll believes, is the feeling that

New TvB chief says overriding issue at debut of administration is developing new sources of TV station revenue.

William G. Moll

On TvB executive committee *are, l. to r., chr. E. Blake Byrne, group v.p./TV, Lin Broadcasting; v.p. Peter Ryan, exec v.p., HR&P; treas. David Allen, pres., Petry; TvB pres. William G. Moll. Not shown: retiring pres. Roger Rice; sec'y James B. Babb, exec. v.p., Jefferson Pilot Communications.*

it doesn't have enough resources. "We always feel we need more money and more sales people." But he points out that the number of sales people has doubled during the 13 years of the Rice administration.

The origins of the Butterfield study predate the choice of Moll as president, though, as a member of the executive committee, he certainly had a hand in its creation.

In addition, the study fits in with the way things are done at Harte-Hanks. As a group operator, Moll commented before taking over as TvB chief, Harte-Hanks believes in research. "We don't believe in seat-of-the-pants decision-making."

As an example, possibly foretelling some future TvB *modus operandi*, Moll points out that Harte-Hanks was active in using outside research to target local accounts, employing two highly-regarded firms, Marshall Marketing and Leigh Stowell.

Regarding the more down-to-earth matter of churning out promotion literature, one of the basic functions of the bureau, Moll says one of his big priorities is to review such material. However, he adds, "I'm not prejudging anything. We'll find out whether the membership is using the material or not. Sometimes an organization just perpetuates its output."

One of Moll's basic problems as president of TvB is to help decide where, as revenue trends develop, to put the emphasis as between spot and local sales development. This can be a sensitive area because of the strong presence of the reps in the bureau (two of the six executive committee members are reps).

Moll calls local business the "wave of the future" as far as TV stations are concerned, and he points out that it's easier to identify local (than spot) target accounts because of the sizeable investment in newspaper advertising by retail and service firms. But he also says that local sales development should not be "at the expense of spot."

In any case, the new bureau chief says he will get a better reading on how stations feel about the subject as he settles in. He expects to do a lot of travelling during his first year, touching base with both members and nonmembers. "I want to do as much face-to-face as possible."

Meanwhile, the bureau has not been standing still. Since its 30th anniversary in 1984, TvB has expanding various services. One area, pointed to by Rice, has been management and sales training. A highlight of management training has been seminars called "Marketing Your Station for Success." The retiring TvB president notes that it was set up because station group heads wanted more training for their general managers or those riding that career track.

Rice explains that, while most GMs come out of sales, an increasing number have a background in finance, news and other areas, such as programming. Hence, the seminars emphasize the advertising side of station operations. The seminars were started in 1985, are held three times a year in New York. They last three days and accommodate 20–25 executives.

An additional training program instituted during the last three years is the Harvard Faculty Seminar for general sales management. This is held at the university and goes on for one week.

Another area emphasized by Rice is events to help stations develop local advertising. One event, held this year, was the first Los Angeles Television Advertising Production Seminar. Conducted last summer and hosted by Arthur Trudeau, TvB vice president, Pacific, the seminar was mounted for non-TV advertisers "to acquaint them with the benefits and cost effectiveness of TV advertising."

These were put forth by a number of agency speakers, who displayed commercials and the thinking behind them, including executives from J. Walter Thompson, Grey Advertising, both Los Angeles, DDB Needham West and a number of smaller West Coast shops.

Last month, TvB put on its third annual Retail Marketing Workshop, held in Chicago. The workshop preceded the annual Retail Advertising Seminar of the National Retail Merchants Association and was aimed at helping TvB members better utilize vendor support and co-op dollars. It was addressed by, among others, David Joss, marketing business director of Rich's, Atlanta; Phelps Fisher, vice president and director of marketing for Fisher Broadcasting, Seattle, and Mel Mayfield, director of research and development, WDBJ-TV Roanoke, who is also vice chairman of TvB's Retail Marketing Board.

In the area of category development, TvB has been particularly active in recent years in pushing professional/service advertising on TV, specifically covering the legal, medical, dental and optical professions and services. BAR estimates provide evidence of growing

(*Continued on page 104*)

Added to tvB services in recent years seminars for training top executives of TV stations.

Roger Rice

How level is the playing field?

FCC set to combine programming rules

By HOWARD FIELDS

One of the most common cliches in the communications industry, "level playing field," is getting new life as the FCC attempts once again to restore some balance to the marketplace it holds so dear.

This time the agency blames the shifting tides of power in the industry and the Cable Communications Policy Act of 1984 for upsetting the balance in the TV production marketplace that the FCC thought it finally had adjusted when it dropped its syndicated exclusivity rules in 1980.

Now, all signs point not only to at least a partial restoration of those rules, but also to an expansion of the network non-duplication rules and to elimination of non-network territorial exclusivity rules, all in the name of maintaining a level field.

The syndicated exclusivity rule allowed program owners and broadcasters to contract for syndicated material on an exclusive basis, meaning that a cable system in the area could not carry that same program as part of an imported signal. It would have to black out that portion of the signal.

The network non-duplication rules apply the same rationale to network programming brought in on a distant signal, and the non-network territorial exclusivity rules defines the territory in which exclusivity reigns, usually a 35-mile radius of the station's city.

The FCC feels that all three issues are entertwined since a change in one would shift the balance of the playing field too much in one direction.

Patrick's agenda

Even before he was nominated to chair the FCC, Dennis Patrick made the issue of restoring syndicated exclusivity the hallmark of his administration. Just over six months into his leadership, staffers have gathered comments from the industry and are ready to make recommendations to him, with some action likely before Patrick celebrates his first anniversary in the chairman's office next April.

One FCC official says the filings "tell you where the real money is to be made" in the TV industry. He was referring to filings by companies that hold both broadcasting and cable interests, noting that they generally came down on the side of cable.

One such was Tribune Broadcasting's arguments, which mirror to a great extent the arguments set forth by the National Cable Television Assn. (NCTA). Tribune is owner of WGN-TV, a Chicago independent carried as a superstation on many cable systems.

The FCC feels three issues are entertwined since a change in one would shift too much to one side.

Ironically, one of the cable industry's chief arguments is that the very law that the FCC is citing as shifting the balance of the level playing field now prohibits the agency from reimposing syndicated exclusivity.

In filing the NCTA's position, Brenda Fox, its chief counsel, argues that along with the changes made in 1976 to the Copyright Act, the Cable Act "states that federal, state and local governmental agencies 'may not impose requirements regarding the provision or content of cable services.' . . .This provision deprives the commission of authority to adopt syndicated exclusivity regulation, regardless of the rationale offered for such rules."

One FCC official suggests, however, that the contention that the agency lacked authority "would not be taken seriously" since it studied that issue before it issued the notice of proposed rulemaking and notice of inquiry into the case last February, in effect determining that it did have authority.

Still the NCTA argument suggests that eventually Congress could enter the picture since the industry organization maintains that the original syndicated exclusivity rules were adopted in 1972 "as a surrogate for copyright liability" removed in the 1976 redraft of the Copyright Act that set up the current compulsory license system allowing cable operators to carry distant broadcast signals in exchange for paying a flat royalty into a government-operated pool.

"The real motivating factor behind this proceeding is the commission's desire to limit the impact of the statutorily mandated compulsory license," the NCTA says.

Effects of compulsory license

Indeed the commission, while acknowledging it lacks authority to change the compulsory license, has launched a notice of inquiry into the effects of the license. In that case, the NCTA says, "given the growth in the number of cable systems and the number of broadcast stations since 1976, the practical difficulties in obtaining carriage rights probably are even greater now than when the license was first adopted."

Even before he was nominated to chair the FCC, Dennis Patrick made the issue of restoring syndicated exclusivity the hallmark of his administration.

Dennis Patrick

James Quello

At any rate the commission argues it does have authority over the syndicated exclusivity and related issues because Congress never repealed its original mission to decide communications issues based on serving the public interest. A public interest is involved in promoting efficiency and consumer welfare associated with the diversity of programs available, "consistent with costs of production."

Thus the issues that will receive serious consideration at the commission early next year are those pertaining to policy. The voluminous filings, which required two months worth of extensions in the comment periods, center on the efficacy of changing the rules.

The cable industry and its friends argue that syndicated exclusivity will restrict diversity and raise viewers' cable costs.

The cable industry and its friends on the issue argue that syndicated exclusivity actually will restrict diversity and raise viewers' cable costs by requiring operators to undergo the expense of blacking out programming duplicated on distant signals.

Several briefs filed with the commission contend that the staffing and retrofitting at cable systems to keep track of and execute the blackouts would either cost hundreds of millions of dollars or cause the systems to simply drop those distant signals altogether, depriving the average cable viewer of four viewing channels.

Quello was uncomfortable with elimination of non-network territorial exclusivity.

The argument of great costs to cable systems is not falling on deaf ears at the commission. An official said part of the FCC's consideration will be the anticipated added costs to the systems, which it would expect to be passed on to subscribers. If restoring syndicated exclusivity would force cable systems to triple their rates, "we would have to think about that," the FCC official said.

The Satellite Broadcasting and Communications Assn. of America opposes restoration because blackouts would be initiated at the uplink scrambling, making it difficult for common carriers to keep track of the signals they would have to delete from carriage for each regional market.

FCC unimpressed

The NCTA and other filers submitted reams of studies showing the impact of the proposed changes on both sides of the issue, but FCC officials who have reviewed the material are unimpressed and suggest the agency may have to conduct its own studies on the impact. One suggested need is quantification of the added cost of syndicated exclusivity that would have to be passed on to cable subscribers.

Not surprisingly the broadcasting industry, led by the NAB says the restoration of syndicated exclusivity will promote the public interest "by encouraging cable operators to replace duplicative programming with new and different programs and by restoring to

Patrick tips his hand, and then some

Last December when he first brought up the subject, FCC chairman Dennis Patrick referred to a "skewed playing field" then in existence, and blamed the skewing on the compulsory license he said should be repealed, especially in light of "the new must-carry era" currently set to expire in four years.

Setting the tone for the FCC's later consideration of the syndicated exclusivity question, Patrick said, "Cable cannot have it both ways." It wants to be unregulated, but wants to keep a compulsory license and deny similar rights to broadcasters. "That doesn't look like fair competition to me; it looks like a market skewed by federal intervention. There are limits to the inconsistency which can be tolerated in public policy. In my opinion, we've reached those limits."

Nearly a year before the deadline for comments from interested parties, Patrick appeared to sum them up and respond to them last December: "The issue isn't whether broadcasters pay less, or whether the syndex compensation is sufficient. The issue is: What material market malfunction justifies federal interference? Why shouldn't a broadcaster be able to enforce an exclusivity right it paid for? Why shouldn't a program producer be able to maximize revenues by selling—or not selling—enforceable exclusivity as it sees fit?"

He was making a case in the speech for repeal of the compulsory license, but his arguments also favor the one action that the FCC can take on its own—restoration of syndicated exclusivity, balanced by expansion of network nonduplication rights and possible elimination of non-network territorial exclusivity.

Only three of the commissioners who voted in February can be counted on to be sitting on the commission when the syndicated exclusivity reaches them next spring—Patrick, James Quello and Patricia Dennis (former chairman Mark Fowler has not been replaced, and Mimi Dawson has been nominated to a post in the Transportation Department).

Quello dissented when syndicated exclusivity was dropped in 1980, he said in February, but added that he was uncomfortable with elimination of non-network territorial exclusivity.

Dennis, who expressed doubts the FCC had authority to act on the issue, also had doubts about whether restoration of syndicated exclusivity was even warranted.

Programs cited by MPAA as examples of audience diversion

Home Market	Series	Local Station	Days/Start	Distant Station	Days/Start
Boston	Bewitched	WLVI	M–F 1:00 p.m.	WTBS Atlanta	M–F 8:00 a.m.
	Tom & Jerry	WLVI	M–F 9:00 a.m.	WTBS Atlanta	M–F 3:00 p.m.
	I Love Lucy	WFXT	M–F 1:00 p.m.	WTBS Atlanta	M–F 9:30 a.m.
Philadelphia	Charles in Charge	WGBS	Fri. 7:30 p.m.	WPIX New York	Sat. 7:30 p.m.
	Dance Fever	WCAU	Sat. 7:30 p.m.	WPIX New York	Sat. 4:30 p.m.
	Good Times	WPHL	M–F 5:00 p.m.	WPIX New York	M–F 11:30 a.m.
	I Dream of Jeannie	WGBS	M–F 5:30 p.m.	WWOR New York	M–F 11:30 a.m.
	Magnum	WCAU	M–F 4:00 p.m.	WWOR New York	M–F 6:00 p.m.
	Munsters	WPHL	M–F 2:00 p.m.	WPIX New York	M–F 9:00 a.m.
	Odd Couple	WGBS	M–F 10:00 p.m.	WPIX New York	M–Th. 11:00 p.m.
	Puttin on the Hits	WTAF	Sat. 8:30 p.m.	WPIX New York	Sat. 4:00 p.m.
	Sanford & Son	WPHL	M–F 6:30 p.m.	WPIX New York	M–F noon
Miami	Entertainment This Week	WSVN	Sat. 7:00 p.m.	WWOR New York	Sun. 7:00 p.m.
	I Dream of Jeannie	WDZL	M–F 5:30 p.m.	WTBS Atlanta	M–F 8:00 a.m.
	I Dream of Jeannie	WDZL	M–F 5:30 p.m.	WWOR New York	M–F 11:30 a.m.
	Magnum	WTVJ	M–F 4:00 p.m.	WWOR New York	M–F 6:00 p.m.
	Partridge Family	WDZL	M–F 2:30 p.m.	WWOR New York	M–F 11:00 a.m.
Dallas	I Dream of Jeannie	KTXA	M–F 5:00 p.m.	WTBS Atlanta	M–F 7:00 a.m.
	Tom & Jerry	KXTX	M–F 7:00 a.m.	WTBS Atlanta	M–F 2:00 p.m.
Denver	Bewitched	KWGN	M–F 2:00 p.m.	WTBS Atlanta	M–F 6:30 a.m.
	Charles in Charge	KWGN	Sun. 5:00 p.m.	WGN Chicago	Sat. 4:00 p.m.
	Facts of Life	KDVR	M–F 6:00 p.m.	WGN Chicago	M–F 4:00 p.m.
Houston	Beverly Hillbillies	KTXH	M–F 1:00 p.m.	WTBS Atlanta	Tu.–F 5:00 p.m.
	Bewitched	KTXH	M–F 6:30 p.m.	WTBS Atlanta	M–F 7:30 a.m.
	Gilligan's Island	KTXH	M–F 5:30 p.m.	WTBS Atlanta	M–F 4:00 p.m.

Source: MPAA

broadcasters the same basic contractual freedoms enjoyed by cable."

One curious filing on that point comes from Tempo, whose sister company, Southern Satellite Systems, carries superstation WTBS' now-scrambled signal. It supports the cable position against restoring syndicated exclusivity, but it is ready to provide the programming cable needs to fill the blackout holes.

Public broadcasting stations also joined the issue, even though they never had the right to exclusivity under the original rules. They want the commission to include them in any restoration of syndicated exclusivity rules.

INTV close scrutiny

While the filings of broadcasters and cable operators have been mostly predictable, there is evidence that the filing of the Independent Television Stations Assn. (INTV) will receive close scrutiny. Independents are the type believed most affected by syndicated exclusivity or the lack of it.

INTV holds that with absence of syndicated exclusivity and with cable's compulsory copyright license, cable can defeat exclusive program licenses acquired by broadcasters at great expense.

Aiding INTV's argument is the filing by the National Telecommunications and Information Administration (NTIA), an arm of the Commerce Department, which says local broadcasters are being injured by the inability to enforce exclusive program rights. "In the absence of syndicated exclusivity," it says, "broadcasters are powerless to protect themselves."

INTV says in its filing, "under the combined effects of the absence of syndicated exclusivity protections and the perpetuation of the Copyright Act's cable compulsory copyright license, cable systems can defeat the exclusive program licenses—licenses that have been acquired by broadcasters at great expense in the open program marketplace—without ever having to enter that marketplace themselves."

It adds, "While the compulsory license compensates program producers to some extent, it affords no compensation whatever to local stations for their

(Continued on page 105)

Middlecasting: A new wave?

Lorimar's Salzman predicts big network changes

By CHUCK ROSS

David Salzman, president of Lorimar Television, is having a good day.

