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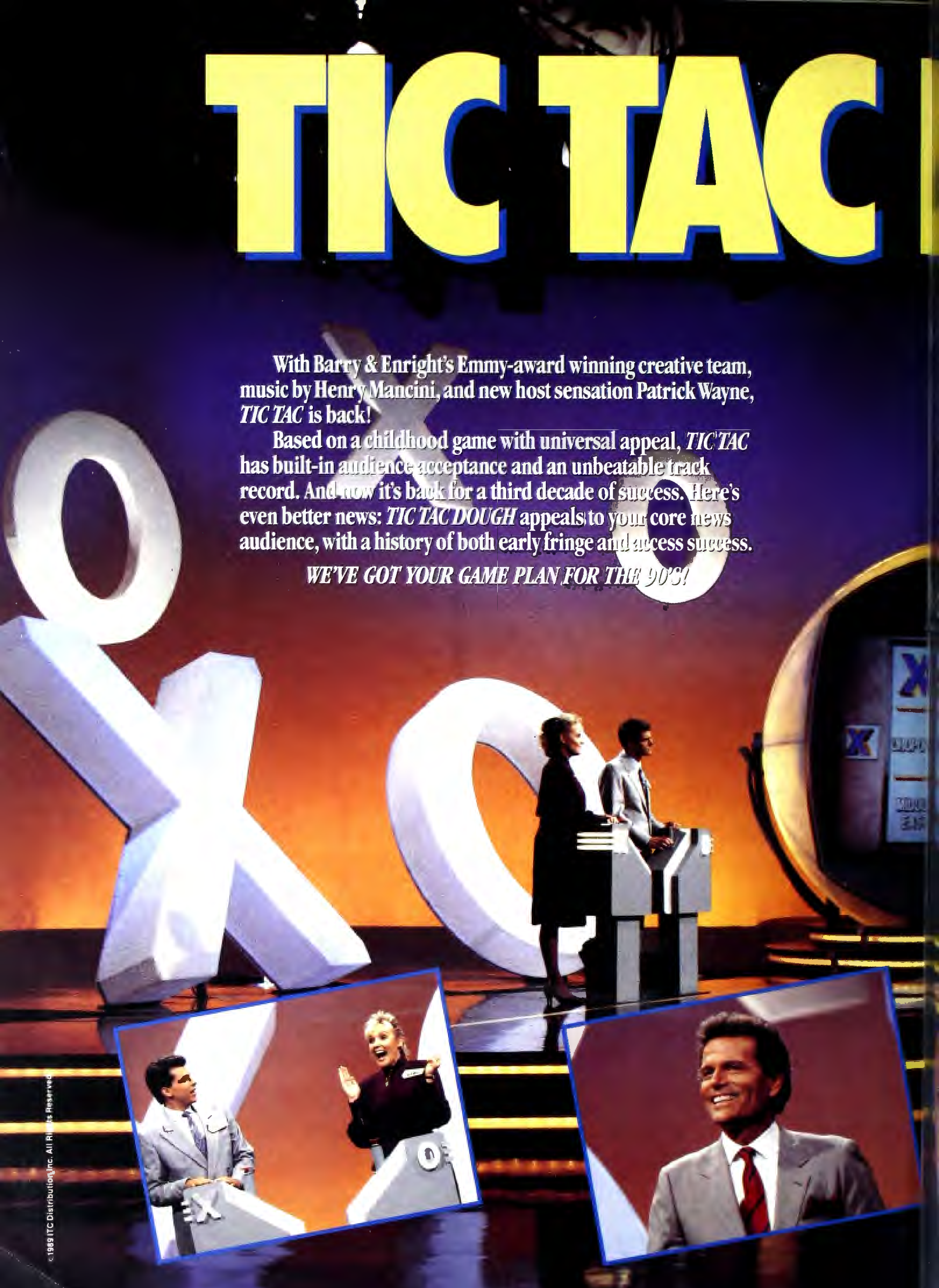
October 16, 1989 • $3.50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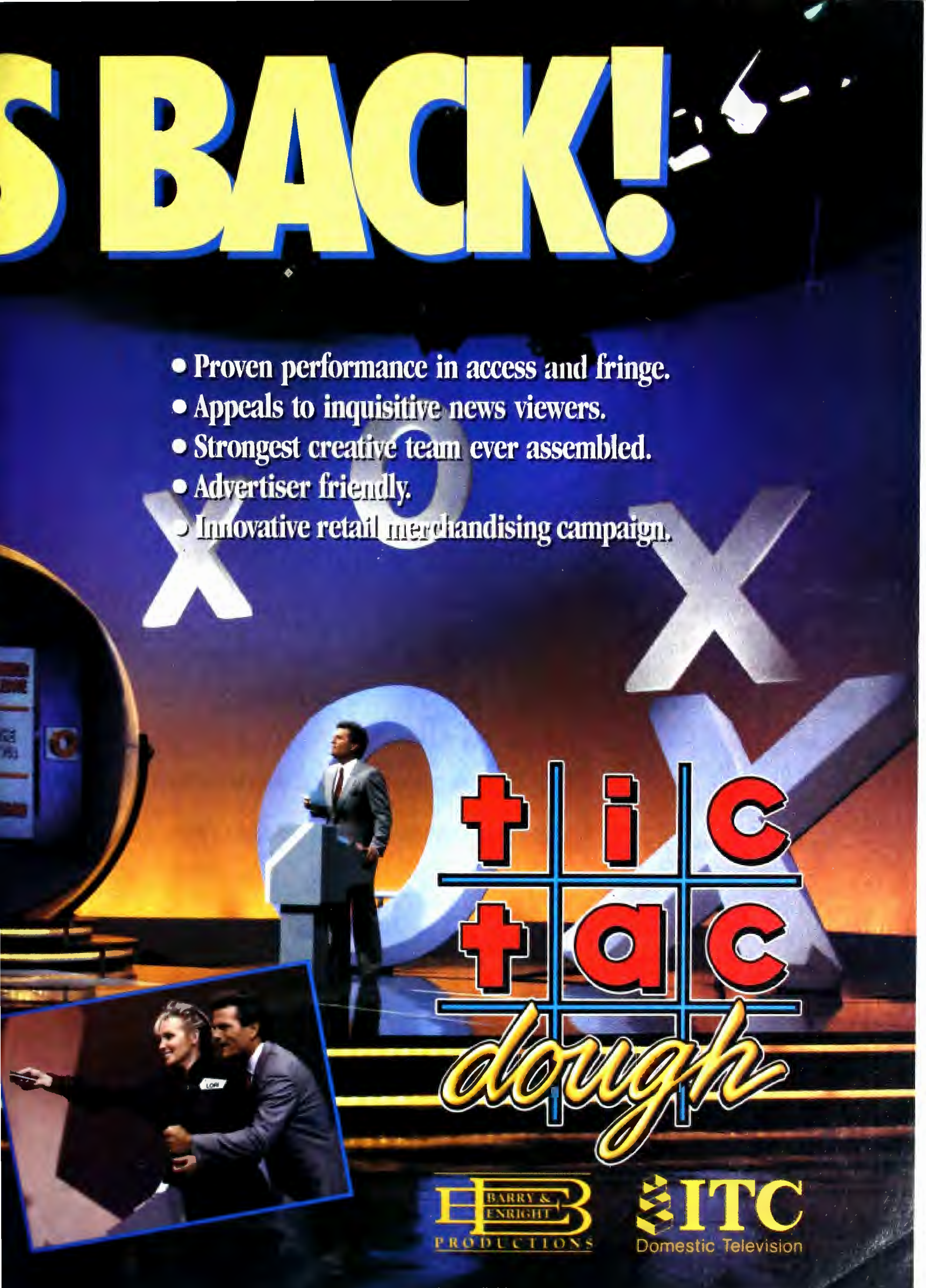
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October 16, 1989 *Volume XXXVII, No. 6*