"We've sold four pilots, a TV movie, a four-hour miniseries, a 13-episode commitment on a series, and gotten *The Clinic*, a midseason replacement that we frankly worried about ABC putting on in January, pushed to March, after the Olympics, where it can be heavily promoted. It's been one of our two or three best selling days of the year," he smiles.

End of network comp

The orders are a tonic following the disappointments of *Max Headroom* and *Truth or Consequences*, and put Salzman, who came up from the station side, in a mood to be expansive about a number of topics:

■ "I see an eventual end to network compensation to stations."

■ "In the past the networks were entirely in the broadcasting business. Now they are getting more and more into what I call middlecasting."

■ "The networks are in a series of quandries. Most ironic is that at a time when the networks can least afford to incur the incremental costs of original programming, over the summer, is when they most need to do it."

■ "*Headroom* didn't work for two main reasons: It was in a no-win time period, and the network [ABC] didn't promote it with the vigor and imagination in keeping with the show and what we had expected."

■ "Both international coventures and international barter could be ways to deal with the changing economic equations of this business."

■ "There are going to be more alternative delivery systems of programming. I think we're eventually going to see a mosaic of mini-Foxes. For example, you might find a company that has a *Donahue* or an *Oprah Winfrey* as well as two other compatible daytime shows that will sell all three as a very strong block."

On the issue of network compensation, Salzman thinks stations will demand to sell more and more spots themselves because they'll make more money that way. "The networks will just have to relinquish control," Salzman says. There was a time when spots on affiliates were 60/40 favoring network sales. "Now it's more like 40/60 favoring the affiliate's local sales, and may get to 30/70," he notes.

"And the pendulum is shifting to more local production. As that continues, strong stations can bring in institutional advertisers who pay above rate card," Salzman predicts.

Salzman's discussion about "middlecasting," i.e., tailoring a show to certain segments of the audience, begins with more of his thoughts about the failure of *Max Headroom*.

"*Max* was too close to middlecasting to be successful," he says. "It was before its time. Maybe in two years it would have worked." Salzman wouldn't talk costs, but it's understood that *Max* was costing Lorimar more than $1.2 million per episode to produce.

Middlecasting has worked for *St. Elsewhere*, *Hill St. Blues*, *Molly Dodd*, and may work for *Hooperman* and *Slap Maxwell*, Salzman says. They are shows that don't have to win their time slots to be successful. "And I think we are going to see more and more of an eclectic mix on the three networks because of middlecasting," Salzman predicts.

"No longer does your entire schedule have to be made up of all broadest appeal, least objectionable programming. Especially with the advent of people meters, which allow advertisers to pinpoint the audiences they want."

What happened with *Headroom* though, Salzman thinks, is that it was a middlecasting show that was up against two firmly entrenched broadcasting hits—Lorimar's own *Dallas* and *Miami Vice*—and never had a chance.

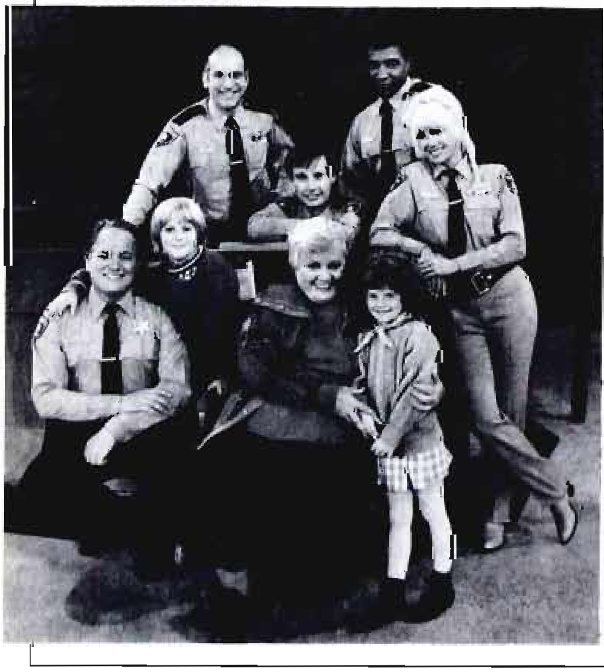
Though Salzman gives ABC credit for going with something as offbeat as *Headroom* at all, he says he pleaded with the network to put it on at 8 p.m. (though not against *Cosby*). And though ABC primetime programming executive Ted Harbert says the show didn't really work with anyone, Salzman claims it had an inherent cult following in the kids and teen ranks that an 8 p.m. slot would have allowed Lorimar to build the show around.

Noting the big publicity buildup *Headroom* got last spring, including a *Newsweek* cover, Salzman thinks the show could have built a respectable audience during the late spring and early summer if it had had a 13-episode commitment instead of only six.

"Yes, I know the numbers last spring were not great," he says, "but no show has really held great numbers after *Moonlighting* (which is where *Headroom* ran last spring). If we had had more episodes, I think word of mouth would have spread."

But Salzman understands the economics of network TV and the fact the nets usually cannot afford to run new episodes during the summer.

"She's the Sheriff"



Lorimar is planning a new first-run sitcom that will be a spinoff of "She's the Sheriff."

David Salzman, *president of Lorimar Television, expects to see a "mosaic of mini-Foxes." For example, one could be a company with three compatible daytime shows that will sell as a very strong block.*

Lorimar's TV development plans include second weekly hour & 'Sheriff' spinoff

Syndication has become a one-ratings book business. So declares Lorimar Television president David Salzman, as he tells TV/RADIO AGE how Lorimar goes about developing shows for syndication and what the company has upcoming.

"We approach first-run like we approach network," Salzman says. "Your chances of having a success, when you take all dayparts into consideration, is one in five. So you always have to be in the game. *Truth or Consequences* might have failed this year, but next year we might come up with the show that is a one-season or 10-season hit."

According to Salzman, since syndication is now a one-rating-book business, a show's dead if it doesn't do well in the first ratings book. Therefore, careful planning is a must, Salzman says. "We plan two to three years ahead and do it on a step basis. We don't just come up with an idea and give the go ahead to do a pilot, and even if we get to the pilot stage, we might do several.

Before the business became a one-book one, Salzman says, you could "do a pilot, do things in it you might never do in the actual show, sell it, and maybe by the second or third ratings book you've got a building pattern. No more."

Long lead time. Lorimar's long lead times have paid off, Salzman says. "Many people thought we invented *Superior Court* in one day to get another court show on the air. I wish we were that good. But we had been talking about it for three years."

Sometimes all the planning in the world doesn't help, and Lorimar has had a number of first-run misses, the latest being *Consequences*. Salzman says that by trying to update the old classic "we somehow, unintentionally, changed it for the worse."

Other sources say the problem was that show's producer, Chris Beard, was distracted by his new deal with Chuck Barris. In any event, some say Lorimar is going to have a hard time collecting from some stations for the 24-week period Lorimar claims it is due for *Consequences.*

Salzman says shows aimed at access on affiliates have some inherent problems right now. Being a carryover from early news, 60–65% of the audience is over 50-years old. "*Wheel* and *Jeopardy* serve those needs in most markets," Salzman points out. "So you need something compelling against those shows. Obviously *Consequences* wasn't it.

Tough odds. "Magazine shows have had some success on the second station in the market against *Wheel* and *Jeopardy*," he continues, "and then there's the third station that hasn't had any luck in the time period, and that's the station ourselves and everyone else is going after. The odds aren't good."

And the odds are even less if one tries an original first-run show, Salzman points out. He says Lorimar's *Million Dollar Chance of a Lifetime* was the only original game-show strip in about 10 years that made it into a second season.

For next season Lorimar has the much-written about *TV Guide* for access. Salzman still doesn't want to say too much about it, but he does answer the question of why a station would air *Guide* since at times it will be promoting a program that airs later in the evening on another station.

"Because," Salzman says, "there are so many competing signals today that you have to have a transmedium view and realize that you are in the TV business, in the mass circulation business and you're trying to get viewers."

"This program," Salzman continues, "exploits the inherent drawing power of all the stars and shows on TV. For example, the morning shows, even though they are competing bitterly, have stars from the other networks on, as does Carson."

Besides *TV Guide*, Lorimar is hoping to have a once-a-week hour based on a very successful film (though not a Lorimar film); plus, a new first-run sitcom that will be a spinoff of *She's the Sheriff*.

A live-action kids' strip for indies to counterprogram all the afternoon animation between 3 and 5 p.m. also is planned.

And the company is considering one of four other projects to bring to market next fall, Salzman says. One would be a late-night show, and the other three are targeted for early fringe.

Finally, there's the already announced *Alvin and the Chipmunks* and *Gumby* shows.

With the good up-front season that has allowed ABC and CBS to be in the black this year, Salzman thinks maybe this would be the year to try to get "audience numbers higher for the full 52 weeks. Don't use the money to get a bigger star or put on another miniseries. Use it to invest in the late second quarter and third quarter to build the business for the important other parts of the year."

Of course this being a year of both the nominating conventions and the Olympics, that probably isn't going to happen. But Salzman thinks the continuing erosion of viewers in the summer already is hurting the nets in the fall and will continue to do so unless original programming gets on during the summer.

"The viewer is always smarter than you think," he says. "They know there is very little reason to watch the networks in primetime in late spring and summer."

And Salzman claims that loss of viewership has now bled over to the start of the new season. "It's why I believe the failure rate of new shows is higher than ever." He includes shows that hadn't been cancelled by the end of the third week in October but were destined to get the ax soon.

"CBS has a lot of shows that aren't working, but they haven't announced any cancellations yet," Salzman says. "Part of that might be the admirable approach of staying with these shows. But I think part of it is because by not announcing a cancellation you get to retain the advertising and run all the

(*Continued on page 98*)

It's 'sophisticated and respectable' in a show business sort of way

Wrestling grunts its way to upper tier of syndie ratings

By ROBERT SOBEL

The grunters and groaners of syndicated television programming have taken a hammerlock on viewers across the country. Three of the top 14 syndicated programs are wrestling shows, according to the Oct. 4 Nielsen weekly syndicated occasional network (SON) report, which includes tallying multiple airings.

One of the programs, consisting of Titan Sports' World Wrestling Federation cards, is Number 4 with a 9.1 rating, just behind such high-flying syndicated programs as *Wheel of Fortune, Jeopardy* and *The Oprah Winfrey Show*. Another wrestling entity, Jim Crockett Promotions' The Wrestling Network, is cushioned at Number 8 with a 6.2 rating, and All Star Wrestling has pinned down the Number 14 position, with a 5.2, according to the SON report. Also, a fourth program, MG/Perin's *Glamorous Ladies of Wrestling* (*GLOW*), in which muscular women display their athletic bodies in various engaging maneuvers around the ring, has an impressive station lineup, including 15 of the top 20 markets. Also kicking up a lot of clearance action is the Powerful World of Women Wrestling (POWW), a newcomer to the femme arena.

Old sport, new wrinkles

Why all the attention given to a sport that has been on television almost since the days the tube began to light up living rooms? The answers range from that wrestling has become sophisticated and respectable, a far cry from the days of the single-camera, low-budget shooting in smoke-filled and broken-down arenas, to that it has evolved into an entertainment vehicle for the entire family—and that cable exposure has spurred its broad acceptance in commercial television.

While phone calls were not returned by All Star Television, other syndicators of wrestling and station executives indicate:

- Stations in a single market often carry more than one wrestling show and avoid head-to-head competition in the sport with other stations in the market.
- The number of affiliates carrying wrestling matches is about the same as independents.
- Most of the wrestling airings are on weekends in a variety of dayparts. Many are in the mornings to attract teens and kids.

Carol Healy, station/program manager at WGBS-TV Philadelphia, currently carries wrestling shows from four different suppliers, although one, from The Wrestling Network, which airs from 9–10 a.m. on Saturdays, *Universal World Federation Wrestling*, will not be renewed. The other three shows are the *Powerful World of Women Wrestling (POWW)*, which airs at 10 a.m. on Saturdays; Titan Sports *WWF's Spotlight*, which gets a Saturday run at 10 p.m.; and *GLOW*, matches which are broadcast on Sundays at 11 a.m.

WWF has two other one-hour syndicated shows, *Superstars of Wrestling* and *WWF's Wrestling Challenge*. According to Healy, all the shows are doing well in ratings. "We've had twos and occasionally threes, which in households is a competitive number on Saturday mornings, plus there are a lot of children watching." Healy believes the primary reason that wrestling is getting good numbers generally is that it has become entertainment.

"If you put entertainment in the proper place," she continues, "and know how to counterprogram it against other programs, it will work. Today, there is show-business put into the wrestling shows, which has given them

Hulk Hogan

The Road Warriors

Stations in a single market often carry more than one wrestling show and avoid head-to-head competition in the sport.

MG/Perin's "Glamorous Ladies of Wrestling" has 15 of the top 20 markets.

GLOW

legitimacy."

Another indie in the Philadelphia market, WPHL-TV has one wrestling show, The Wrestling Network's *Worldwide Wrestling*, which the station has been running on Saturday afternoons for about three years, before the program became nationally syndicated in June.

Other TWN shows are National World Alliance *Pro Wrestling;* and two from the Universal Wrestling Federation: *UWF Wrestling* and *Power Pro.*

According to Healy, the programming strategy on the part of WGBS is not to compete directly with WPHL's wrestling show. "We used to put westerns in the Saturday afternoons, but now we have moved to movies," she says. "We just feel that the audience for wrestling is strongly composed of teens and children. So what better place to catch them than on Saturday mornings? Teens are really the forgotten demographics."

At WPHL-TV, Zvi Shoubin, station manager and program director, notes that the wrestling show has been racking up consistently high numbers, including teens. The program, for example, got a 3 Nielsen household rating, 10 share average, the week of Oct. 10, one of the top performers in the 1–2 p.m. time period.

Shoubin believes that one of the rea-

(*Continued on page 100*)

Syndicators get the right hold on advertisers

When it comes to advertising, wrestling syndicators apparently have to do little wrestling to pin down national advertisers. All report upward sales and predict that 1988 will be strong as well.

Most distributors are selling wrestling on a barter basis with seven minutes of local and five of national advertising. An exception is M/G Perin, whose terms are cash plus one minute in each show. At Titan Sports, John Howard, sales manager, notes that sales for 1988 are running 15% ahead of last year's pace. Also, he says, the World Wrestling Federation TV card is sold out for this year and is 90% sold out for the first and second quarters of 1988. Under its sales policy, Titan requires that advertisers buy exposure on all three of its regular programs.

Howard believes that the upcoming national elections and the winter Olympics have helped generate healthy upfront sales activity at Titan. Also, he says, advertisers are accepting wrestling. "Three years ago there was a reluctance. Many advertisers found wrestling objectionable, even though they hadn't watched it in a long time. However, often you get into a domino effect. Once one category buys into the programs, the others in the category follow. About two years ago, things started going our way. There's been an improvement of the product and the image of the WWF."

Rick Pack, president and chief operating officer of Action Media, ad sales company which handles selling for The Wrestling Network, says TWN is 80% sold out for the fourth quarter, which Pack considers very good, considering that AM didn't begin selling national spots in TWN until July. He says that he's about 70–80% sold out for the first two quarters in 1988 and expects to have little inventory left for them as 1987 ends. At MG/Perin, *GLOW*'s sales are handled by Total Video. MG/Perin chief Marvin Grieve says he expects a take of $1 million in barter sales for the second year of *GLOW*, beginning last Sept. 26, which he says is "phenomenal," especially since this is the first year that *GLOW* is being sold with a national minute being taken out of each show. Last year *GLOW* was offered, for cash only. In addition, *GLOW* has already achieved a 30–40% sellout on its inventory for the first quarter, which Grieve calls "awfully good," and he's projecting all the inventory will be sold for the remainder of this season. As for advertisers, some of the majors include Nestle, Stanley Tool and Sterling Drug, says Grieve.

Advertisers for the WWF network include the American Dairy Association, Beecham, Bic, Gillette, Mars, Warner-Lambert, 7-11, and Dr Pepper. Among new advertisers are the National Dairy Board, Pfizer, Stanley Tool and Sterling Drug.

As an added attraction for such companies as Titan and Crockett, which tie up all the rights to their wrestlers and promote them as well, merchandising has become a big business. Some of the wrestlers have made record albums and have been in films as well. And there are towels, posters tee-shirts, toys and watches in abundance, to name just a few items, all showing off such illustrious figures of wrestling as Hulk Hogan, Andre the Giant, King Kong Bud Bundy, Randy "Macho Man" Savage, The Road Warriors and Dusty Roads.

In women's wrestling, *GLOW*'s cast of characters have such family-type names as Susie Spirit, California Doll and The Farmer's Daughter. That's right. The Farmer's Daughter.

Orion has a taste for sitcoms

Towle & Rosenbloom talk first-run plans

Orion Television wants to get into sitcoms.

Led by its success with *Cagney & Lacey*, now in its fifth year on CBS-TV, the company has long been associated with the hour dramatic form. But the collapse in the hour syndication market has spurred a rethinking, Scott Towle, president of Orion TV Syndication, and Richard Rosenbloom, president of TV production, tell TV/RADIO AGE.

A major breakthrough for the company has been the CBS midseason commitment for eight episodes of *Just You and Me*, a sitcom revolving around the people who work at a small production company in Omaha that makes commercials. It will be a four-camera show, taped before a live audience.

Of 10 pilot scripts Orion has in development at the networks, seven are for hour dramatic series and three are for sitcoms, "which isn't enough" sitcoms Rosenbloom laments.

"The sitcom business is difficult to get into," he says, "much more so than dramas, because you're totally dependent on creative writing talent. And the minute the market shifted from one-hour dramas to comedy the price of anybody with comedy writing talent went to the moon. A good comedy writer can cost you $2 million a year."

Meanwhile, of the seven dramas in development, Rosenbloom says "Two or three look like they would sell very well foreign, and I can produce them close to the license fee."

He's just renegotiated the license fee for *Cagney & Lacey* with CBS, and Orion's deficit on the show, which was 10%, is now 7%, and the series does quite well in overseas distribution.

A tough sale

But syndicating it is another matter. The show will be available next fall. Towle says selling it is a high priority, and he says he is "cautiously optimistic," even though the series has only cleared fewer than 15 markets, with San Francisco being the largest.

"We are counting on independent stations needing to buy product," Towle says. "What we've seen is affiliates, especially the weaker UHF affiliates, living off their inventories. Even strong group affiliates are going deeper into their reruns and haven't made many new buys. And I just don't think they can live on sitcoms alone."

Rosenbloom is even more cautious, saying that *Cagney & Lacey* will ultimately have a backend value. "But I don't believe hours will eventually sell again just because we wish it," he explains."But there will be a swing back to hours again on selected material."

Orion has been talking to basic cabler Lifetime about "Cagney & Lacey."

Orion has been talking to basic cabler Lifetime about *Cagney & Lacey*, and the series seems ideal for its demographic. Don't be surprised if Orion comes to some sort of accommodation with the stations already sold the series and it pops up on Lifetime's schedule next season.

Towle's assessment of syndication in general is candidly downbeat. "I've said it before," he says measuredly, "these are desperate times in this business on every side of the fence. I think the biggest single challenge to syndication companies in the year ahead is keeping prices up.

"Everybody has jumped into the fray," he continues, "The fact of the matter is that one company, King World—and my hat's off to them—is probably taking 80% or some huge figure of the dollars out of the syndication marketplace, and then there's the rest of us. We really need the independents to get healthy."

On the first-run side Orion is staying "lean and mean," as Towle likes to put it. So far the company has relied on its library (primarily old Filmways titles) to put on new versions of old game shows. It has *Hollywood Squares* and *High Rollers* on air now and recently optioned *Name That Tune* with producer Sandy Frank.

There will he a pilot, and Orion will try to bring it back for 1989. As opposed to the 1984 revival of the show, Towle says this one will be "hipper and hopefully have broader appeal. We'll try and appeal to the baby-boom generation who have a lot of disposable income and whose musical tastes have not changed tremendously from the kind of music they liked in high school and college."

He thinks if MGM has a success with *Can't Stop The Music* next season, it will bode well for *Tune's* return.

The bulk of the company's sales effort for next season will focus on its lone first-run access entry, the new *Crimewatch Tonight*, which is just wrapping up its pilot.

In explaining Orion's boutique-like operation, Towle says, "Where we are right now, philosophically, is into doing one or two first-run projects a year. So we do projects that are strips in lucrative time periods, like access and early fringe, that have the potential to really break through and be home run properties, as opposed to a morning property that has no opportunity to make it into early fringe or prime access."

Rollers airs in morning slots, but Towle says the important thing is that the show can move up to prime access as well. And it has moved up in some markets, primarily due to the failure of Lorimar's *Truth or Consequences*.

(*Continued on page 101*)

Scott Towle, *president of Orion TV Syndication, says, "What we've seen is affiliates, especially the weaker UHF affiliates, living off their inventories. Even strong group affiliates are going deeper into their reruns and haven't made any new buys."*

Viewpoints

Steve Sternberg

Vice president, manager of broadcast research, Bozell, Jacobs, Kenyon & Eckhardt

It's time to decide how to deal with VCRs in buying TV time

Nielsen's decision to include VCR recording in its household measurements came at a time when VCRs were in less than 10% of the U.S., and it was more a function of convenience than anything else. Few expected such a rapid growth in VCR sales. Indeed, two years ago VCR penetration was at about 30%, and most industry experts expected it not to reach 50% until 1990 at the earliest. Well, according to Nielsen, VCR penetration has just hit 50%, and we expect it to approach 70% by 1990.

For the past few years, several advertisers and agencies have been calling on Nielsen to discontinue including VCR recording in its household measurements, claiming that they are paying for too many viewers who are not exposed to their commercials and that these taped ratings represent little or no value to advertisers.

The networks, on the other hand, maintain that VCRs create new viewers, who otherwise may not have watched the program, and that these additional ratings represent real viewers with just as much opportunity to see the commercials as the live audience, who, instead of fast-forwarding, often zap commercials or leave the room during the commercial.

Both the advertiser and network positions are understandable, but both, of course, miss the point. If you include VCR recording, you are undoubtedly attributing some viewing where it doesn't exist; if you delete VCR recording, you are omiting some real viewers.

The obvious solution is measuring actual playback activity.

In September, 1988, Nielsen will have its playback measurement technology in place (AGB's was slated for September 1987), and only then will we be able to assess the impact of VCRs on persons viewing and answer these important questions:

- How much of the recorded material is played back and how long after the original telecast?
- How does the playback audience differ from the live audience?
- What percentage of commercials are fast-forwarded?
- What types of commercials are least likely to be "zipped"?
- Is the time-shifted viewer as valuable to advertisers as viewers of the original telecast?
- How much of VCR play time is due to tape rentals?

It should be recognized that while it is important to have household data for "VCR contribution to network ratings," advertisers and their agencies are more concerned with target groups of people. Such data is currently unavailable.

During the upcoming broadcast year, Nielsen will be using the controversial VCR ascription methodology to estimate VCR contribution for people. Ascription basically takes the percentage difference between household ratings with VCR recording and household ratings without VCR recording and applies it uniformly, across the board, to all demographic segments.

Bozell, Jacobs, Kenyon & Eckhardt has expressed its displeasure to Nielsen concerning VCR ascription.

In response to agency protests, Nielsen will be releasing "live viewing" reports concurrently with its regular ascribed pocketpieces, and pocketpiece tapes will contain both live and ascribed data. Nielsen is thereby taking the easy way out of the controversy and is leaving it up to the agencies and networks to negotiate which to use. It is Bozell, Jacobs, Kenyon & Eckhardt's position that we will utilize the live audience data in our negotiations with the networks.

With AGB planning to have VCR playback ratings this year, we should gain some insights into how best to utilize the data when Nielsen's is on-line.

Impact on network ratings

While the amount of VCR contribution to network ratings, as reported by Nielsen, is currently minimal (about 2 or 3% on average), it should be noted that Nielsen's sample understates VCR ownership. The people meter sample has brought this more in line with the real world, and, as VCR penetration increases, VCR recording could have a more significant impact on network ratings.

VCRs are still in their infancy but have grown at a faster rate than color television or cable during their beginnings. Only television itself has grown at a faster rate than VCRs. Unencumbered by some of the obstacles facing cable penetration in large urban areas, we believe that by the year 2000, over 90% of U.S. households could have at least one VCR. We also know that VCR usage changes with length of ownership. After the initial novelty wears off, and the backlog of movies we've always want to see is exhausted, people tend to settle in to more time shifted viewing. While this currently does not have a significant effect on ratings, its impact will undoubtedly increase with each passing year. Now is the time for advertisers and networks alike to consider how to deal with VCR recording.

Programming/Production

KW's Palley sees first-run programs as primary thrust; other decisions on hold

Stephen Palley, the newly appointed chief operating officer at King World, expects to keep the company concentrating its major efforts on first-run syndication programming while holding back on diversification plans until the financial marketplace settles. In an interview, Palley says that in terms of where the company is headed, it's difficult at this time to make decisions regarding diversification, "until there is a settling in of the markets and the effect, if any, the crash will have on the economy."

He notes that KW has looked into buying television facilities and, "given, the right price and the right market, we would have been very interested. Whether that is as sensible an acquisition as our own stock, which is trading at a very low multiple, is difficult to assess. But we have to get through the market before we can come up with a more informed analysis of what we are going to do."

The only changes that Palley forsees is that rather than looking at areas "contiguous to our business for diversification, we will buy back our stock, which seems to us to be a very good value at the moment [as of presstime, KW stock was selling at about $16 per share on the New York Exchange].

Programming. In the way of programming, KW is developing a new game show, *Monopoly*, and is considering a morning and a late-night show, notes Palley. The latter series will possibly center on a talk or a variety concept in one or the other of the time period or as a combination of both in each show. "Both are reasonably close to either happening or not," he says. If the projects get a production go-ahead, the launching would be for the fall 1988, according to Palley.

As for its three top sellers, *Wheel of Fortune*, *Jeopardy* and *The Oprah Winfrey Show*, Palley says *Wheel* and *Jeopardy* have been renewed through the 1991-92 season and *Winfrey* through the 1989–90 season. Sixty per cent of the top 10 markets have renewed the series through 1990.

Palley doesn't contemplate making any large internal changes. "We have been refining over the last few years. King World is in very good shape now. It's lean and tight, and if you compare the number of employees we have to our revenues, you will see that's a very good percentage. Of course, we continue to look for ways to impove, but we don't see any glaring problems that have to be remedied in our organization."

Stephen Palley

Palley joined KW in 1985 as its chief counsel, and has been involved in the operational decision making of the company. He had been acting chief operating officer at KW and replaced Stuart Hirsch as CEO. Before joining KW, Palley had an extensive background in securities and entertainment law. Stints include Berger & Steingut and before that, he was a partner at Fulop and Hardee.

In recent appointments, **Noreen McGrath,** research analyst, Camelot Entertainment, has been promoted to manager of research. She joined KW in March 1987 from John Blair & Co. **James Farah,** southeast division manager, has been promoted to vice president/southeast regional manager. He joined KW's sales staff in 1980 as an account executive. And **Patsy R. Bundy,** corporate administrator and director of contract administration, has been promoted to vice president, corporate administration. She joined KW in 1980 as a sales administrator.

All American plans 'Liddy' talk strip

G. Gordon Liddy will host a first-run syndicated program to be distributed by All American Television. While All American is keeping details under wraps, including the title, it's been learned the series will be called *Liddy*. Also, it's understood that the series is being described by All American as a confrontational talk show and will be a one-hour strip, to be sold on a cash-plus-barter basis. *Liddy* will be offered to stations for fall 1988 availability.

The program will probably be aired from Washington and will be offered via satellite or on a tape-delay basis. All American is looking for a daytime kick-off or for early fringe, mainly for network affiliates, it's understood. The company is said to have shot five episodes as a pilot, and it's speculated that the five shows may be used as an on-air test for stations as early as this December.

Scotti-Vinnedge Television will produce *Liddy*. Based in Los Angeles, S-V produced such entertainment programming as *America's Top 10*, the music countdown show hosted by Casey Kasem and now its eighth year, the annual *American Video Awards*, and Wordplay, a game show coproduced by the NBC Network.

All American is due to schedule a presentation preview party sometime later this month to announce details on *Liddy* to ad agencies, reps and the press. Liddy, a law school graduate and former FBI man, served five years in prison for his role in the Watergate fiasco. At present, he owns an industrial security company, has published two books and lectures frequently.

Shapiro banking on underwriting for documentaries

Arnold Shapiro, head of Arnold Shapiro Productions, which has been making documentaries for syndication and public broadcasting, and now his first for a commercial network, sees funding by corporations as a necessary ingredient in getting reality shows on the air. This is especially true when it comes to syndication, he says in an interview. "Underwriting is a necessity for getting a documentary produced for syndication; otherwise, the budget is such that you would have to do something shoddy. No matter what people think, documentaries cost a lot of money to make.

"If a syndicator financed a documentary it would have to come in for well under $100,000, which is virtually impossible. But when I come to a syndicator I come with a fully-financed documentary and a publicity and promotion budget built in as part of the corporate underwriting. All they have to do is distribute it."

Shapiro notes that the last six documentaries done by his company would not have gone on the air if it weren't for corporate or private financing.

Shapiro believes the final resting place for television documentaries is public broadcasting. "The documentary, in all its forms, thrives. If you look at the Emmy submissions in the informational specials and informational series category, you will see 85% come from PBS and 15% from commercial television. In addition, a lot of these commercial TV entries are not strictly documentaries, such as a Barbara Walters special and *Entertainment Tonight*. That's the state of where the American documentary thrives.

So far as the commercial side is concerned, he continues, the three major networks have cut "way back on their hour specials. Two of the networks have successful magazine shows, such as *60 Minutes* and *20/20* which is the form the documentary has taken on the webs.

Patient. On the other hand, Shapiro says, he's "keeping the patient [documentaries] alive almost longer than anyone thought. I have been doing about two documentaries per year for the past two-and-a-half years. These have been made possible because of funding from corporations, which have been willing to support certain topics. But I have chosen to premiere them mostly in national syndication, where almost none are shown. With the exception of *Top Flight*, which ran on CBS, you can't sell an outside documentary to a network. Ever since the 1950s, documentaries are done through the news departments, where they can have control.

Syndication. Syndication, on the other hand, is open if the documentary is funded and the distributor believes it is a topic that will be commercially received. My first two documentaries, *Return to Iwo Jima* and *The Unknown Soldier*, two one-hour specials, premiered on PBS but went into syndication afterward." *POW—Americans in Enemy Hands: World War II, Korea and Vietnam*, a two-hour special, went the syndication route via Orbis Communications, and cleared about 84% of the country. Also, both *Scared Straight* and *Scared Straight: 10 Years Later*, distributed by LBS Communications as a two-hour block, cleared "well over 80% of the country," says Shapiro, "including 46 of the top 50 markets in good time periods and did very well in the ratings."

Even in the case of *Jima* and *Soldier*, Shapiro says he went PBS fully financed. "I didn't go through the nightmare of the PBS system fundraising that you go through, which can take two or three years, if you get it through at all." In the case of *Top Flight*, the project was planned for syndication, but when *10 Years Later* did well, he says he wound up talking to CBS.

ABR sets two game shows, animation classics series; plans barter company

Two game shows and an animation classics series, the setting up of a barter company and plans to enter the production arena are in various stages of development at ABR Entertainment, which is on an expansion roll.

Formed only about two years ago, by Burt Rosen, chairman and ceo, ABR has four properties under its wing:

- *Lingo*, on-the-air word game hosted by Michael Reagan, a son of the President's;
- ABR Feature Collection, 12 movies being sold on a one-per-month barter basis;
- *Crosswits*, game show;
- *Yes Virginia, There Is a Santa Claus*, half-hour Emmy award-winning special, annual animated show.

Lingo, consisting of 195 half-hours, has a current station lineup of 13 markets, but the program was offered late—at the tail-end of the past NATPE convention—for it to make any substantial dent in the market so far.

As for the new shows, the two game strips are *Yahtzee* and *Tell it To Harvey*, both offered for cash. *Yahtzee*, based on the high-selling board game, stars Peter Marshall. The series is available beginning in January. ABR is looking for access or an early-fringe time slot.

Yahtzee will be housed in a high-tech set of the 1990's, replete with lasers and state-of-the-art graphic animation. Ralph Andrews is producer of the Andrews/Bernstein/Hovis Production.

Harvey, a comedy/game show starring Harvey Korman, is looking for a September 1988 start, says Rosen, and a pilot of the strip will be shot this month. The series features a panel of celebrities matching wits with viewers.