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Editorial, Circulation and Publication Offices
1270 Avenue of the Americas
New York, NY 10020
Phone: 212-757-8400
Telex: TELAGE 421833
Facsimile Number: (212) 247-3402

Publisher
S. J. Paul
Executive Vice President
Lee Sheridan

Editorial
Vice President & Executive Editor
Alfred J. Jaffe
Managing Editor
Edmond M. Rosenthal
Associate Editors
Robert Sobel
George Swisshelm
James P. Forkan
Contributing Editors
Dan Rustin
Europe: Pat Hawker, Meg Morley

Washington
Howard Fields
716 S. Wayne St.
Arlington, VA 22204
(703) 521-4187

London
Irwin Margolis, *European Correspondent*
Keepers Lodge
Hatfield Park
Hatfield, Herts AL9 5PJ, U.K.
(07072) 64902
Fax: (07072) 76488

Advertising
Vice President & Sales Director:
Mort Miller
Graphics & Art Director
Frank Skorski
Production Director
Marvin Rabach
Circulation/Marketing Director
Brad Pfaff
Marketing Coordinator
Anne Hoey
Business Office
Wendy Pally

West Coast Office
Gregory Barbato, *Account Executive*
6290 Sunset Blvd., Suite 315
Los Angeles, CA 90028
(213) 464-3552
Facsimile Number: (213) 464-1956

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Publisher's Letter

Previews, promos, other trade tricks help missing viewers reappear

This fall television seems to be borrowing a few tricks of the trade from radio, which long ago learned that promotion, contests and other merchandising tie-ins were keys to drawing people and keeping them interested.

After having last year rediscovered the importance of marketing, including promotion, NBC and CBS forged linkups with Sears and K mart respectively, to revive interest in the new TV season. Because fall debuts were thrown awry by the long writers' strike and the Seoul Olympics a year ago, the networks knew they would, as one exec put it, have to "bang the drum more loudly to get viewers back into the tent."

The initial returns this season seem positive in terms of getting viewers to try out newcomer series—one of network TV's toughest annual tasks—while also bolstering most returnees' ratings. The Big 3's 71-share average for this fall's first two weeks is three points above a year ago, with stunting, previews and promotion contributing to that uptick. In this era of ongoing network erosion, every little bit helps.

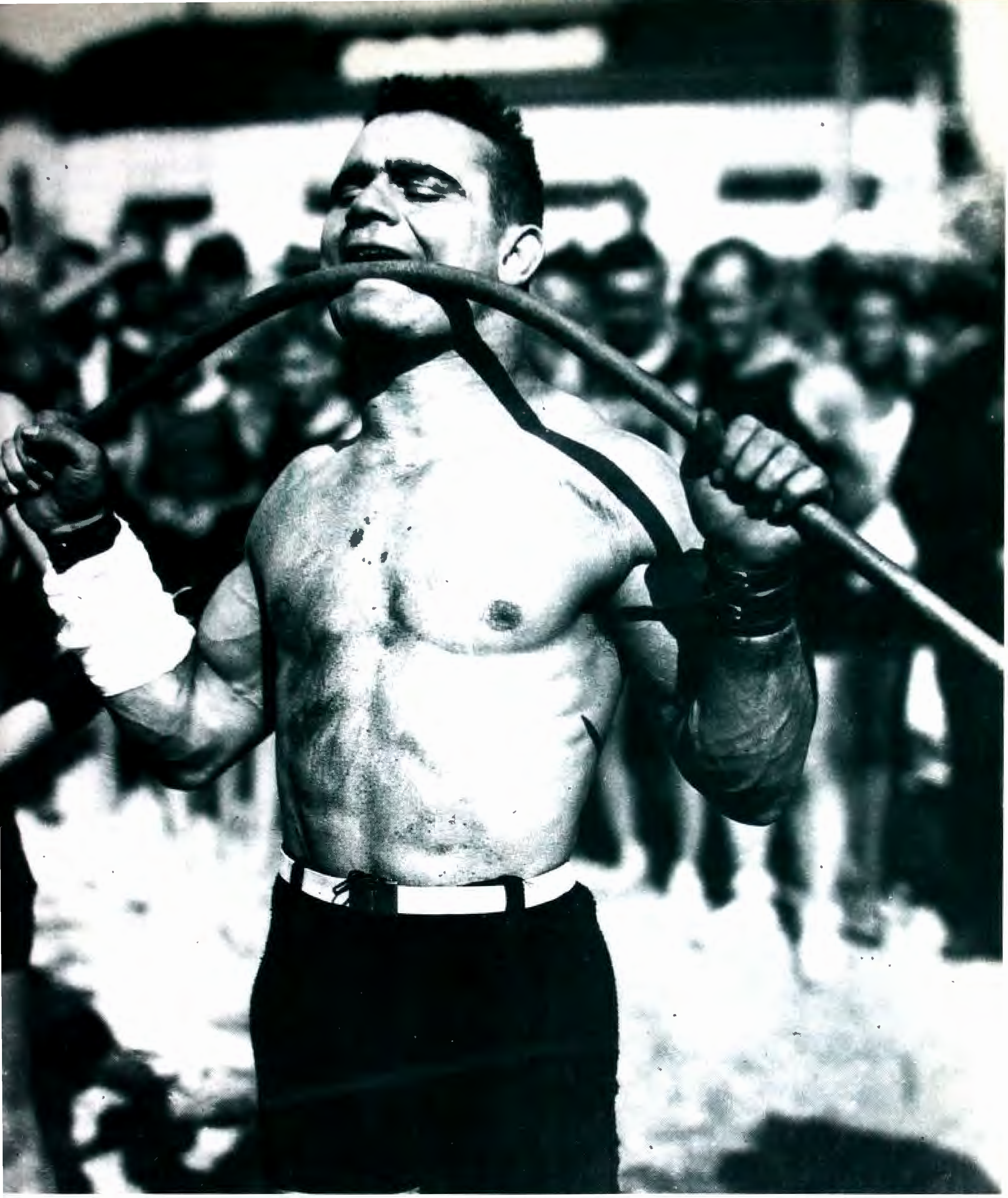
Mixed results. Borrowing a syndication and cable ploy, ABC gave its *Life Goes On* pilot a preseason double run and posted shares of 29 and 24. Although CBS' *60 Minutes* then leveled that to an 18 share, ABC said its Sunday 7 to 9 p.m. (ET) span still enjoyed its best Nielsens since December '88.