As for the film classics, remade in animation, they feature 28 one-hour stories and will be available beginning in April via a barter split of seven minutes for the stations and five for national sales. Plans call for two classics to be released per month. Titles include *Ivanhoe, Man in the Iron Mask, Robin Hood* and *20,000 Leagues Under the Sea*.

While ABR has been acquiring and distributing TV product, Rosen anticipates moving into production and development in the not-too-distant future. And, also in terms of expansion, expects to establish a separate company to handle barter sales. At this point, barter is handled by ABR's barter division, headed by Lon Fishback as vice president, western division, and Art Berla, as vice president, eastern division.

ABR Entertainment has made a number of appointments recently, in an expansion at the company. These are:

Roger B. Adams, as executive vice president general sales manager. Adams is a veteran of 18 years in television syndication sales. He comes to ABR from King World where he was national sales manager.

Kenneth S. Kagen, as vice president, marketing & research. Kagen comes to ABR from Blair Entertainment where he served as vice president of marketing/research.

Joseph A. Mirabella III, as vice president, sales, northeast division. Mirabella comes to ABR with extensive experience in sales management from Blair Entertainment.

Arthur O'Connor, as vice president, sales, southeast/southwest region. O'Connor was at Ted Turner's Cable News Network.

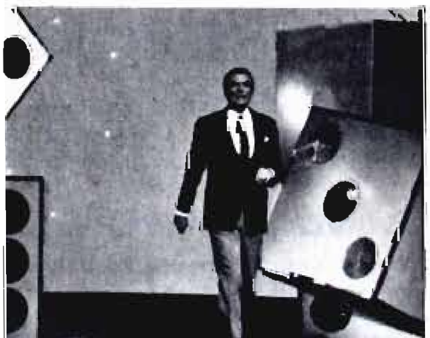
Jack Donahue, as vice president, sales western division. Donahue comes to ABR from Republic Pictures Corp. where he served as western sales manager.

Arthur Berla, as vice president, sales, eastern region (special projects division). Berla was at the Christian Broadcast Network wehre he served as the national sales manager.

William Lon Fishback, as vice president, sales, western region (special projects division). Fishback had been at Chris Craft Station Group where he was a sales executive.

Celinda V. O. Glickman, has been promoted to vice president of operations. Previously, she was director of publicity/promotions.

Carrie Einbender, as director of Creative Services. Einbender recently relocated to the Los Angeles area from Miami, where she was assistant program development director with PBS station, WLRN-TV.



Peter Marshall, *on set of Yahtzee, new game show due for a January start. ABR Entertainment is distributor.*

SMC vignettes for W-L

Warner-Lambert will sponsor a series of health-related TV vignettes to be distributed by Select Media Communications. The units, called *Healthbreak*, are 60 seconds each and are hosted by Jim Palmer, ABC World Series commentator and former baseball pitcher.

Clearances in the U.S. total 85%, and the units will be seen twice per week—Monday through Friday in primetime and late night time periods. A number of W-B products are participating, including Listerine, Listermint, Trident, halls Cough Tablets, Benadryl, Benylin, Clorets, Anusol, Efferdent and Tucks Pads.

Warner-Lambert *has contracted with Select Media Communications to nationally distribute "Healthbreak," an informative series of 60-second vignettes with World Series sportscaster and former baseball pitcher Jim Palmer as spokesperson. The vignette is produced by Bread & Butter Productions.*

Subjects covered will be information on plastic sealants to combat tooth decay, how soothing music may reduce blood pressure, how sunlight can psychologically brighten a day and other tips that viewers can use.

Mitch Gutkowski is president of SMC. Healthbreak is produced for SMC by Bread & Butter Productions.

Syndication shorts

Warner Bros. Television Distribution has pre-sold the half-hour sitcom *Growing Pains* in 111 markets for the fall 1989, including all of the top 10 and 22 of the top 25 markets. The stations are 76 affiliates, of which 14 are NBC, 20 are CBS and 42 are ABC, with the remaining the top independent stations. Latest additions to the markets sold are WFMX-TV Greensboro-Winston Salem-High Point, KETV(TV) Omaha, WQAD-TV Davenport-Rock Island-Moline, WMTW-TV Portland-Poland Spring, WFMJ-TV Youngstown, KHGI-TV Lincoln-Hastings-Kearney, WWTV(TV) Traverse City-Cadillac, KRCG-TV Columbia-Jefferson City, KTKA-TV Topeka, KXMC-TV Bismarck-Minot, WWAY-TV Wilmington, and WCJB-TV Gainsville.

Access Syndication has acquired the rights to *Eavesdroppers*, a half-hour daily game show produced by Martindale-Gilden Productions, in association with Procter & Gamble Productions. The show, which will be hosted by Tom Kennedy, whose previous game show credits include *Name That Tune*, is slated for a January debut. Kennedy will be joined by the Party Line Players, who will do comedy vignettes that will provide clues for contestants and viewer identification of popular characters and situations.

Muller Media Inc. has released The Great Escapes, feature package of 25 titles for first-run syndication selected from 80 films from Viacom's library. Escapes includes *Lawman Without a Gun*, *The City*, *A Special Kind of Love*, *To Race the Wind* and *The Killing of Randy Webster*. Titles are available between this year and 1988.

Casablanca IV has sold *Howard Cosell: Speaking of Everything*, first-run late-night talk show to air beginning in January, to the five NBC-owned stations. Other stations cleared include WTVJ-TV Miami, KOVR-TV Sacramento, KPNX-TV Phoenix and WTNA-TV Hartford. *Cosell* is patterned after the ABC Radio network show. The program is sold on a barter basis with eight minutes for the station and six for national advertising. Ohlmeyer Communications is producer.

Orion Television Syndication's *High Rollers*, launched last fall, has been upgraded by stations in two markets. KHJ-TV Los Angeles, which had been televising the game show in the afternoon, has moved the show to primetime, airing at 8:30 p.m. At WTVJ-TV Miami, *Rollers* shifted from a morning slot to 7:30 p.m.

Tribune Entertainment's fourth Geraldo Rivera special, *Modern Love: The Rise and Fall of the Sexual Revolution*, has cleared in 141 markets, representing more than 90% household coverage. The live special airs December 1 from 8–10 p.m. Among the stations carrying the show are WPIX(TV) New York, KTLA-TV Los Angeles, WTAF-TV Philadelphia, WGN-TV Chicago, KTVU-TV San Francisco, WNHT-TV Boston, WKBD-TV Detroit, KTVI-TV Dallas-Ft. Worth, KHTV(TV) Houston, KWGN-TV Denver and WCIX-TV Miami.

MGM/UA Television has pre-sold *T.H.E. Hospital* to the United Station Group and Gaylord independent stations for a lineup of more than 20% of the country. The strip comedy series is due for airing in June 1988 in late night. The show features an ensemble of comedic actors and often takes an irreverent look at the off-beat antics of the medical staff at a private hospital facility.

The Entertainment Network has cleared 26 markets for its feature film package, Sizzle. Among the latest stations added are KABB-TV San Antonio and KTMA-TV Minneapolis. Titles of the 12 films include *Wise Blood*, *The Texas Chainsaw Massacre* and *Smithereens*. Other stations licensed include KABC-TV Los Angeles, KTVU-TV San Francisco, WKBD-TV Detroit and KTVT-TV Dallas.

The Wall Street Journal Report has been picked up by three stations, bringing the total to 95, covering 65% of the U.S. The new stations are KARE-TV Minneapolis, WFSB-TV Hartford and WPTV(TV) West Palm Beach.

Samuel Goldwyn's November Gold, first released at NATPE 1987, has been sold in more than 30 markets, including seven of the top 10. In the last few weeks, sales have been made to WNYW-TV New York, three Gaylord stations, KTVT-TV Dallas, WUAB-TV Cleveland and KSTW-TV Seattle, plus ABC affiliate WTSP-TV Tampa-St. Petersburg.

Viacom Enterprises' next two one-hour barter specials produced by MTV: Music Television, will be *MTV Music Passport: Tom Petty and the Heartbreakers* and *MTV Music Passport: New York Special.*

Snicker Theater, weekly late-night cult movie series, distributed by **WesternWorld Television,** has gone back into production for 13 additional episodes. *Theater* has been airing in U.S. markets since July. Among stations airing *Theater* are WNBC-TV New York and KXAS-TV Dallas-Ft. Worth. WW is looking for the show to go strip next fall.

MCA TV Enterprises will distribute a first-run half-hour strip, *American*

Heartline, for a fall 1988 start. The show, which has been developed by Arnold Shapiro, will be offered on a cash-plus-barter basis. The program will be upbeat, showing personal dramas and the people's need to win.

TBS retrieval system for titles

Turner Broadcasting Services is using an advanced information retrieval system that makes it comparatively easy to search for titles of films that as recently as January would have taken as long as eight weeks. The search may be accomplished in five to 20 minutes, thanks to the TV Availability System, developed exclusively for TBS by its management information systems department and Turner Entertainment Co., which manages the MGM library.

The system runs on an IBM mainframe system that services several other areas of Turner Broadcasting. Information on the 3,800-plus titles in the library of MGM, RKO, and pre-1950's Warner Bros. films syndicated nationally by TPS is stored on a mainstream in Los Angeles, along with data on current syndication contracts for the films.

The mainframe is linked with personal computers in Chicago, Los Angeles, Atlanta and New York, where TPS salespersons and sales assistants can call up information in a few seconds, or with longer reports, overnight. The system sorts films according to a variety of criteria, including stars, directors, genres, MPAA ratings, ratings listed in Leonard Maltin's *TV Movies*, release year, award category, and whether the film is available in black-and-white or color for TV syndication, cable, pay-TV and home video. Reports also can be prepared which combine a variety of parameters, allowing a salesman to prepare a list of musical films running 120 minutes or less, featuring a specific star and available in one or more specific markets by a particular date.

TPS' national sales manager for public broadcasting, Tom Todd, has had particular success with the System. "I have to keep track of 140 PBS affiliates and their markets," says Todd. "It would be impossible to do that by hand. Now, if a program director calls to request a particular film, I can call it up on the computer while he waits. I also have a variety of ways to present our product."

The system's flexibility also has proven an asset in constructing packages for statewide PBS systems as well as stations in Miami and Dallas. Reports on availabilities in several markets, both inside the states and in neighboring cities, can be called up in as little time as five to 20 minutes.

Plans call for the expansion of the system to include information on all series TPS offers in syndication. In addition, by mid-1988, the system will include all accounts receivable functions.

Ollie awards winners

An ABC Weekend Special and a WonderWorks show topped the list of winners of Ollie Awards, given out at the recent American Children's Festival.

The list of winners is: *The Mouse and the Motorcycle*, presented by ABC and Churchill Films, an ABC Weekend Special; HBO Family Playhouse's *The Truth About Alex*, entered by Home Box Office; *Home Turf*, entered by KRON-TV San Francisco; *New Image Teens on Peer Pressure*, entered by KPBS-TV San Diego; *Popcorn*, KATU Television Center Portland; *Rapmatazz: Prejudice*, WCVB-TV Boston.

Also, *Reading Rainbow*, Great Plains National/Nebraska ETV, WNED-TV, Lancit Media Productions; and *Anne of Green Gables*, from WonderWorks, presented by WQED-TV Pittsburgh and WonderWorks.

TEN plans large-scale production expansion; seeks barter ties with firms

Nineteen-eighty-eight could be a boom year for The Entertainment Network.

With *Top of the Pops*, CBS-TV weekly late-night rock show airing on Fridays as kingpin, TEN has a heavy production and syndication menu that it expects to launch the coming year, which encompasses a wide range of domestic product and an acceleration overseas.

One important project being put forward by Drew Savitch Levin, president and CEO, through his TEN Media division, ad sales unit, is for the division to handle the barter sales for other syndicators, similar to the structure of International Advertiser Sales, formed by Orbis Communications in conjunction with Coca-Cola Telecommunications and Paramount Television domestic syndication. Levin says he's in discussion with two major companies to sell their barter domestically and internationally as well.

In an interview, Levin rattles off the following projects:

□ A primetime *Top of the Pops* Christmas special for CBS, which would feature a number of artists singing Yule songs
□ Production on miniseries and series for network development
□ A half-hour game show for children, teens and young adults, to be available beginning next fall on a barter basis
□ The selling of colorized classics, to be called the TEN Classic Network
□ Distribution of a game show that ran successfully on ABC in the daytime and will get new first-run episodes
□ Plans to finance three low-budget theatricals, marking its first entry into the arena, via a new division, TEN Theatricals Inc.

The Yule special that's being planned will be one hour in length. Levin says he's in discussion with CBS and that talks "look very promising" for this Yule.

In the children's game show arena, Levin says "the children's market is crying out for an important show. Everyone is talking about live action to counteract the trendy toy-driven animation, which is not working, and we're trying to go one step further. A concept was pitched to us which impressed us as far as demos are concerned. "The show, called *Scavenger Hunt*, had originally been developed by Klein & Friends as an access adult strip. "We are in pilot production on it now in association with the company. It's a celebrity-driven teen magazine game show for kids, with the celebrities appearing the entire week."

Interest. Levin says he's gotten a lot of interest from not only indies but affiliates as well for airing possibly in late afternoon or early fringe. "We think it will provide a bridge between the remaining animation or kids' programming into off-network or first-run sitcoms."

Drew Levin

In colorized films, Levin says he expects to deliver one movie per month beginning with next May. The colorization will be handled by Color Systems Technology, and eight movies will be done immediately, says Levin. The network will be marketed via a barter run initially, with the stations having an option to take the movies after their second run for a five-year cash license. The films will be distributed by TEN, Levin points out, and the financial support on colorizing the movies will come from Trafalgar Holdings, an investment banking company. Most of the films are out of public domain.

Game. Regarding the game show, Levin won't give details because the formal contract hasn't been signed with the producer. "It is a done deal, however. Our goal will be not to launch the show in the fall unless there is a significant erosion of new game shows being produced. We initially will do live runthroughs for the networks and if they like it we will launch it on one, or take it into syndication." One network, says Levin, has expressed interest in airing the game show as a possible summer 1988 replacement.

In addition to the hour *Top of the Pops* being aired by CBS, TEN has recently sold a half-hour version to France, Australia Germany, Spain and Japan. Plans call for the shows to be marketed with TEN keeping what Levin calls a "global spot." The aim is to sign an advertiser "such as a Pepsi or a Coke to sponsor the *Top of the Pops* chart on a weekly basis in the show.

Also, Levin notes that TEN's new movie package, *Sizzle*, is doing well and is now in 31 markets of the top 50. And TEN will continue to produce the Montreux rockfest and with certain one-time-only music events. In feature films, TEN recently acquired a package, which Levin calls TEN Prime International, solely for the international arena.

In theatricals, the initial productions will come from WCP, production company headed by William Cain. "Budgets will be under $3 million for each," says Levin. Plans call for three to five films per year. "The movies will be sold overseas as well," he says. Down the line, Levin expects the films from the division to go into syndication.

Zooming in on people

George S. Smith, Jr. has been named vice president, chief financial officer at Viacom International. Smith, who previously was vice president, controller at Viacom since 1985, succeeds **Gordon E. Belt,** who resigned recently. Previously, Smith was vice president, finance and administration, at the Viacom Broadcast Group. He joined Viacom's corporate treasurer's office in 1977 as director of financial services.

Fran Reiter has been promoted to vice president, general sales manager at The Entertainment Network. Reiter was vice president sales, northeast region. Prior to joining TEN, Reiter was vice president, station sales at Orbis Communications.

Christine Montemer, contracts administrator, has been promoted to manager, sales administration, Orion Television Syndication. She joined Orion in 1985.

Adam Lloyd will join Worldvision Enterprises as account executive, eastern division, in the New York office. He

Adam Lloyd

came to Worldvision in January 1987 as central division manager for Worldvision Home Video. Before that,

Programming/Production

(continued)

Lloyd was a marketing coordinator at The Yamaha Corp. and producer of *New Year's Eve Big Band Special*, TV show.

Dirk van de Bunt has been promoted to director, business affairs, at the network television division at Gulf + Western's Paramount Pictures. Most recently, he was senior attorney for the division since February 1986. Before that, van de Bunt was an attorney at Video Business Affairs & Legal.

Rick Miner has been promoted to the newly-created post of director of production and engineering operations at WWOR-TV New York. Miner previously was the station's director of production and broadcast operations. He has been with WWOR (then WOR) since 1978 in programming and production areas, including com continuity manager and assistant program director. In his new post, Miner will be responsible for the station's production and engineering operation. In addition to his new duties, he continues as executive producer for New York Mets contests.

Rick Miner

Sandra L. Weir has joined **Orbis Communications** as director, programming and production. Before joining Orbis, Weir headed her own TV production and consulting company, Anchor Productions.

C. J. Kettler has joined **Sunbow Productions International** as senior vice

C. J. Kettler

president of distribution. Kettler comes to Sunbow from Vestron, where she most recently was vice president of film acquisition. She joined Vestron in January 1984, to create and develop the children's video library.

Richard "Dick" Ostrander has been appointed eastern division sales manager at **Coral Pictures.** He will be based in Philadelphia. A veteran in TV sales, Ostrander was an independent TV syndication representative covering the East Coast and midwest, operating as OZMA Broadcast Sales.

Richard Ostrander

Taft Entertainment Television has named **Suzanne Young** senior vice president, business affairs. Young has been vice president, business affairs at Taft Entertainment Television since 1985. She joined TET in 1984 as director of business affairs.

Sara Cavanaugh has joined **All American Television** as news coordinator. Prior to her appointment, she was a production assistant for a local newscast at Adelphia Communications.

Christine Montemer, contracts administrator, has been promoted to manager, sales administration, **Orion Television Syndication.**

Ed Wilson has been named vice president, eastern regional manager and **Al Rothstein** has rejoined **Paramount Pictures Domestic Television Division** as vice president, southern regional manager, Wilson's former position. Rothstein was southeastern division manager for Paramount from 1981–84 before becoming general sales manager at WTVJ-TV Miami. Wilson joined Paramount in 1984 as southwest division manager. He served as sales manager at KATV(TV) Little Rock from 1983–84. Wilson replaces Joel Berman.

Robert A. McAllister has been named research director, domestic television distribution at **Republic Pictures Corp.** He recently received his M.A. in television and radio from San Diego State University.

Linda Lieberman has joined **Blair Entertainment** as station clearances manager, southern region. She comes to Blair from TeleTrib, where she was an account executive for the southeast region.

Home video

Heron Communications will distribute NFL Films Games for video. Under the agreement, Fox Hills Video, a subsidiary of Heron, will distribute the current video catalog of NFL Films as well as a minimum of 10 original productions per year. NFL Films, based in Mt. Laurel, N.J., will be responsible for all the productions, which will cover the NFL's history, its players, and the Super Bowl. Besides normal distribution, NFL Films products will be sold by Fox Hills Video via mail order, TV promotion and direct response.

Masters of the Universe, the film version of the successful *He-Man: Masters of the Universe*, will be available in video beginning Dec. 9 via **Warner Bros. Home Video.** The Mattel characters have registered more than $14 billion in licensed-product sales. A Spanish subtitled version has also been set, to debut also on Dec. 9, called *Amos del Universo*. In addition WHV will release *Under Cover* and *Three Kinds of Heat* on the same date.

Lorimar Home Video has added *The Planet Eater* and *Darkbird* to its "SilverHawks" video library. Lorimar is supporting the release of the two shows with extensive stand-ups and posters.

Warner Home Video has joined a growing list of home video suppliers using Macrovision's anti-copying process on their prerecorded videocassettes duplicated in the U.K. Macrovision users in the U.K. now include CBS/Fox Video, Medussa Communications and Nelson Home Entertainment.

Prism Entertainment, through a joint venture with Tokyo-based Gaga Communications, will release nine titles in Japan during the first quarter of 1988. The agreement marks Prism's initial venture into direct video distribution in foreign markets. Provisions of the accord call for Prism and Gaga to share jointly the share of the costs and equally in the profits.

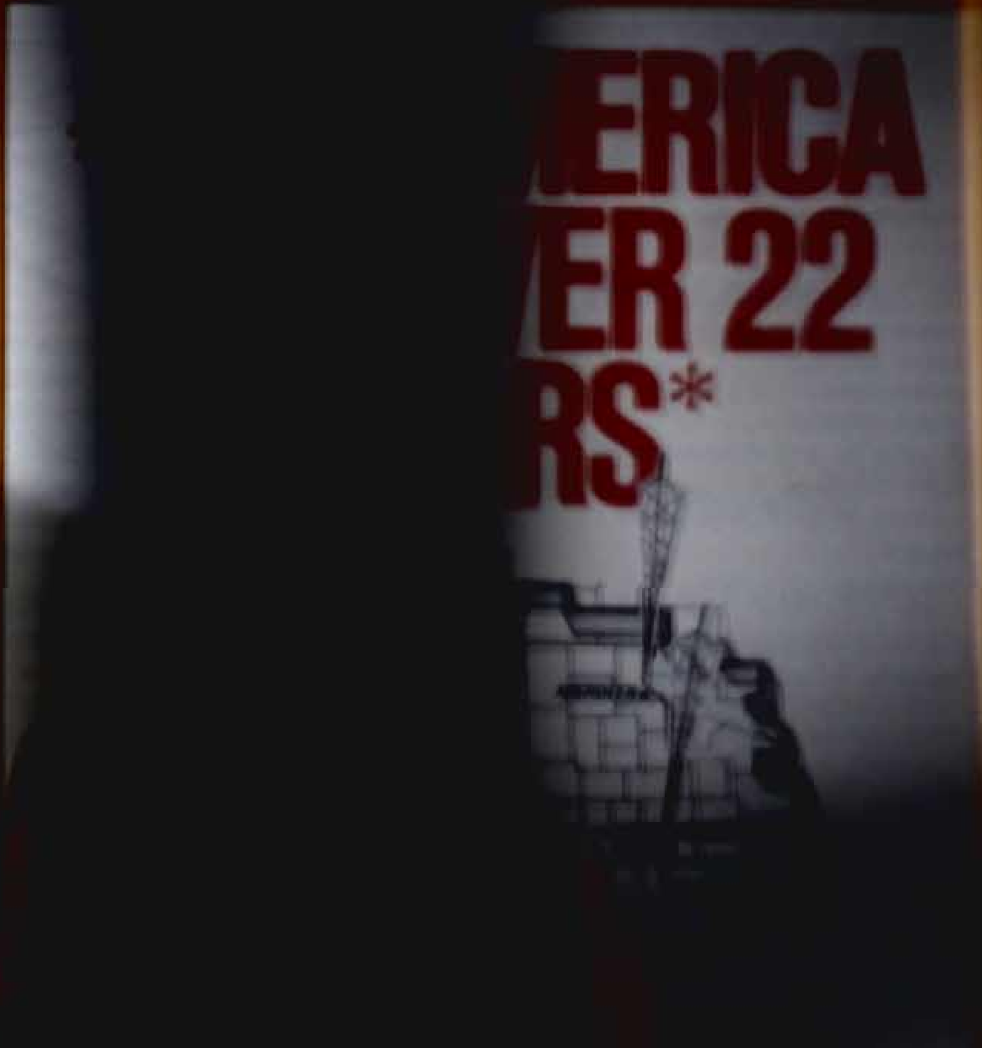
Three titles per month will be released beginning in January. The releases scheduled for the month are *Tales From the Darkside Blue Movies* and *Snowballing*; for February, *Voyage of the Rock Aliens, Cloud Dancer* and *Soggy Bottom*. The March releases are *Mind Killer, Samson & Deliah* and *Children of Rage*.

Nippon Columbia, one of the largest distributors of audio and video products in Japan, has been named exclusive distributor for the product line.

Gaga Communications is a subsidiary of Japan's largest wholesaler of prerecorded cassettes, Nihon Tape Corp. and is currently one of the leading suppliers of feature films in Japan. In 1987 Nihon Tape projects grossed sales of more than $150 million.

TELEV

Spot Report



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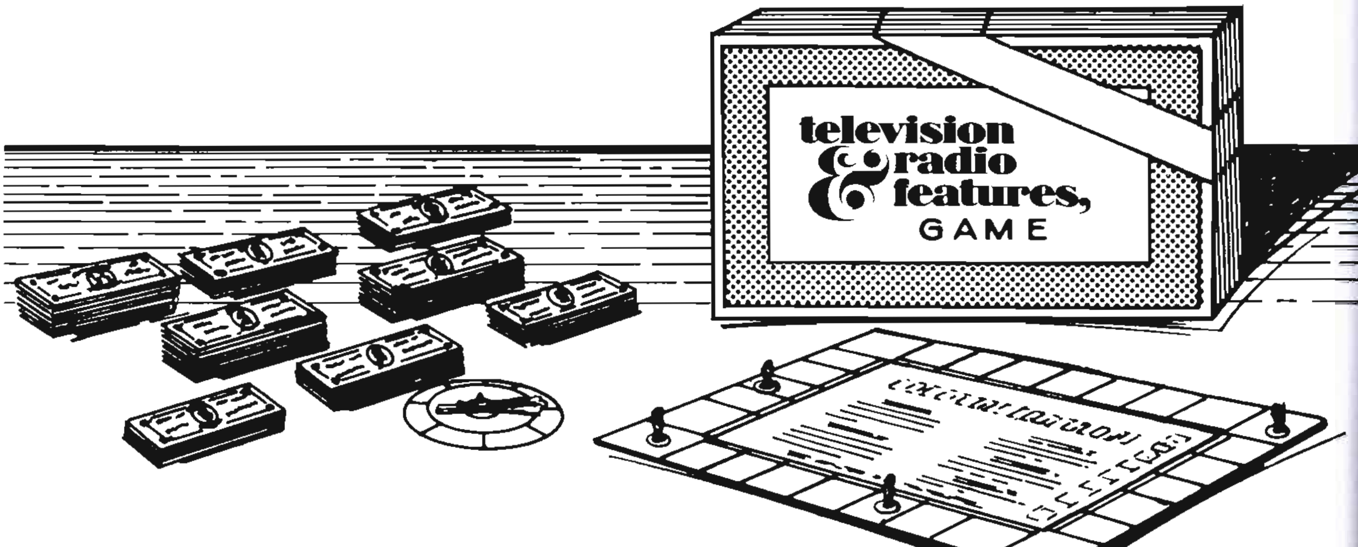

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- **Increase your ratings**
- **Increase your sales**
- **Increase your profit**

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

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- Encyclopaedia Brittanica • Ames Garden Tools
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Spot Report

November 9, 1987

Now Eastman Radio finds Arbitron, Birch too far apart

Some more wide differences between Arbitron and Birch have been turned up in the spring ratings, this time by daypart, and this time by a different radio rep, Eastman. A new report was produced by Eastman Radio hard on the heels of a McGavren-Guild comparison of Birch and Arbitron results that also showed significant differences between findings of the two ratings services, except that the comparisons were made between formats rather than dayparts, and drew cries of "foul" from Birch (*Spot Report*, Oct. 26).

The new Eastman comparisons reported by research vice president Charlie Sislen cover the top 25 markets and found that on a total week, average-quarter-hour basis, Arbitron shows 18.2% of the population 12-plus listening to radio, versus Birch's 17.9%, but the differences widen when broken out by daypart. Arbitron's overall rating point delivery comes up significantly higher than Birch's in morning drive, says Sislen, 26.3% vs. 22.5% Arbitron also reports higher levels in midday and Saturday 10 a.m. to 3 p.m. However Birch outdelivers Arbitron in all Sunday dayparts and in some other time periods.

Sislen says, "It appears Birch methodology may underestimate total listening in morning drive while delivering more rating points during dayparts that are closer to the data collection hours of 5 p.m. to 10 p.m. On the other hand, Arbitron morning drive levels are offset by apparent underdelivery of the 7 p.m. to midnight audience, most notably on weekends."

He adds that these findings "are consistent with the belief that Birch methodology favors younger skewing stations; the median age of the radio listener decreases as the day progresses, thus explaining low Birch levels in morning drive and higher levels, comparable to Arbitron, from 3 p.m. to midnight."

Improving. When McGavren Guild released its format comparisons for the top 10 markets to underline its contention that station selection judgments should be based on trends across several ratings reports rather than on any one book from either rating service, the covering letter from McGavren Guild president Ellen Hulleberg complained of "the inconsistencies of the data currently produced by Birch from book to book" and called Arbitron "tried and true, and at this point a better research company." But she added, "As Birch continues in business, it, too, will become a better research company. Birch is continually improving its techniques, such as the current central interviewing vs. the field interviews."

To this Birch responded by dispatching a memo to all McGavren Guild represented stations that subscribe to Birch saying that while "Everyone is entitled to an opinion, fortunately for you [stations] Ellen's opinion runs counter to many major agency media research departments that have undertaken technical comparative evaluations. During the past two years BBDO; McCann-Erickson; McDonald's; Ogilvy & Mather; N W Ayer; Hill Holliday; BDA; Foote, Cone & Belding and numerous other important advertisers and agencies have conducted technical evaluations that have found in favor of Birch.

"And fortunately for you, the other leading rep group, Katz Radio Group, has taken the position of supporting the use of both services."

Spot lags in travel ads

Travel and hotel/resort advertising on TV climbed 11% during the first half, but spot growth lagged behind that of network. Total expenditure for the category, as compiled by TvB from BAR data, came to $233.0 million. Spot spending, about 90% higher than that of network TV, was up 5.7% to $152.6 million, while web spending rose 23.3% to $80.4 million.

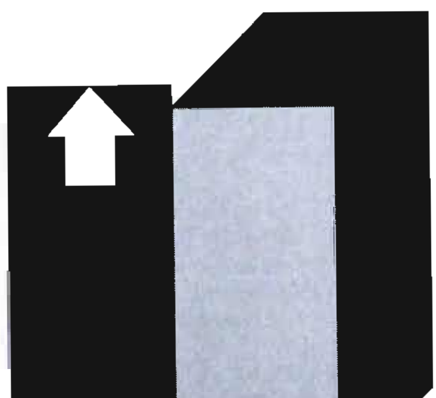
The category is made up of three subcategories: (1) passenger travel, the largest, up 15% to $140.2 million; (2) tourist promotion by national, state and local entities, up 9% to $55.5 million, and (3) hotel/resorts, up 2% to $37.4 million.

Practically tied for first place among passenger travel spenders were American and United airlines.

September

Local TV business *(millions)*

+10.1%



1987: $516.1 **1986: $468.8**

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Spot Report

Campaigns

Bissell Inc., TV
Kelly, Scott and Madison/Chicago
POWER STEAMER is set for four to six weeks of spot advertising that started in mid-September or on various October air dates in a nationwide spread of larger television markets. Buyers picked up daytime, news and fringe avails to attract women 50 and up.

Colgate Palmolive Co., TV
Foote, Cone & Belding/New York
SELECTED BRANDS are using two to eight weeks of spot television that began on various October and November air dates in a widely scattered selection of consumer markets. Media arranged for daytime and fringe showings to appeal to women in various age brackets, depending on brand.

The Pillsbury Co., TV
Leo Burnett Co./Chicago
HUNGRY JACK BISCUITS are making spot appearances for 13 weeks during fourth quarter in a long list of sunbelt television markets. Media group used a full range of dayparts to reach women 25 and up.

Wine spots

A mix of network plus additional weight in a nationwide spread of 12 to 15 larger spot markets is being used in the new television campaign for Paul Masson wines. Agency is Lintas: New York. Assistant media director Mike Carr says the target audience of the fourth quarter campaign includes both men and women 25 to 54.

Jay Morris, executive vice president/marketing for Vintners International, says, "We gave the agency a tough challenge. The wine category is very competitive and we needed to break through to an already cluttered market. We believe this new campaign portrays not only the time that Paul Masson devotes to aging a fine wine, but also our company's 130 years of perfecting the craft."

Vintners International Co. was formed earlier this year by Michael P. M. Cliff and Paul M. Schlem, and acquired from Joseph E. Seagram & Sons most of its major wine brands, including Paul Masson, Taylor California Cellars, Great Western, Taylor New York, Gold Seal, and Partager among others.

Appointments

Agencies

Joseph A. Sander has been elected a senior vice president of William Esty Co. The 20 year Esty veteran has been vice president/media director on Whitehall Division brands of the American Home Products account.

Richard Miller has been promoted to vice president, associate media director at FCB/Leber Katz Partners/New York. He came to the agency in 1982 as a planner and now moves up from media supervisor.