CBS' hourlong *Premiere Preview*, a special featuring newcomer clips plus the full *Major Dad* pilot, all hosted by *Murder, She Wrote*'s Angela Lansbury, won its Sunday time slot with a 25 share—and *Dad* went on to beat NBC's *ALF* three times, something no other series had done even once. *Major Dad* is "a major highlight for us" and "a major step in correcting the CBS 8 o'clock problem," says David Poltrack, CBS' senior vice president, planning and research. The K mart contest and the Sunday preview probably helped *Dad* while boosting viewer interest in fall newcomers to the highest level since 1983–84, he feels.

Some strategies may not pay off immediately, if at all. NBC's *Sister Kate* previews scored solid 36-plus shares but sank to 15 versus CBS' *Murder, She Wrote*. And even ABC's *Chicken Soup* got a hefty preseason head start only to lose between nine and 12 share points from its *Roseanne* lead-in in its three subsequent outings. Several other Big 3 entries saw their promising preview tune-ins slump against their regular, well entrenched rivals.

Marketing clearly will remain an important weapon in the networks' future arsenals. "Smarter marketing of our programs" will be required in the years ahead to slow defections to alternative media, as John Sias, president, ABC Television Network Group, recently told a cable audience, and that will include some scheduling and sampling gimmicks tried this autumn. That makes sense as TV after all is part of show *business*.

The Television Bureau of Advertising's November meeting will continue TV's renewed emphasis on marketing's role. Themed "Marketing Television: Selling the Values," it will look forward to TV's "new decade on the brink of a new century."



FOCUS
Events, Trends, Analysis

Hispanic ratings differ in Arbitron vs. Birch study

The latest analysis of Arbitron and Birch Hispanic radio reports by Katz Hispanic Radio Sales not only uncovered continuing differences between the two but turned up new ones, too. Comparisons of the two services' Hispanic ratings in the past generally found Birch with higher numbers for younger adults and Arbitron with higher numbers for older adults, an echo of general market studies. This turned up again in the Katz analysis of all Hispanic listening to radio, including Anglo stations, but when the analysis was confined to Hispanic listening to Spanish stations it turns out that Spanish station shares are higher in Arbitron with 12–44 adults, while Birch reports higher Spanish station shares for the 45-plus demos.

Some of this is due to differences in methodology—Arbitron's diary vs. Birch's telephone interview, but Janet Therrien, associate research director of Katz Hispanic Radio Sales feels that Hispanic research is particularly intractable. She cites differences in language, country of origin, telephone ownership and patterns of assimilation, with the latter possibly the key problem.

Purely Hispanic. Therrien feels the problem of measuring Hispanic listening won't be solved until a purely Hispanic rating service is established that is agreeable to both buyer and seller and assimilation patterns are known for each market. This means, she says, agreed-on definitions of the various levels of assimilation, not an easy thing to achieve.

Among the findings of the Katz analysis:

- Arbitron shows 9% higher average-quarter-hour Hispanic listening to all stations.
- Arbitron also leads Birch by 24% in metro shares to Hispanic stations.

New Tribune project uses barter and cash

While details on the marketing plan for the Tribune Premiere Network have not yet been firmed, Sheldon Cooper, president of Tribune Entertainment, says the basic formula for TPN will be one or two barter runs and then a cash back-end for reruns for licensed stations. To Cooper, the new project, which involves, via international coproduction, the offering of two major miniseries per year beginning next spring and fall and two each year thereafter, harkens back to the best days of Operation Prime Time.

However, he points out, TPN will not be as costly to stations as OPT. "OPT got to be so costly that stations stopped buying the programs, so we had to use barter to cut the cost to the stations." At this point, according to Cooper, the barter deal most likely will be a 50/50 split. Another difference from OPT will be that each four-hour miniseries will be accompanied by a two-hour version of each project for later reruns on the station.

Says Cooper, "This gives stations a whole new option, in that they can run the whole four hours or can run it as a movie in rerun. One of the problems of OPT was that stations had to run the repeat as is. It can be very difficult for stations" to find time slots, and ratings may suffer as well because viewers are seeing the rerun.

Up-to-date material. Also, to ease the rerun problem, Tribune and its foreign coinvestors decided to produce miniseries that are based on non-outdated action-adventure, best-selling novels and current-life situations which will hold up after their initial showings.

Cooper says Tribune will be looking basically to license indies for TPN, but, he adds, "I'm sure affiliates will come in as well." Obviously, all the Tribune stations will carry TPN.

The first project is a $10 million production, *Voyage of Terror*, which is based on the Achille Lauro cruise ship hijacking, and is being produced in conjunction with the Beta Taurus Group from Germany; RAIDUE, the Italian state network; TF1, France, and Filmalpha Productions. The second program will be *Night of the Fox*, based on Jack Higgins' best-selling novel, being produced with ITC Entertainment.

The third miniseries planned is *To Catch a Killer*, a joint effort with Nelvana Productions, Canada, which will probably run in the spring of 1991. A fourth project, to air in November 1991, has not yet been determined.

No relief for stations damaged by hurricane

The impact of hurricane Hugo on broadcast stations in the Carolinas, Puerto Rico, and the Virgin Islands was filled with irony. William Shakespeare would have written that the broadcaster seeking federal aid for Hugo was "hoisted with his own petard."

Appeals for broadcasters who lost towers and other equipment to the storm, some still without service, were made to the Small Business Administration, among other federal agencies. The SBA said it could no longer help broadcasters, and calls for congressional intercession were met by titters.

When the SBA was established, it was prohibited by law from providing any federal assistance—usually in the form of loan guarantees—to any business engaged in First Amendment activities. Later, an exception was made for broadcasters under the reasoning they were sufficiently regulated to protect the two entities from any First Amendment conflicts.

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TV stations, Conus, Newsfeed learn lessons from Hurricane Hugo

Conus Communications and Group W's Newsfeed were among those benefiting from the diligence of stations' news crews down South in the path of destructive Hurricane Hugo.

WCSC-TV Charleston, S.C., a Conus cooperative member, "performed yeoman's service for us," says a Minneapolis-based Conus spokesman. About 48 hours before Hugo hit, that CBS affiliate "turned over their SNG truck in essence to us." Conus supplied two production crews out of Minneapolis for Hugo duty, with KUTV Salt Lake City and KPRC-TV Houston sending in crews as well. Conus also supplied one of its own SNG trucks. These forces formed "the core of our group" for Hugo coverage, he adds.

In addition, WJKS-TV Jacksonville, Fla., and WSAV-TV Savannah supplied coverage south of Charleston, the Conus official continues, while WBTV Charlotte, N.C., WTKR-TV Norfolk and WJLA-TV Washington were the key contributors to Conus from the north.

Meanwhile, at Newsfeed, news director Terry O'Reilly oversaw Hugo's coverage, which began on Sept. 18 with member station WPLG-TV Miami providing footage via its crews in Puerto Rico. When the storm hit Charleston the night of Sept. 21, WUSA-TV Washington supplied the coverage from its Ku truck there and offered updates on subsequent damage. Newsfeed then tracked Hugo's progress northward with the aid of WAGA-TV Atlanta, WBTV Charlotte, N.C., WUSA-TV and cable's Weather Channel.

'Satellite agility' cited. "Hurricanes have come to be a kind of specialty for us," the Conus official observes. "Three or four years ago, we pulled together and found that having members set up and doing reports [along the path of a given hurricane], we could get complete coastal coverage." Hurricanes have become "progressively bigger events in terms of stations that want coverage and the intensity of their coverage," he adds.

One lesson learned from Hugo, Conus executives feel, is that "it's an absolute lifesaver for stations to have steerable satellite dishes, able to fix on any satellite in the sky," the executive states. "Normally we use two satellites, but at one point [with Hugo] there were 14 satellite paths going, so stations need to be satellite-agile" to get their coverage out.

Outside *the Hurricane Hugo emergency operations center, the Charleston, S.C. Ramada Inn, is Conus Communications' truck, one of many SNG vehicles in the area.*

In addition, the Conus executive says, "Stations need to look at safety standards for their crews" in such situations. Some crews went without decent meals for about 48 hours, so stations would be wise to stock supplies when future storms of this magnitude are imminent, Conus feels.

Although some stations' trucks were damaged and there were some problems with relatively inexperienced SNG truck drivers, the spokesman says that, all told, "The system worked well" for Conus. He adds that Chantal, a Gulf Coast hurricane in late summer, served as "a shakeout cruise for our hurricane plans, kind of like spring training" for the annual hurricane season.

Even two weeks after Hugo, telephone service to Charleston was unreliable. Calls to CBS affiliate WCSC-TV and to WCBD-TV, the ABC affiliate, and WCIV(TV), NBC's affiliate, went unanswered. Up to 300,000 homes in the market lost power due to Hugo, leaving battery-operated radios as the main media link for news updates—and inspiring multimedia cooperation.

Emergency simulcasts. WCSC faxed press releases to point out that it had been simulcasting hurricane-related news reports and bulletins on federal aid, food distribution, health and community services via WXTC-FM and WZKG(AM). That trio, it claims, has been "the only broadcasters devoting over eight hours a day to local live emergency coverage of the aftermath of Hugo." WCSC also preempted local commercials and promotional time to provide such news reports.

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Sidelights

THE NEXT GENERATION

Beck name spans three generations in media—with Katz a common link

"We're really a three-generation family" in the media business, notes Martin Beck of Beck-Ross Communications, Rockville Centre, N.Y.

His father Morris Beck was one of the first employees at The Katz Agency, joining in 1908 as an office boy at age 16. Martin's son Stuart had been a lawyer but entered the broadcast field just over a year ago.

"I had a remarkable father, self-educated, he was something special," says Martin Beck. Working at Katz and attending night college, Morris became a CPA. During his 54 years with Katz—when he saw the sales representation firm expand from newspapers to radio to television—he rose through the ranks to become treasurer and vice president of finance.

Interestingly enough, the Katz name is interwoven through the three men's business lives. Morris and Martin worked for the rep, while a Katz Communications exec has invested in Stuart's company. In addition, Katz reps stations owned by Martin and Stuart's companies.

Marty Beck, fresh out of college, answered an ad in a trade magazine and landed a job at an Omaha station. After a year, he returned to New York, and he went to work for Katz in 1939. He became radio sales manager and eventually a board member. Initially, he sold space for client newspapers, then got into radio. "When TV came along, I stayed with radio and I've never been sorry," he says.

Three radio properties. A onetime vice-chairman of the National Assn. of Broadcasters as well as a past chairman of its radio board, Beck left Katz in 1966 to form Beck-Ross. The company, which has since bought and sold "seven or eight" radio stations, presently owns WBLI(FM) Patchogue, N.Y., WHCN(FM) Hartford and

Martin Beck

WSNE(FM) Providence, R.I. Not surprisingly, WBLI is repped by Katz Radio while WHCN is affiliated with the Katz Radio Group Network.

Just over a year ago, Stuart Beck and Don Cornwell, who left his investment banking post at Goldman, Sachs & Co., cofounded Granite Broadcasting Corp. Its first two acquisitions were announced last Oct. 31, Stuart recalls: KBJR-TV Duluth, Minn., and WEEK-TV Peoria. Both NBC affiliates are repped by Katz.

Stuart Beck

More recently, Granite reached an agreement in principle to acquire Pulitzer Broadcasting's WPTA(TV) Fort Wayne, Ind., an ABC affiliate. A fourth station deal is said to be imminent.