Debra L. Nevin has been elected a vice president of BBDO/Chicago. She joined the agency two years ago and is an associate media director reporting to **Kathy Segal,** vice president, director of media planning.

Wendy Rich-Coleman has been promoted to network buyer at HBM/Creamer in Boston. She steps up from local broadcast buyer.

Jim Grace has joined Eisaman, Johns & Laws/Southwest as a media buyer. He was formerly an account executive with WKHT Hartford, Conn., and before that had been president of Phoenix Media in Houston.

Mary Murphy, an associate media director for Ketchum Advertising/San Francisco, has been promoted to vice president. She's been with the agency three and a half years and her account assignments include Beatrice/Hunt-Wesson, the Beef Industry Council, the California Egg Commission and the International Banana Association.

Maria Comperchio and **Nancy Schumacher** have been elected vice presidents of Lintas/New York (formerly SSC&B). Both came to the agency in 1982. Comperchio is a planning supervisor and Schumacher is an assistant media director.

Media Services

Maurice McKay has been named director of operations at Cash Plus in Minneapolis. He was formerly a senior media planner with Campbell-Mithun Advertising.

Kathy Zingraf has been promoted to associate media director at Kelly, Scott and Madison, Chicago. She joined the company two and a half years ago and now steps up from assistant to the director of media operations.

Denise Beaudoin has joined CPM, Inc. as a broadcast supervisor. She moves in from J. Walter Thompson where she had been a media coordinator and senior broadcast buyer.

New promotions firm

The Ogilvy Group has formed a new, independent U.S. Sales Promotion Group, organized to provide a wide range of integrated promotion services. The unit will be part of SAGE Worldwide, Inc. which includes a Retail Consulting Division and a Promotion Division. Ogilvy expects total sales of the new group to come to over $22 million this year, and they say that will make it "one of the largest independent promotion groups in the world."

The new promotion group will consist of Promotional Campaigns, Inc. (formerly Ogilvy & Mather Promotions), Promotion Marketing Services, Inc. and two firms Ogilvy has agreed in principle to acquire: Thomson-Leeds Co., Inc., a producer of point-of-purchase display materials, and Alert Marketing, Inc., an in-store merchandising and sales organization.

Representatives

Eden Lucas has been promoted to vice president sales in the Los Angeles office of McGavren Guild Radio. She started as a sales assistant in 1979 and moved up to account executive in 1982.

Mitch Kline has been named vice president, general sales manager of Banner Radio in New York. He transfers from Katz Radio where he had been vice president, New York Sales Manager.

Amy Belinsky has been promoted to manager of the B-II Research Team at MMT Sales. She joined the firm as sales assistant in 1983, stepped up to research analyst in 1985 and was promoted to assistant research manager last year.

Brian Watson has been promoted to director of corporate benefits and taxes for Katz Communications, Inc. in New York. Watson joined Katz last year from CitiCorp, where he had been a trust officer.

Joseph C. Hearn has been promoted to regional manager in the Cincinnati sales office of Regional Reps Corp. He moves up from account executive to succeed **Don O. Hays,** senior vice president, who retired Oct. 31 after more than 22 years with the company.

Stephen Stoltz and **Greg Finch** have been appointed account executives with Petry National Television. Finch, who has completed the rep's sales training program, was formerly national sales coordinator for KTLA-TV Los Angeles. Stoltz had been an account executive for WXXA-TV Albany.

Claire Montenegro has joined Katz Hispanic Radio Sales in Chicago as an account executive. She had been an account executive for Spanish-language WOJO Chicago and before that had been public relations special events director for the station.

One Buyer's Opinion

Katz

Big jump in hypoing requires big flags for guilty stations

For too long, media buyers and their clients have been the victims of stations that inflate their ratings during measurement periods by sponsoring special contests and surveys. That's why, when the Electronic Media Ratings Council recently issued hypoing guidelines to Arbitron and A. C. Nielsen recommending penalties for stations that indulge in the practice, the action received overwhelming industry support.

We applaud the EMRC's suggested penalties which include:

- Printing a "special station activities" notation on the ratings companies' computer tapes and hard copy reports;
- Deleting ratings for the time period in which distortion occurred;
- Omitting ratings for all dayparts in a given week when the distortion occurred; and
- Delisting a station from an entire report.

The penalties are likely to scare potential offending stations. But much of the responsibility for recognition will lie with both buyers and the ratings companies. The key deterrent, therefore, is the inclusion by the ratings companies of a special notation to their computer tapes, since more buyers today rely more heavily on computer systems than on the traditional local ratings books that carry warnings. In essence, the technology has provided a hiding place for erring stations.

This protection may be one factor causing more "special activities." In November 1984, for example, Nielsen listed 20 stations using different techniques to hypo ratings. By November '85, this number doubled to 41, and one year later 62 stations were reported. That's a 210% increase in just two years.

Both Nielsen and Arbitron try to discourage the practice. In addition to listing offending stations in the front of local ratings reports, they issue special bulletins to agencies and buying services. But if the computer systems cannot flag these practices, they will probably continue. These bulletins, whether they appear in a manual or computer based system, must alert the buyers to the possibility that the ratings may not be truly reflective of a "normal" competitive environment.

We would like to see these bulletins continue to be distributed. We hope, too, that the EMRC will explore other methods that might increase the exposure of "special activities" to buyers. If there was a network of "red flags" instituted, easily accessible and widely promoted throughout the industry, we're sure stations would not be tempted to initiate the kinds of specials associated with hypoing ratings.

An effective warning system would certainly help buyers—both those using computers and those who don't—make more prudent buys and bring the market in on target when analyzed. Most important, it will allow the buyer to negotiate realistic rates. We're all in this business to sell our clients' products. Hypoing ratings diminishes the value an advertiser receives for his spot radio or TV investment. It is a practice that hurts us all, a practice that should be stopped.—**Hal Katz,** *executive vice president, Vitt Media International*

Stations

Peter S. Temple has been named vice president and station manager of Fox Television's WNYW(TV) New York. He moves in from Lorimar Telepictures where he had been senior vice president, Lorimar Syndication. Before joining Lorimar in 1985 he had been vice president, station manager at CBS-owned WCAU-TV Philadelphia.

Richard T. Kitelyn, vice president, general manager of TVX's WTVZ(TV) Norfolk-Newport News, has been appointed vice president of TVX Broadcast Group Inc., working with all 12 of the company's television stations. He'll be coordinating special projects and promotional activities for the company and its stations.

Jim Bryant has transferred to WKRQ(FM) Cincinnati as vice president general manager. He steps up from general sales manager at sister station WKRC. He joined the Great American Broadcasting outlet in 1980 as an account executive.

Heekin moves up at JWT

James R. Heekin III will be the new general manager of J. Walter Thompson's New York office, with the additional title of executive vice president, effective January 1, 1988. As such, Heekin succeeds Steve Bowen, president, JWT/USA, who says the move will free him to "focus on all of our clients' needs."

At the same time, Heekin, Jack DiGiuseppe, Roy A. Glah and Richard Pollet have been elected to the agency's board of directors. Pollet is a senior vice president and assistant general counsel for JWT/USA and will serve as secretary of the board. Glah is an executive vice president and director of finance and administration for the agency, and DiGiuseppe is executive vice president and co-executive creative director. Heekin had previously been senior vice president and management director at JWT/New York.

Bob Allen has been named general manager of KCRG-TV Cedar Rapids. He joined the station in 1986 and now moves up from news director.

Larry Wilson has joined Southern Skies Broadcasting as vice president, general manager of KLEO/KZSN(FM) Wichita, Kans. He had been general manager of KARN Little Rock and the Arkansas Radio Network, and has served as president of Arkansas Broadcasters.

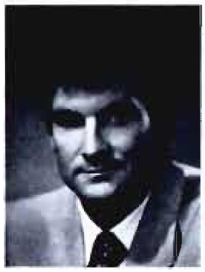
Charlotte Moore English has been appointed assistant general manager/programming at WMC-TV Memphis. She was formerly with WMAR-TV Baltimore where she had been vice president/programming.

David Ludwikowski is now director of programming and promotion for WJBF-TV Augusta, Ga. He came aboard in 1980.

Bob Roberts has been appointed general manager of Osborn Communications' WTJS/WKIR(FM) Jackson, Tenn. He moves in from KSKG(FM) Salinas, Kans., where he had been general sales manager.

Jerry Kunkel is now general manager of WXTX-TV Columbus, Ga. He comes to the Media Central station following posts as general manager of WDHN-TV Dothan, Ala. and WUTR-TV Utica, N.Y.

Weldon Crelia is now general manager of WLAC AM-FM Nashville, recently acquired by Fairfield Broadcasting Inc. Crelia comes to the station following sales management posts with stations in Texas, Kansas, New Mexico and California.



Bill Tynan has been named general sales manager of KDNL-TV St. Louis. He had been both national sales manager and local sales manager for the station and before that had been with Harrington, Righter & Parsons and with Peters-Griffin-Woodward in Chicago and New York.

Griffin Bacal promotes

Leokum

Kurnit

Paul Kurnit has been named chief operating officer of Griffin Bacal Inc. and Leonard Leokum is promoted to executie vice president, creative director. Leokum steps up from senior vice president. Kurnit, who joined the agency in 1982, retains the title of executive vice president, director of client services, which he has held since coming to the agency from Ogilvy & Mather.

In addition to his agency positions, Kurnit has taught at Columbia University, New York University, The New School for Social Research, Cornell, and the University of Chicago.

Before Leokum came to Griffin Bacal he had been senior vice president, creative director and a partner of Richards & Edwards. His other agency posts have been with Gray; Foote, Cone & Belding; Dancer Fitzgerald Sample; and Avrett, Free & Ginsberg.

Media Professionals

1988 can be hazardous to your ad budget's health

Leonard Kay

Senior vice president,
Director of media operations
Kelly, Scott and Madison

Len Kay of Kelly, Scott and Madison points to "a series of major events that occur every four years that bring extraordinary pressures on the broadcast media."

He notes first quarter media, and particularly television, "will be disrupted by the Winter Olympics and what is certain to be the most hotly contested and heaviest spending political primaries in history. Second quarter will have less primary election activity, but the quarter could still possibly break records for high TV costs. Second quarter is traditionally the second most expensive, and spill-over dollars from first quarter could exacerbate the situation. Third quarter brings the Summer Olympics and political conventions and September–October is national election time."

Kay sees all these events reducing available inventory and driving prices up for regular advertisers. (The nonregular advertisers are the political candidates themselves and many special products and services that do not customarily use television.)

He predicts the most critical time for TV advertisers "will be mid-January to March 7 when the crucial primaries occur—especially in those 19 states participating in 'Super Tuesday' on March 8. That's when they'll all have Presidential Primaries on the same date for the first time in history."

What can the buyer do? Kay notes "several options, none of which is foolproof:"

- Avoid first quarter. "It's obviously not a viable solution if you're committed to your ad program."
- Be prepared to spend considerably more than planned. "This will help, but won't guarantee against pre-emptions if political demand is heavy."
- "Overbuy your schedules, a device used by many advertisers. If your goal is 1,000 GRPs, then buy 1,200 and hope there's 1,000 left after pre-emptions."
- Look to "safer" media: "There's not much you can do about directly replacing television. It's the backbone of marketing. But you might increase your print. That's not affected by primaries.

"Are we crying wolf? Yes. Because there's a wolf out there."

New Stations

On Air

KSAX-TV Alexandria, Minn.; Channel 42; Licensee, Hubbard Broadcasting, Inc., 415 Fillmore Ave., Alexandria, Minn., 56308. An ABC affiliate. Telephone (612) 763-5729. Mike Burgess, station manager. Represented by Petry National Television. Air date, Sept. 14, 1987.

Buyer's Checklist

New Representatives

Banner Radio is now national sales representative for WKOK Framingham and WVBF(FM) Boston. WKOK programs a news, sports and talk format and WVBF is a personality oriented adult contemporary station.

Christal Radio has been named national sales representative for KONO/KITY(FM) San Antonio. KONO offers oldies and KITY has a contemporary hits radio sound.

Hillier, Newmark, Wechsler & Howard has assumed national sales representation of KADX(FM) Denver and WORL Orlando, Fla. WORL programs an urban contemporary format and KADX plays jazz and is sold in combination with sister station KYBG.

McGavren Guild Radio has been appointed national sales representative for KAYC/KAYD(FM) Beaumont, Texas. KAYD carries country music and KAYC offers nostalgia.

MMT Sales is the new national sales representative for KOFY-TV San Francisco. The independent is owned by Jim Gabbert and Michael Lincoln.

Republic Radio has been named national sales representative for WOMC(FM) Detroit and KKHT(FM) Houston. Both stations program adult contemporary formats.

Seltel has been named national sales representative for WVRN-TV Richmond, Va. and WDBD-TV Jackson, Miss. Both stations are independents.

Roslin Radio Sales has been appointed national sales representative for WOOF AM-FM Dothan, Alabama and KIDN Pueblo, Colo. KIDN features country music, WOOF plays album oriented rock, and its FM sister is an adult contemporary station.

Transactions

United Broadcasting Corp. has agreed to sell its three television stations to **ML Media** for approximately $114 million. They are KARK-TV Little Rock, Ark.; KDBC-TV El Paso, Texas and WTOK-TV Meridian, Miss. Larry C. Wallace is chairman of UBC and ML Media's managing general partners are former ABC executives Elton Rule and I. Martin Pompadur. Merrill Lynch & Co. is a general partner of ML.

Anacapa Broadcasters Inc. has agreed to acquire KBLS Santa Barbara, Calif. from **Premier Broadcasting Inc.** for $490,000. Robert H. Yamin heads Premier and the principals of Anacapa are Allen J. Potts and Fred M. Hall. Broker in the transaction is Chapman Associates of Washington.

Wall Street Report

Multimedia back in black following recapitalization after '85 takeover battle

Multimedia Inc. continues improving its bottom line this year following the red ink ($4.7 million) which showed up in '86 in the wake of the '85 recapitalization, following a takeover battle. Third quarter earnings were $4,940,000 vs. $182,000 a year ago. For the nine months, the net came to $7,446,000 compared with a loss of $2,200,000 last year. Operating revenues were up 11% for the quarter to $102,490,000.

What threw Multimedia for a loss in '86 was interest expense on the debt occasioned by the complex recapitalization. This involved the borrowing of $625 million from various banks and the issuance of 16% debentures. Debt repayment is said to be running ahead of schedule, but interest expense was $83.5 million during the January–September period this year. Interest expense last year was $111.9 million, compared with $36.4 million in '85, most of which occurred in the last quarter. In '84, interest expense was $8.3 million.

Shares take a beating

Like most other shares, Multimedia stock has been taking a beating. It was close to 70 early in October, but a week after Black Monday it dropped to 43¼. However, the stock hit a low of 18⅝ in late '85 after the recapitalization. The '85 high was 64⅛ while the '86 high was 46¼.

There are more than 12 million shares (OTC) of common stock outstanding, but the float is a little less than 10%. About 36% of the stock is owned by management and four families and another 55% by institutional investors. The four families' stake is down a little from early '85 when they sought to take the company private via a leveraged buyout. Their offer of $49.50 per share was rejected by shareholders but the company was put in play and three outside takeover offers popped up in quick succession—from Wesray, Lorimar and Jack Kent Cooke, with the latter acquiring more than 9% of the stock. Cooke topped the other contenders, including management, with a $70.01 per share offer in July, '85, and four days later the company bought Cooke's 1,626,500 shares at $70, giving him a $25 million profit. While a number of sources characterized Cooke's investment as "greenmail," the company stated it did not regard it as such. The recapitalization followed.

Operating revenues up

Third quarter '87 figures show all four sectors of the company doing well in operating revenues, though the broadcast sector (five TV and seven radio stations) went up a little less than the others. This is a reflection of the advertising environment, since all four Multimedia affiliates are Number 1 in their markets (St. Louis, Macon, Ga., Cincinnati and Knoxville) and its sole indie (Nashville) beats its indie competition. Broadcast revenues were up 7%; newspapers, up 13%; cable, up 13%, and entertainment, up 12%. The comparable increases for the nine months were 10, 10, 13 and 9%. Nine month revenues rose 10.4% to $299,552,000.