Oprah's an investor. James Greenwald, chairman of Katz Communications, is a shareholder in Granite, along with TV talk show star Oprah Winfrey and Goldman, Sachs & Co., adds Stuart from his office at 1 Dag Hammarskjold Plaza—also the address for Katz.

Until forming Granite, Stuart had been in the litigation law field. "I guess the romance of hearing about the [broadcast] business at the dinner table got to him," says his father. Stuart, a graduate of Harvard and of Yale law school, agrees: "I've always believed it's a wonderful business. I was happy watching my grandfather and father enjoy and prosper in this business." The only difference is that Stuart chose to focus on TV.

To a degree, the Becks have been keeping their business interests all in the family. Martin is among the shareholders in Stuart's Granite enterprise, while Tim Champlin, Martin's son-in-law, did a leveraged buyout of Beck-Ross about two years ago and "named the old man CEO."

Closed-captioning at all-time high

This is the first network TV season in which the entire Big 3 primetime lineup is closed-captioned—66 hours weekly, versus 10 in 1980—according to the Washington-based National Captioning Institute.

Although ABC's primetime roster has been captioned for the past four years, this fall marks the first time all of its two rivals' lineups are as well, NCI notes. NCI—formed in 1979 with federal seed money—adds, "It is also the first season in which all producers of network programming are paying some portion of the cost for captioning their shows." The networks, some producers, advertisers, foundations and the federal government have been funding the captioning effort.

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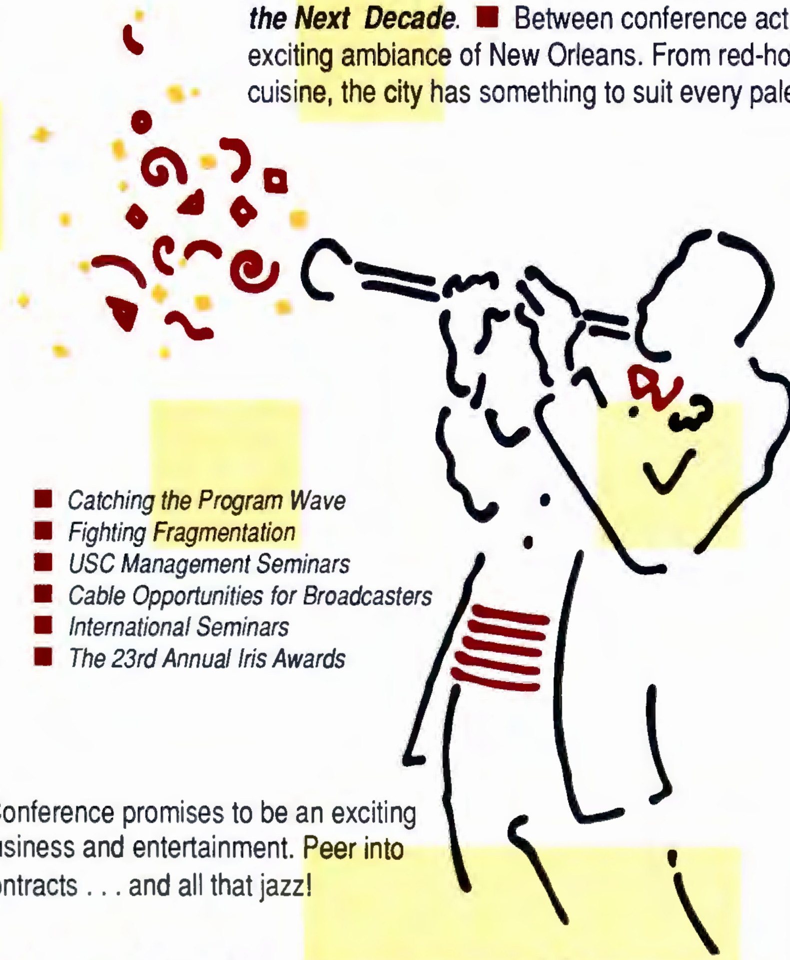

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European Representative

Latin American Offices:
(562) 251-6577
CONTACT: Maricio Calle,
Latin American Representative

TV Business Barometer

Local increase in August: 6.1%

Local TV business showed a little life in August, following three slow months, though the differences can be overemphasized. The local percentage increase was certainly a lot better than that of spot, which was not an increase but a small decline. And the local percentage topped all but two months this year.

No month has come close to the 13.3% increase for local business in January. As for August being an augury for the rest of the year, it's not likely, as it's a summer month and not reflective of the fall season.

August's local increase was 6.1%, compared with 2.0% in July. As in the case of July, there is no adjustment required because of the differences in the Standard Broadcast Month from '88 to '89.

Local billings in August came to $535.4 million, compared with $504.6 million during August '88. August's '89 figure was quite a bit up from the July '89 level—$444.9 million—even though July was a five-week SBM and August was a four-week month. But there are seasonal factors involved.

The smaller stations (those in the under-$7 million bracket), almost half of them independents, showed the best local sales picture in August. It was the sixth month this year that they came up with the highest percentage increase among the three revenue brackets.

For the year-to-date, local TV ad business was a little shy of the $4 billion mark. The actual eight-month total came to $3,951.3 million, as against $3,744.3 million for the January–August period last year. This is equivalent to a 5.5% increase.

Local was just a little behind spot through August but may be expected to pass it before the end of the year. Spot's eight-month total came to $3,989.7 million.

For the third month in a row, the network compensation percentage increase was bigger than that of either spot or local. It came to 6.6%.

Network comp amounted to $42.6 million in August, vs. $40.0 million the previous August. Network comp in July was $41.3 million.

For the eight months measured by the *Barometer* sample, the increase in network comp came to 4.7%. Total station revenues from the networks were an estimated $321.2 million, compared with $306.8 million for the January–August span last year.

Grand totals

Putting it all together in August: The combination of spot and local time sales plus network comp was up 2.9% for a total of $1,026.0 million. The total in August '88 was $996.7 million.

The same assemblage of station revenues for January through August came to $8,262.2 million, up 3.7%. Last year's figure was $7,966.5 million, an increase of $295.7 million.