Multimedia and subsidiaries
Three months ended September 30 (000$ except per-share data)

	1987	1986
Operating revenues:		
Newspapers	$ 32,318	28,517
Broadcasting	33,447	31,293
Cablevision	22,757	20,198
Entertainment	13,968	12,440
Total operating revenues	102,490	92,448
Operating costs, expenses:		
Production	32,967	30,732
Selling, general & administrative	29,962	28,213
Depreciation	6,066	5,395
Amortization	951	880
Total operating costs & expenses	69,946	65,220
Operating profit	32,544	27,228
Interest expense	27,989	27,470
Other income, net	6,422	478
Earnings before income taxes	10,977	236
Income tax expense	6,037	54
Net earnings	4,940	182
Per share of common stock		
Net earnings	0.40	0.02

As for operating cash flow, it rose 18% in the third quarter to $39.8 million. Newspaper cash flow was up 25% to $11.9 million; broadcast, up 13% to $12.3 million; cable, up 20% to $10.4 million and entertainment, up 8% to $7.1 million.

Entertainment has been the most profitable of the four sectors in terms of operating profit margin. Last year it amounted to 46% vs. 31% for broadcast, 29% for newspapers and 23% for cable.

Two profitable shows

This profit stream is fueled mostly by two syndicated talk programs, the Phil Donahue and Sally Jessy Raphael shows. Both appear to be holding up well, according to Nielsen metered market data for September and the early part of October. The latter show has been building slowly, which, says one rep program executive, "is the best way."

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U.S. distributors climbing aboard *(from page 64)*

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But what if there is no television deal, what then?

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To soften up the television deal, HG has sold videocasette rights to *Robotech* to Novio, a video distributor in Scandinavia. Along with the deal, Match Box, which handles the merchandise licensing for HG, made a merchandising pact with Novio. So now Novio is distributing the toys, comic books and T-shirts in its video retail stores. The comic books contain plugs for the cassette, and the toys have casette sale information attached.

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While television and home video distributors are clamoring to get on the merchandising bandwagon, warning flags already are beginning to surface.

First, just as in the U.S., there is a growing backlash in overseas capitals against the TV-merchandising link, particularly as it is directed toward children. In America, Congress is scheduled to hold hearings on the subject, anxious to probe the relationships between U.S. producers/distrubutors ana toy manufacturers. The public interest group Action for Children's Television, Congress, the FCC, the FTC and even the courts all have gotten into the act in one way or another.

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"Merchandising companies lost so much money in the gold-rush days four or five years ago that they are scared off," says Albert Barille, president of Procidis, a production and distribution outfit in France. He says publishing is still a possibility for a hot show, but that's about it. The problem, he continues, is that unless the merchandising is there at the outset, by the time the show becomes a hit "it's too late."

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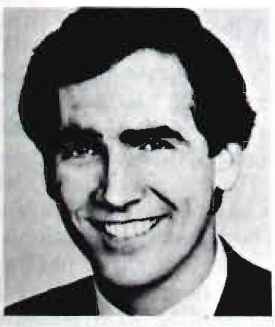

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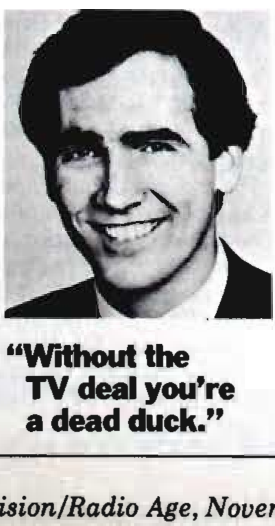

"Without the TV deal you're a dead duck."

Holding CPMs in check

(from page 60)

ents are too conscious of program environment to accept a buy entirely predicated on media weight and efficiency—and they can get what they want in cable and syndication. If BBDO made any buys similar to the recent P&G deals, he adds, pricing and coverage would be the major criteria. Guarantees reportedly are being worked out by Turner/Tribune but have not been publicly confirmed in the Katz deal, and Grubbs comments, "For any buy where we're spending major amounts of dollars, guarantees are a necessity."

Daubenspeck of FCB discloses, "When I heard about the Turner/Tribune deal, I sat down and had a chat with them. In some ways, they have a very interesting story. Unduplicated, they cover two-thirds of the country. And they have some one-upmanship because the networks underdeliver the major markets, and they can make a valid claim that a bigger percentage of their audience is in the major markets.

"It's too early to tell if this will take away from spot, but when I think of alternatives, I think in terms of putting national dollars into them. The cost efficiency is always better than on network because these alternatives are new—and the absolute ratings are small and not many people will buy them."

Daubenspeck says he's not that familiar with the Katz deal but, "I've got to believe there's a price incentive because the advertiser is giving up the flexibility of selecting the markets it wants to be heaviest in."

As for other alternatives to network, Daubenspeck doesn't consider anything too closely approximating a spot buy to be one: "Spot and network are really two different mediums. In spot, you pay a premium for not having any waste. You don't go to local media if national will do the trick—unless you're shut out of the national media. But you may look at network as an alternative to spot because, as the market list gets deeper, it becomes less economical."

The P&G deals don't represent an accelerated move to get out of network TV. The condition of the marketplace may have influenced them, but the search for alternatives is a continuing process.

Page Thompson
Executive vice president
DDB Needham Worldwide

He's found Fox Network to be a strong alternative and believes his agency has a larger investment in it than most others. He discloses FCB took a substantial position in Fox early in the season with a combined buy for several clients.

When it comes to spot as an alternative, Michael Moore, senior vice president and corporate media director/USA division at D'Arcy Masius Benton & Bowles, is on the opposite pole from Daubenspeck. He asks, "Isn't it fascinating that spot is not looked at as an alternative to network? When you compare primetime spot with primetime network, it may not be as efficient—but when you talk about cable or barter, are they really primetime in terms of the ratings they deliver?"

Kostyra at JWT sees all types of alternative buys benefiting from the high price of network time. "Because of the increases," he says, "advertisers are more willing to accept lesser situations. They may not be as stringent on CPM differential or on vehicles with not as high a coverage factor, or they may be willing to accept a greater amount of clutter. You have to move money out of the network pool or the CPMs will continue to go up."

Kostyra notes, though, that most of JWT's budgets for the first part of '88 had been committed to the networks, so, while he's looking at alternatives for what's left over, there's not that much left over.

Y&R has three major clients that are using spot as an alternative to network, according to Pranzo. He points out, "If you're buying 150 markets on a spot basis, it's the same as buying network. The efficiency can be better than on network, but that depends on what you buy; you're probably buying different dayparts than you would on network. If you were buying 60 or 70 markets in primetime, that would probably cost about the same as network primetime."

Meanwhile, BBDO continues to put more of its money in syndication and cable, according to Grubbs. "Virtually every network client we have is involved in cable," he reports. Fewer clients are in syndication but for the entire agency, that medium represents about 7% of client dollars, and several clients have as high as 20% of their national budgets in syndication.

He adds that three package goods clients are now doing 90% of their national spending in syndication. The typical client that would invest so heavily in the medium, he says, is the one that is concerned with "efficiencies and weight." □

"For any buy where we're spending major amounts of dollars, guarantees are a necessity." If BBDO makes any buys similar to the P&G deals, pricing and coverage will be the major criteria.

Steve Grubbs
Senior vice president
BBDO

FEEDBACK

Senator Hollings has struck "in the dark of the night," as he vowed, by attaching Fairness Doctrine and tax measures to the budget bill. What is your reaction?

"I feel attaching the Fairness Doctrine to a budget bill is wrong, and the Commerce Committee is overstepping its mandate. The Fairness Doctrine must be treated as a separate issue unto itself."

David Low
General manager
WTAT-TV Charleston, S.C.

"I regret that Sen. Hollings doesn't think that broadcast executives are as fair as print executives. He interprets the Constitution differently than the forefathers regarding freedom of the press. The senator is generally fair, but he's not about this. And it's certainly not fair to tack it on a budget bill."

Richard Laughridge
General manager
WLTX-TV Columbia, S.C.

"Senator Hollings is a long-standing politician who knows how to attach unpopular legislation, like the Fairness Doctrine, to a veto-proof bill. He's entitled to his views, but I would prefer that the Doctrine were allowed to be debated in a public forum and stand or fall on its own."

Jacob Bogan
General manager
WCOS(AM-FM) Columbia, S.C.

"We oppose any action to reinstate the Fairness Doctrine. Broadcasters should have the same First Amendment rights as the print media. The tax measures [attached to the budget bill] also are discriminatory."

Foster Morgan
News director
WCIV(TV) Charleston, S.C.

"We had heard that Sen. Hollings would attach the Fairness Doctrine to a veto-proof bill. It's a rather cheap way of passing a measure that infringes on our First Amendment rights."

John Marshall
General manager
WWDM(FM)/WFIG(AM)
Sumter, S.C.

"This was not done in the customary way through hearings, which is the way one would have thought a major issue like the Fairness Doctrine would have been handled. The senator has done a fait accompli. I'm disappointed that we had no chance to have any input. I know other broadcasters around the state are angry as well."

Dixon Lovvorn
General manager
WIS-TV Columbia, S.C.

"It's a shame we can't convince the senator that we should have the same rights as our print brethren. We thought the matter was resolved by the FCC and had hoped the senator would graciously accept that. We're very sorry we don't see eye to eye on this."

Joseph R. Varholy
General manager,
WSPA-TV Greenville, S.C.

"This action by Senate supporters of the Doctrine betrays their desperation. What they cannot achieve through normal legislative procedures they now seek through constitutionally suspect subterfuge."

Ernie Schultz
President
RTNDA

Middlecasting

(from page 71)

episodes you've paid for."

Salzman thinks over the last two or three years fewer people are sampling the new shows, fewer people are watching them, and these shows are dying earlier. But the nets aren't necessarily pulling the plug earlier because of economic pressures.

Ironically, those same pressures may be why ABC was so quick to drop *Headroom* and *Once a Hero* even though it had to eat the money committed to those shows. The net can smell moving up to number two this year, and the *Headroom* and *Hero* numbers were killing the net's weekly cumes.

"Max Headroom"

If *Headroom* was, in the end, too avant garde, what kind of hour action shows are the nets looking to schedule?

"There's a desire for lifesize TV shows built around lifesize characters," Salzman says. "People are looking for things that relate closely to their lives."

That means more a *Magnum* than an *A-Team*, and Salzman has some action hours that follow the *Magnum* lifesize model.

Salzman also would like to do more series in the *Dallas, Falcon Crest, Knot's Landing* mold, even though the shows don't have a long-life backend potential.

Efficiency effort

"We're looking at more efficient ways of producing," he says, as a way to ensure profitability since the syndication market is so volatile. Expect more international coventuring, like Lorimar is doing with Thames for the upcoming *Jack the Ripper* miniseries that will air on CBS. Salzman says that deal allows the net to pay a third less than it would otherwise have had to for the program.

And as more nongovernment nets have sprung up in foreign countries, Lorimar will look into international barter arrangements to increase its foreign revenue on series, Salzman says.

Another strategy to make financing less risky for Lorimar is to try to get talent (writers, directors, actors, etc.) to take less up front in return for letting them share substantially in the backend.

Salzman says that is a strategy the Brillstein Co. employs. Brillstein, which was acquired by Lorimar this year, and is really run separately by Bernie Brillstein, produces *Alf, Dodd, Maxwell*, and Showtime's *It's Garry Shandling's Show.* □

Wrestling grunts its way (*Continued from page 73*)

sons for the increased wrestling awareness of audiences nationally is that WWF's proliferation of the sport on cable for a number of years has exposed the sport "to a segment of the television audience which had either not been aware of wrestling or hadn't bothered to get interested."

Also, he points out, wrestling's popularity has risen because promoters of the events have signed colorful wrestlers who have attracted national attention. "When a wrestler such as Hulk Hogan becomes the basis of a cartoon character on network television on Saturday mornings, you know that wrestling has arrived. And wrestling has been merchandised very well—with poise and taste."

In a city such as Charlotte, several of the wrestlers live in the area and are considered local heroes, says Marion Meginnis, program director at WBTV(TV), which has been carrying wrestling for some 30 years. At present, the station runs *NWA Pro Wrestling* at noon on Saturdays, and it racked up a 7 rating and 38 share, on average, in the May 1987 Arbitron. "The fact that wrestlers live in Charlotte makes each show a special event," she says, and contributes vastly to the program's popularity. The city is such a bedrock of wrestling, she continues, that when a local wrestler was hospitalized after an auto accident, the incident was "major news" in the local papers.

Because the wrestlers reside in the Charlotte area, notes Meginnis, the station has the advantage of promoting them in various local events and in tie-ins with stores. These are bonuses that also help boost ratings, she points out. In addition to the NWA card, WBTV(TV) runs a half-hour version of *Super Bouts*, a new hour show in the testing stages for national distribution, tailored to the station by The Wrestling Network. Meginnis explains that the trimmed-down show was made as an accommodation to the station when it acquired the weekend *Wheel of Fortune* this season. *Wheel* now airs at 7 as lead-in to *Super Bouts. Bouts* ran in the 7–8 p.m. slot on Saturdays before the *Wheel* buy.

In addition to producing and syndicating wrestling fare for commercial television, The Wrestling Network supplies four hours of matches to WTBS, Ted Turner's superstation in Atlanta. The Turner outlet had been running WWF wrestling, but switched in June to Crockett's wrestling programs, which are different from the syndicated fare and provide exclusively to the cable entity. These consist of a two-hour block on Saturday nights, *World Championship Wrestling*, plus an hour show on Sunday nights and on Saturday mornings.

A conceptual plan for a new network by Turner, to be called Turner Network Television, may include a wrestling show produced by TWN. David Crockett, senior vice president at JCP, says he's talking to Turner people about a wrestling show, which would run on TNT if and when the network takes off.

Besides Philadelphia, Chicago is another major market that has at least two stations carrying wrestling on a regular basis. In fact, in Chicago there are three: WGBO-TV, WPWR-TV and WFLD-TV, all indies—and none go head-to-head. WGBO is the heavyweight in terms of the number of hours—10—including repeats, says Gail Brekke, general manager. Airing on the weekends in various time slots, the wrestling menu includes syndicated shows from WWF, *Spotlight* and *All American Wrestling; Pro Power* and *Universal*, from TWN; plus *POWW* and a magazine show, *Pro Wrestling This Week*.

At WFLD, the station airs WWF's *Challenge* in a late-night slot, while WPWR carries two one-hour programs. One, *Worldwide Wrestling*, airs on Sundays at 6 p.m. (CT) against CBS' *60 Minutes* and other network programs. Nevertheless, Sabin points out, the Sunday show has been averaging a 3 household rating, which he considers as "good." At one point, the station was carrying four to five hours per week of wrestling, but it has since cut back.

The two hours of wrestling were replaced by *Star Trek: The Next Generation* and by off-network syndicated product including *The A Team* and *T. J. Hooker*. All-in-all, Sabin believes that wrestling shows have become oversaturated and have peaked in popularity. But Brekke thinks otherwise. "That's like saying that bowling or that *Wheel of Fortune* has peaked. Wrestling will always be around," she emphasizes.

One experiment that fell flat on the mat was at KDFI-TV Dallas, which ran wrestling at 7 p.m. as a checkerboard since last January. The station subsequently dropped the checkerboard shows in September, when the station began airing *The Wil Shriner Show*, but a few weeks ago switched to the off-network series *Scarecrow and Mrs. King* in the 7–8 p.m. time slot. The wrestling fare consisted of *GLOW* on Mondays, *Power Wrestling, National Wrestling Association Southern Wrestling, NWA Pro Wrestling* and

Pro Wrestling Week for the remainder of the week.

Executives at the station did not return phone calls for further comment, but it's understood that the dropping of the checkerboard shows was due mainly to the lack of local advertiser interest rather than from poor ratings performance.

But one important indication of how well wrestling fares around the country is that its clearances and coverage have remained steady over the past few years and in many cases are growing. At MG/Perin, Marvin Grieve, president, says 75 stations, about half affiliates and half indies, covering 65% of the U.S. households, have licensed *GLOW* for its second year, including renewals, and he expects more to sign for *GLOW* in the next few weeks.