August

Local business +6.1%

(*millions*)

1988: $504.6 **1989: $535.4**

Changes by annual station revenue

Under $7 million	+18.9%
$7–15 million	+4.4%
$15 million up	+5.4%

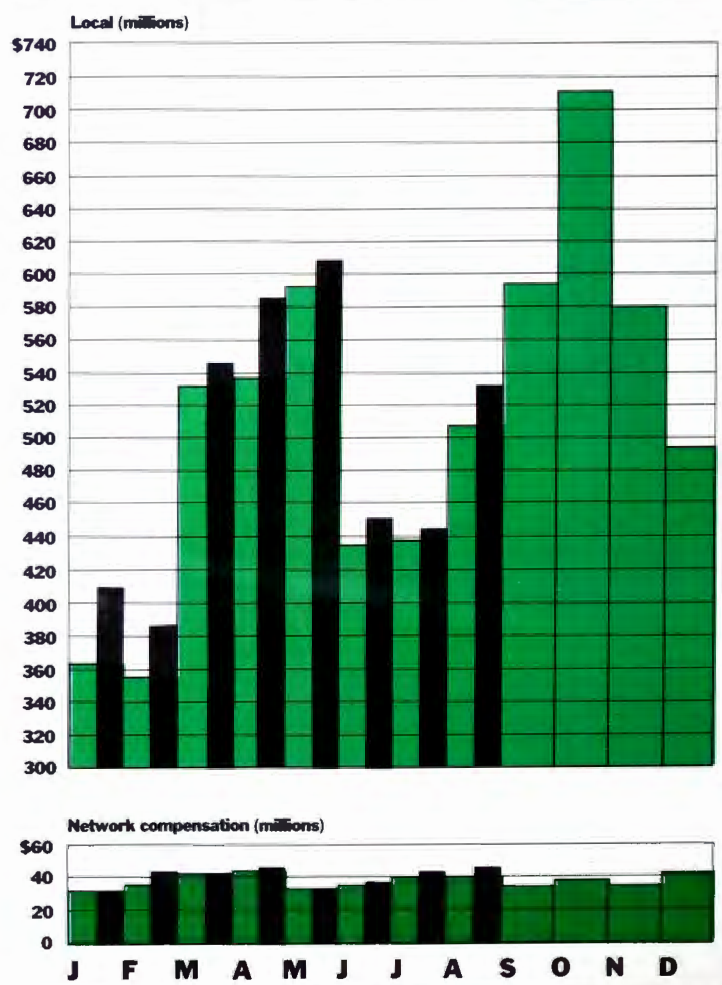
Network compensation +6.6%

(*millions*)

1988: $40.0 **1989: $42.6**

Changes by annual station revenue

Under $7 million	+1.0%
$7–15 million	+1.7%
$15 million up	+8.5%



0 to 33 in just 4 months.

Talk about shifting gears. In a recent four month period, KCPQ-TV in Seattle/Tacoma roared from a 0 to 33 per cent share of annual advertising budget with a local Mazda dealership.

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F INFLUENCE

Henson looks to Disney future while former distribution unit looks forward to life of its own

Quite apart from his financial bonanza, Jim Henson is extremely pleased that Disney's recent acquisition of his organization will enable him to expand his creative opportunities.

Henson says the buyout will in no way restrict his future productions, only enhance them. As an example, Henson notes that he will be very much involved with the introduction of the Muppets into the Disney theme parks. One of Henson's first undertakings for Disney is his involvement in the production of a three-dimensional muppet movie planned for release next spring at Disney World. He does, in fact, quite quickly point out that he grew up with the Disney characters, adding he looks forward to working with them.

Eternal life. While Henson may be too modest to point out what must be one of the major self-satisfying benefits of the Disney purchase. Henson international production director, Duncan Kenworthy, is far less reticient to mention it. "It en-

Jim Henson and family

sures," predicts Kenworthy confidently, "that Jim's characters are now going to live forever." Henson, who doesn't list that one, does, however, cite another advantage to the buyout. By joining Disney, he says, he will have the distribution and marketing of his productions already in place. Although HIT, Henson's distribution arm, was very successful in selling Henson's productions worldwide, sales, he says, will be one less area with which he will have to be concerned.

As a result of the buyout, the HIT distribution team has recently formed a new company, HIT Communications. "When it became clear that Disney was going to buy Henson," explains Peter Orton, managing director of HIT Communications, "we realized that there would be limited opportunities for us at Disney since they already have a fine distribution system." Just over ten weeks ago, Orton says, the group began to organize the finance, people and programming in an effort to get the company off the ground by MIPCOM.

"We are going to run this company like the Japanese," laughs Orton, adding, "There is worker participation in ownership." Orton currently owns 70% of the company, but plans to distribute his shares to other major executives as they come on board. He expects to ultimately own about 25%. The remaining shares are owned by employees as well as a major institutional investor. Orton says HIT Communications is capitalized at $10 million, placing its annual overhead at $1 million.

It is likely that the Japanese "influence" is somewhat related to the fact that while he was with Henson, Orton spent a great deal of time in Japan doing quite a bit of business. "I've been to Japan 54 times," says Orton, "and I've done more business there than the whole of Europe combined."

Like glue. One of Orton's first priorities has been to keep his team from HIT together. Many of the former HIT distribution and marketing group based in London will be with the new company, as well as a network of agents worldwide. Emphasizing the financial benefits of complimentary facets of the distribution business, Orton says he expects to announce the appointment of a licensing and merchandising executive in the near future.

MIPCOM announcements were expected to include the acquisition of a major library and funding for two coproductions with U.S. partners. Orton also anticipated the acquisition of a second major library by the end of the year.

Orton says the company initially will focus on the international distribution and coproduction of television programs for children and the family. "Since that is our area of expertise," he explains, "it was a logical choice." In the second phase of the company's development, approximately two years from now, Orton says he plans to move into feature films as well as programs designed for primetime.

"I'm one of the few TV executives who has sold extensively to the U.S. networks as well as Turner and HBO," Orton points out in assessing the new company's strengths. HIT Communications, he says, will be in a very good position to offer European producers meaningful license fees in the U.S.

HIT Communications' first offerings will include three new series: *The Chipmunks*, 40 half-hours; *Postman Pat* and a pilot for *The Cones*, 13 episodes of 10 minutes.

Mendes to manage CBS sales unit

Sonja Mendes has been promoted to deputy managing director, Europe, of the CBS Broadcast International sales unit based in London. She replaces Greg Phillips who left to set up MTM's new international sales arm, also based in London.

Mendes says that, for the time being, she plans to continue leading the operation along the lines established by Phillips. She will be responsible for sales to Europe, Africa and the Middle East as well as the operation of CBI's London office, reporting to Rainer Siek, vice president, sales and marketing. Mendes joined CBI in 1983 as a sales assistant. She then became a supervisor until her appointment as director of European sales in 1985.

Something's competitive in the state of Denmark's TV

While Denmark's two television stations await the government's final decision on how much they can spend next year, a genuine war for ratings seems to have suddenly developed between the two networks. Until now, long established Denmark Radio, state-owned TV operators, has reacted rather lethargicly to the enormous inroads into its viewership made by the commercial channel, TV2, celebrating its first birthday this month. In a practical way, that approach now seems to have all changed.

"There is a TV war going on in Denmark," declares TV2 head of programming, Jorgen Stein Nielsen, adding, "Denmark Radio is counterprogramming our scheduling, and we are counterprogramming right back."

Cease fire? Although neither side appears ready for a public truce at the moment, in the end, budget considerations could create the climate for a cease fire.

According to Nielsen, political differences among members of the government over how much should be given to each channel is holding up the funding, which he says is not making life easy. He laments that in spite of DR's new onslaught and his networks's determination to win, it nevertheless is very difficult to structure a schedule if there isn't a confirmed budget. Nonetheless, he observes, "I can't just stop buying or commissioning programs."

"We expected an announcement last August, and at this rate," laughs Nielsen, "we'll probably find out on December 31." Observers now anticipate budget approval next month.

TV2 ushered in the age of commercial television to Denmark. Although the station is state owned, it can supplement its government funding with advertising revenue generated by 10 minutes worth of daily commercials, broadcast in two five minute slots.

Less than six months after going on air, TV2 began to beat DR in the ratings, frequently pulling in more than 50% of the audience. Within the past several months, however, Nielsen says, DR has shown a genuine desire to fight back. The network, he claims, began to strategically broadcast popular entertainment programs, such as *The Cosby Show*, during part of TV2's alloted advertising time. That move, according to Nielsen, was designed to not only attract viewers but to potentially threaten TV2's advertising revenue.

While Nielsen and others have noted DR's new aggressive approach, DR spokespeople continue to insist, as they have since TV2 was launched, that its changes in scheduling were not made in response to TV2's programming.

Motives. Nielsen, however, is quite candid about TV2's motives for counter programming. Last month, he says, TV2 decided to reschedule one of its most popular programs, *Wheel of Fortune*, so that it ended just before the commercial break which was being bombarded by *Cosby*: "We did that in an effort to keep the viewers through the advertising slot. Then we continue, picking up with the national network news."

A recent survey revealed both good and bad news for TV2's moves. The number of viewers increased during the commercial break, but audience levels dropped from 23% to 19% during the news.

Yugoslav TV looks to 'TV-am' for morning model

Yugoslav television plans to join the growing number of European networks expanding their broadcasting hours into the morning TV slot. TV Yugliana officials say that starting in the new year they anticipate producing a western style morning program featuring news, interviews and lighter features, similar to shows on the U.S. and British networks.

Although the network presently begins its transmissions at 8 a.m., relatively earlier for a European station, its programming principally consists of educational material. To prepare for the new programming, two TV Yugliana representatives recently spent some time studying the format, facilities and daily production routine of Europe's highest rated morning show, *TV-am*. "We were," exclaimed Drago Bulc, "very impressed"—not only by the station's equipment and efficiency, but by the division of labor. "We have very few women who work in television in Yugoslavia," Bulc observed. "I just couldn't get over how many women were working on *TV-am*'s show."

European quota action by EC angers U.S.

U.S. officials have reacted angrily to the European Community government's imposition of an import quota on foreign programs.

Although trade officials say they have not made a final decision on what action to take, they have asked for a meeting with European officials to discuss the matter further. An American spokesman said the government still believes the quotas are a violation of the GATT (General Agreement on Tariffs and Trade), adding that they will have a negative effect on U.S. film sales to Europe.

Community officials approved the directive which calls for all broadcasters whose network signals cross international frontiers to ensure that the majority of their programming, excluding news, sports, advertising and game shows, be European originated.

While the directive is admittedly political with no real force in law, the quotas are both aimed at safeguarding the output of European producers and stopping international satellite operators and terrestrial stations with international aspirations from filling their airtime with U.S. programs.

As most of the European domestic networks already have quotas, official or de facto, which are far more stringent than the "majority" recommended in the directive, however, the quota section of the directive is not expected to lead to scheduling changes.

Radio Business Barometer

August spot radio increased 3.7%

The third quarter spot radio slowdown, which follows a really zippy second quarter, continued in August. Radio Expenditure Reports data, meshing figures turned in by the major reps, also revealed a marked decline in business during August in the smaller markets, a development first noted in July. The smaller market performance was completely at odds with their sales during the second quarter. But the top 10 markets continued to show healthy ad activity.

What it all came down to was a 3.7% increase for spot radio in August. This followed a 9.2% rise in July. The July number doesn't sound bad at all, except that every month in the second quarter sported a double digit percentage increase.

August billings came to $92,813,900, as against $89,522,400 for the same month in '88. July '89 topped the hundred million dollar mark with a sales figure of $104,868,900.

These dollar figures compare favorably with those of the second quarter, which has been the best quarter for spot, at least in recent years. But national radio advertising does pretty well during the summer months. This is presumably a reflection of strong summertime listening.

As for the market groups broken out by RER, the August figures showed a double-digit percentage increase for the top 10 markets, though the increase was a little below that of July and much below that of the second quarter—which was a blockbuster sales period, however.

The top 10 markets were up 13.3% to $37,084,200 in August, compared with a 15.5% rise in July and the following monthly increases during the second quarter: up 34.9% (adjusted) in April, up 26.5% (adjusted) in May and up 21.9% in June.

For the 11th-to-25th markets, the August result was a 2.8% increase to $20,805,800. This also followed double-digit increases during July and all three months of the second quarter.

The 26th-to-50th markets couldn't keep up with the pace of the previous two market groups during the period from April through July, but it did slightly better than the 11th-to-25th market group in August. Its increase came to 3.1% and the billings were $14,345,300.

The 51-plus markets dropped 9.1% in sales during August compared with the year-ago month. The small market group was off slightly in July—down 0.3%.

Year-to-date

The 51-plus markets performed as follows during the second quarter: April, up 10.1% (adjusted); May, up 9.0% (adjusted), and June, up 15.7%.

Year-to-date figures for all the markets show an 11.3% hike to a total of $706,799,700. In '88, the billings came to $634,907,500.