Titan Sports' Michael Ortman, vice president of marketing and affiliate relations, says the current WWF lineup totals 251 stations in 16 markets," and we are adding all the time." Of these, about 48% are affiliates. In the Oct. 4 weekly Nielsen SON, WWF's coverage was 236 stations, representing about 95% of the households. □

Orion's taste for sitcoms

(from page 74)

Though Orion puts on shows that have previous recognition, as *Consequences* had, Towle hopes that the one positive function of that show's failure will be to loosen stations up to the idea of accepting first-run shows without that recognition. Certainly that attitude would make it easier to sell *Crimewatch.*

Will Orion try to do some first-run hours, a la Paramount? Rosenbloom comments, "My theory for first run has always been try to get something in the marketplace that's priced low enough that a modest success can keep you going. What's frightening is to come in with a dramatic show that's still expensive, though you do it as cheaply as possible, and if you don't get 150 stations and perform well, your're dead."

So the only way Orion might get interested would be through a foreign co-production—maybe Canadian—"so the negative comes into the U.S. at a more reasonable price," Rosenbloom says.—**Chuck Ross** □

Richard Rosenbloom, *Orion's president of TV production, reports that, of 10 pilot scripts that Orion has in development at the networks, seven are for hour dramatic series and three are for sitcoms, "which isn't enough" sitcoms.*

Agencies await web rate relief *(from page 61)*

ing news and sports. This caused confusion in the marketplace and made it more of a seller's market. For national coverage, some of the money is now spilling over into cable, but syndication is very tight now. Spot TV is very tight in the fourth quarter now because many used it as an alternative if they couldn't get network.

"For second quarter, demand is still going to be very tight. There will be inventory in network scatter, but it will be at outrageous prices, so there will be more movement into alternatives."

People meter effect

Shultz is one of the few media executives to moderate the upfront CPM increases in terms of the people meter's effect. He points out, "When you net out the people meter, the real price increases in primetime are only 5–7%. To take the old system and say CPMs went up 22% is like saying it's 32 degrees in Detroit, but when you go across the border to Windsor the temperature goes down to zero degrees."

Also pointing to the people meter's effect is an analysis by the Ogilvy & Mather media department, which says, "The people meter coming on line with the new season in September has been reporting network audiences lower by roughly 10% versus those reported by the previous audimeter and diary method. This alone accounts for a large portion of the double-digit CPM increases being reported in the press.

"In addition, uncertainty about people meters may have led the networks to build in a so-called 'comfort zone' of additional price increases over what was indicated by normal supply and demand in the market. Observers have said the networks have built in an additional 5% as insurance in case viewing levels are reported even lower in the fall and the networks are forced to offer record levels of makegoods and bonus spots to honor guarantees.

"Putting all the factors together, advertisers have paid for network time as cost-per-1,000s from 10 to 30% higher than last year depending on the daypart and the network purchased. Prices in prime were up 15 to 30%, with NBC holding the strongest hand.

"In daytime, cost-per-1,000s were up 10 to 15%, with ABC, tops among the younger female audience, holding the key. Prices in late night (the daypart least affected by the people meter) were up about 10% overall . . ."

Aside from the people meter, O&M concludes the influx of smaller advertisers in upfront had a major effect on the market: "One estimate put the number of individual upfront advertisers at 220 versus the normal 100 to 125 of previous years."

In the analysis of Richard Kostyra, executive vice president and director of media services at J. Walter Thompson, "The '87–88 upfront season will prove to be an excellent marketing approach by broadcasters and a panicky stance by advertisers. I believe there is airtime in the marketplace, but the networks are holding it back and doling it out slowly.

"Panicky upfront buying had a lot to do with the higher CPM base. Advertisers put as much as they could upfront and left little for scatter." But he notes that the Wall Street nosedive should express itself with more meager budgets and a softer marketplace in the second and third quarters. One indicator will be whether options to cancel earlier buys are exercised in the second quarter, he notes.

Another thing to watch, Kostyra points out, is the makegood situation. He says the people meters are not delivering as large a demographic audience as anticipated, so makegoods could be heavy. "Sports, daytime and Thursday night on NBC are all way down," Kostyra notes.

The networks have not only protected themselves with higher CPMs, he says, but also with some advantageous deals on makegoods. One is a "shared risk" deal where, for example, if audience delivery is off by 20% the network only makes good on 10%. Another has been to set a ceiling on the amount paid back.

Looking at the effect of it all on the spot TV marketplace, the situation seems to even itself out. Some media execs point to the high network rates leaving less money for spot, while others say they're driving business into spot. The situation at Young & Rubicam indicates what may be the true overall picture. Gary Pranzo, director of local broadcast, reports overall TV spending this season at $1.5 billion with about $500 million of that in spot.

"We've been running about one-third spot for the last three years," Pranzo discloses, adding, "We've had more agency-of-record business in spot in recent years, but the network people have increased their business as well."

In the view of Mike Drexler, executive vice president and national media director at Bozell, Jacobs, Kenyon & Eckhardt, "The network situation has sopped up an awful lot of money with these higher prices that might have gone elsewhere."

He believes the high pricing is partly a result of the usual tight inventory concerns that surface going into an Olympics and election year. He adds, "But there's also an element of fear on the advertiser's part of being locked out and not getting satisfactory guarantees. The networks just weren't going to allow themselves to get battered because of the people meters and held firm. "Also, there are more new products coming into the network marketplace, and there has been a shift of scatter buyers to the upfront market for fear of being locked out of scatter. I felt that scatter could be 20–30% higher than upfront, and it was.

"As we go into '88, the money available is going to be operating in a 1½-network market. ABC, because of the Olympics, is probably not going to be available for scatter in the first quarter—and also because it sold so much upfront. CBS won't have much because it will have to use so much for guarantees. This is all going to spill over to the alternatives—spot TV, cable and whatever syndication is left. I think radio is also going to feel some beneficial effects." □

"To take the old system and say CPMs went up 22% is like saying it's 32 degrees in Detroit, but when you go across the border to Windsor the temperature goes down to zero degrees."

Lou Schultz
Executive vice president
Lintas USA

In the Picture

Vivian Young

As she steps up from research director to director of strategic services, Young works with a wide variety of research techniques to "make the account group and client as smart about the consumer as possible."

Strategic services links research, account groups to develop better insights

There's a new job at Ammirati & Puris, and Vivian Young has it. She's stepped up from senior vice president, director of research to become senior vice president, director of strategic services.

Strategic services, explains Young, "starts with a partnership between research and the account group, working to solve the marketing and advertising problem at hand." She adds, "Some agencies keep account planning and research separate, especially agencies that have less respect for what research can contribute. Some people think of research as a commodity if it's always done the same way with the same standard techniques."

But the way Young sees it, each account presents a different problem, "and it's up to us in research to choose from a varied arsenal of techniques and even adapt existing techniques and invent new, fresh ones to fit the particular problem."

Pointing out that the job of research is to "make the account group and client as smart about the consumer as we can," Young adds, "The solution to any problem can only be as good as the consumer insights we can dig up. And the more appropriate the technique we use to probe the consumer and select which consumers to probe, the more well founded and useful our insights are going to be."

As for "the partnership" as applied to a specific account: "If research weren't so closely integrated with account planning," says Young, "I doubt if we could have arrived at the approach we came up with for Bolla Wine. We analyzed current consumer trends and combined the conclusions from this with a psychological exploration of consumer attitudes toward wine. We found many Americans will enjoy their favorite 'every day' wine simply because it tastes good. But this same person will endow prestige or expensive imported wines with a kind of awe that keeps them from feeling comfortable with it unless they take a course in European grape growing so they can impress their friends with how much they know about rare vintages." She explains that this insight "gave Bolla the opportunity to be the first prestige import to try to demystify fine wines and make the American consumer comfortable with them." The creative translation was to show the continental approach of the Italians.

In Rome, notes Young, "The average Italian grows up surrounded by classic architecture and beautiful art, with all their connotations of ancient glory and tradition. They take it for granted. It's there, like fine wine, to be enjoyed. Relax and enjoy the best life offers, without being uptight about it. Italians know how to appreciate everyday life, and the advertising accents this. But if our research hadn't been so closely involved with planning from the start, I don't think we would have come up with so fitting a strategy. By keeping research and planning so closely knit, we were able to identify all the elements that had to come together to create Bolla's approach.

To come up with the right insights, Young feels it's important that an agency not be wedded to any one particular research technique. She recalls periods when some agencies have come up with this or that research tool "that they used the way they might use a new computer software program—like some new secret weapon to brandish in a new business presentation. Something they can claim they invented, that no other agency has, and it's the solution that's going to revolutionize marketing and convert advertising from an art into an absolutely predictable science."

Young notes that many of these new techniques "do turn out to be a useful tool to help solve one particular kind of marketing problem. But that's it. The next client's brand presents a different kind of problem. That's why an effective research operation has to keep its options open and be flexible enough to select the right tool for each new challenge. Rigidity is the enemy of effective research. So we try to make the technique fit the problem instead of trying to twist the problem to fit the technique."

That, she adds, is "why I like to be able to select from a range of quantitative techniques as well as qualitative techniques to help a client anticipate his prospects' needs.

Turning to the baby boom generation, Young notes that "As consumers, they've continually surprised marketing people at every stage. They've been called compulsive. Some are compulsive about diet and fitness. With others, it's their appearance and the way they dress. Some are clean freaks. Nothing is half way. Yet, once they leave home and get into the real world, most do become practical enough to adapt to the reality of price inflation by making tradeoffs.

"Some will cut back on eating out so they can buy a more prestigious car. Or vice versa. They're practical enough to pick and choose their indulgences. And now some people suggest that after the stock market scare, some of them may become compulsive savers. But I doubt that they'll turn to saving to the point that they give up all their indulgences. Instead, I think they'll become still more adept at making those tradeoffs."

TvB: Changes in the wind *(from page 66)*

ad investments in this category. Medical/dental advertising rose from $13.4 million in 1980 to $62.1 million in '84 and $113.8 million last year. The first half of this year is up 20.3% over the same period in '86. Legal spending went up from $5.1 million in '80 to $28.2 million in '84 and $47.0 million in '86. This year, the first half is up 28.9%. Optical expenditures on TV climbed from $14.0 million in '80 to $27.5 million in '84 and $54.8 million last year. First half expenditures were up 57.8% this year.

TvB is still promoting the virtues of spot and unveiled a presentation on the subject at the NAB convention last March 30. "The case for Market-by-Market Television" gets into some fundamental stuff, but Rice says, "Like football coaches, sometimes you have to get back to basics." The taped presentation includes explanations of why AT&T, General Foods, Nestle, J. C. Penney and Shearson Lehman Bros. use spot.

TvB is still promoting the virtues of spot television.

Rice was named president of TvB in 1974 in the wake of a factional battle within the board over the administration of Norman "Pete" Cash. A select committee was eventually named to analyze the TvB structure and make recommendations and a management consultant brought in. The committee, chaired by Marvin Shapiro, then head of the Group W TV stations, recommended a restructuring of the bureau and a new president, subsequently tapped by a search committee.

The board, as a result, sharpened the lines of the president's accountability, set up a staff and line executive structure and gave board seats to reps and syndicators. Cash was named vice chairman with responsibility for member solicitation and left the bureau the next year. □

How level is the playing field? *(from page 69)*

loss of contractual program exclusivity."

In other words, INTV is arguing that independent stations are paying for exclusivity, but not getting it.

That argument apparently has fallen on deaf ears at the commission, where one official scoffs at the idea that a sophisticated station owner would pay for something he wasn't receiving. "It may be in the contract," he says, "but a station owner knows there is no exclusivity to the programming except vis-a-vis another broadcaster in the market."

The reality pointed out at the commission is that exclusivity on cable is not part of the contract bargaining now, but would be if syndicated exclusivity were restored. And that would be expected to drive up the price of syndicated programs, one official added.

Thus, the big winners of restoration of syndicated exclusivity may not be the independent broadcasters at all, but the programmers.

Would stations pay more for protected syndicated programs than they are paying now?

That contention is supported by the fact that the Motion Picture Association of America (MPAA), the largest group of program producers, chimed in on the side of broadcasters in the issue, saying exclusivity "is essential to maintain an optimal flow of new creative television programming to the marketplace."

Since the conclusion at the FCC is that restoration of syndicated exclusivity would mean the price of contracts for programs would be increased to reflect the newly protected exclusive arrangements, the next question is whether the restoration would be futile—would the stations actually pay more for syndicated programs than they are paying now? □

the marketplace

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Washington Report

Softened deregulatory stance by Patrick in the lame-duck pond

Midway through a recent meeting of the FCC, Chairman Dennis Patrick said, "For those who believe that this commission is disposed to deregulate for the sake of deregulation, I would have them note this item." At the time, the panel was considering elimination of a commission rule that was decades out of date.

In the early days of broadcasting, U.S. radio stations used three-letter call signs, beginning either with a "K" or "W." As the explosion of stations threatened to use up the three-letter combinations, the Mississippi River was made the dividing line between stations beginning with "K" and those beginning with "W." As the pool of stations grew even larger, the call signs were expanded to four letters, making the Mississippi division no longer necessary.

What better regulation, then, to get rid of as the commission works to clear out the remaining pieces of "underbrush" regulations that have been falling by the wayside the past decade?

But, as Patrick noted in his comment, the FCC did not eliminate the rule. "After applying a cost-benefit analysis to these proposals, the commission has largely retained our remaining rules with respect to call sign assignments, and I think, as do obviously my fellow commissioners, that is the appropriate decision."

Not kidding around

A few minutes later, the FCC voted to go beyond the orders of a court and conduct an extensive inquiry into the ties between commercials and children's television. In that case, Patrick noted, "The court remanded it back to the commission for a further explanation of the commission's decision with respect to eliminating commercialization guidelines as it affects children's programming. And therefore, the commission could have simply reviewed the docket and provided that further elaboration."

But, he continued, "We have always said that where we are relying on the markets for some regulatory or self-regulatory function, we should always be prepared to examine critically the manner in which those markets function. And that is what the commission is prepared to do and is doing by soliciting another round of comments in this docket."

He went on to say that "how a market functions is one question," that the cost and benefits of various proposals to intervene are other questions to be concerned. They include, he said, "countervailing concerns" and "limited efficacy of government action."

As that activity was going on, FCC staffers were readying a report to Patrick on the comments received on Patrick's pet project aimed at restoring the syndicated exclusivity rules dropped by the FCC in 1980. Ironically, the rules were dropped at the end of an FCC administration considered less hospitable to the idea of deregulation. Unlike other actions the FCC has had to modify, there was no pressure on this one from the courts or from Congress. And yet the commission once thought it wise to drop the rule.

Patrick's predecessor, Mark Fowler, whom Patrick was widely expected to emulate, had made the hallmark of his long administration a philosophy approaching "laissez-faire," the idea that the marketplace will solve all problems if left alone by the government. Patrick's words and his actions appear to be moving increasingly away from that position. There could be at least two reasons for that movement—a new sign of the current times or the future beyond 1988, or both.

The sign of the times is best illustrated by a current, but still nascent move in Congress to repair what an increasing number of people are coming to believe was a huge mistake several years ago when it deregulated the airline industry. Horror stories abound about reduced service, reliability, safety and a whole range of problems that have cropped up since that deregulation move. If the horror stories continue, some in Congress are ready to return to the strong government regulation that used to be imposed on airlines, including restoration of the Civil Aeronautics Board or something like it.

The pendulum swings

Much of the new opinions, however, are part of the pendulum swings that go on in Washington all the time. When the Reagan administration took over in 1981, with control of one-half of the Congress, it assumed a mandate to dismantle as much of the federal government as possible. An example is the government's attitude on mergers and acquisitions during the Reagan administration.

But the explosion in mergers and acquisitions during the Reagan years—the mushroom clouds are still forming—attest to the view in the business world, including the broadcasting industry, that the rules are relaxed and that it is best to take advantage of the opportunity while it exists.

Time, the Iran-Contra scandal, lame-duck status, and other factors have worked since to remove much of the veneer that covered the early years of the Reagan administration, and, as with guilt by association, some of the views on the efficacy of wholesale government deregulation. Congress also is back in the hands of unfriendly Democrats well aware of the lame-duck status of the President.

Lame ducks generally take pains to proclaim they are just as strong as ever, but that usually is bravado. Patrick is a lame duck but is denying it, for the same reason—to preserve his effectiveness.

Although Patrick's seat on the commission is protected, his chairmanship is not. A public largely disaffected with Reagan, with whom Patrick has been closely allied, will be choosing a new President next year. Whether the new chief is a Democrat or a member of Patrick's own Republican party, the winner is likely to want someone else as FCC chairman.

Whatever the reason, the broadcasting industry appears to be seeing a mellower Dennis Patrick.
—Howard Fields

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