For the market groups, the year-to-date numbers came to the following: top 10 markets, up 17.4% to $278,305,000; 11th-to-25th, up 11.7% to $154,484,000; 26th-to-50th, up 6.7% to $108,585,000, and 51-plus, up 4.9% to $165,425,700.

August

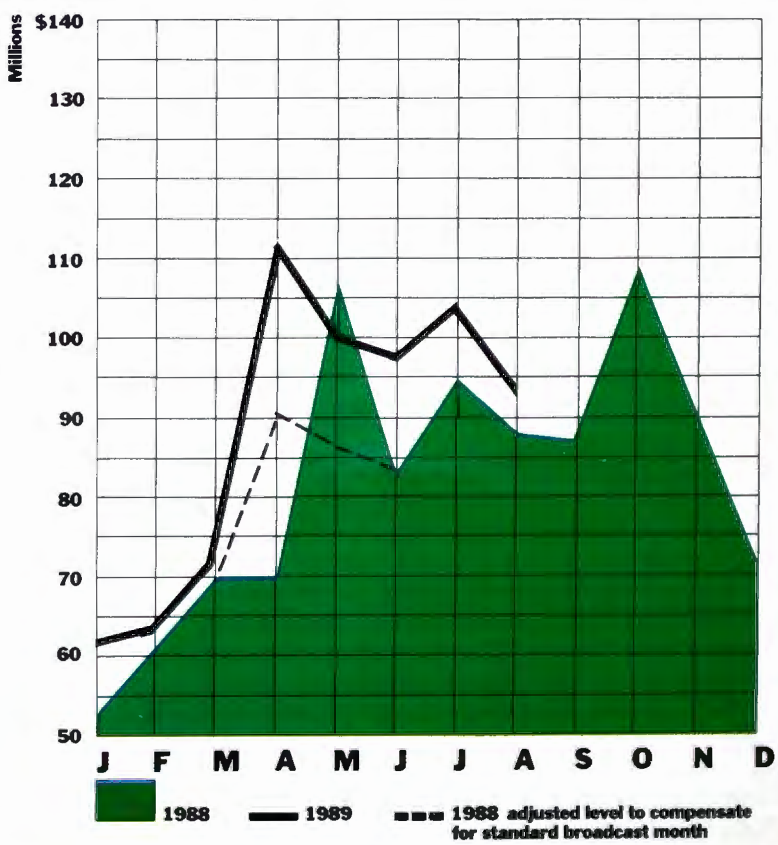
National spot **+3.7%**

(millions) **1988: $89.5** **1989: $92.8**
1988 adjusted: $89.5

Changes by market group

Market group	*Billings (mils.)*	*% chg. 89–88*
1–10	$37.1	+13.3%
11–25	20.8	+2.8
26–50	14.3	+3.1
51+	20.6	−9.1

Source: Radio Expenditure Reports



Many want nets' $100 million pilot system to straighten up, fly right

How well will CBS retooled pilot plan fly next year?

By JAMES P. FORKAN

Television/Radio Age

October 16, 1989

The whole system of producing scores of development pilots and scripts for the Big 3 TV networks' annual fall primetime season is being scrutinized as never before. CBS, which has the greatest need for new shows, has just begun an overhaul of that system, designed to accelerate its recovery climb next year.

NBC, meanwhile, aims to cut down on the number of pilots while increasing the number of short-run series tryouts, chiefly in the summertime. ABC also seems to be leaning that way.

As many executives at the networks, production companies and ad agencies agree, the traditional system has been on automatic pilot for years. Many in all three quarters have periodically questioned whether the pilot production blitz truly justifies the yearly nine-digit cost. Last spring ABC, CBS, NBC and Fox Broadcasting Co. sorted through about 120 pilots that cost a combined $100 million; Fox accounted for 15 of those projects.

A year ago, BBDO reported that of 103 pilots made, sixteen were chosen for the fall 1988 schedule, with only seven of those surviving into spring 1989. Nine others were given short spring-summer trial runs, the agency noted. Each year there also are "backdoor pilots," TV movies or miniseries that spawn series only after they prove to be ratings hits.

The 'trimester' approach

The pilots that emerge from the frantic rite of spring known as building the fall schedule generally are not representative of long-term quality should the concepts go to series, most execs feel. The reason, they explain, is that the pilots usually are given so much more development time and effort than a se-

Two-hour pilots have become common at CBS, either testing the waters or serving as the premiere episode.

"Top of the Hill"


"Wolf"

ries can hope to command in the weekly production grind. Pilots also tend to be "loaded up" with more stars, special effects and glamorous locales than a series is financially able to match.

CBS' new year-round approach means that CBS no longer must compress its development into the December–April span or cram actual pilot production into the January–March period. Instead, the network will develop projects in three distinct cycles or "trimesters." Thus, Kim LeMasters, CBS Entertainment president, will decide at the end of each cycle which pilots will go to series. Decisions on the first trimester pilots will be made in late December, on the second cycle in late April and on the third crop late in August.

The CBS plan, says LeMasters, will help suppliers "produce series programming more rationally" as well as enable CBS to "have better access to the best talent—actors, writers and producers—because we will be staffing fewer shows at once." Moreover, by concentrating on fewer projects at the same time, the CBS exec hopes for "better quality" in the finished product and to "respond to our scheduling needs by developing shows for specific time slots."

Agencies hail plan

LeMasters points out that CBS intends to commission at least 15 comedy and 15 drama scripts per four-month cycle and then to produce five comedy and four drama pilots from those. That would mean 27 CBS pilots all told, compared to 35 for last season.

Howard Stringer, president, CBS/Broadcast Group, first went public last July with the fact that CBS was considering such a departure. The traditional system, which he dubbed "faintly absurd," is one that "really doesn't seem to work." That month he held the first of several meetings "to see if there is a better way of doing it... This scramble is destructive."

Ad agency executives seem overwhelmingly positive in their reactions to the CBS strategy, as do most production execs. Most agree with Werner Michel, Bozell's senior vice president of TV programming, that this approach is "a definite improvement, much better for all concerned. Spreading it out makes it easier, particularly for the creative community, and gives them greater access to talent." Financially too it is "a better idea" since there should be "less fallout" in terms of the number of pilots made and rejected.

Betsy Frank, Saatchi & Saatchi's senior vice president, associate director of media research, says CBS' move "seems a step in the right direction" since the prior system encompassed "an awful lot of waste, going from 100-plus concepts to 20-something programs each season." William Croasdale, senior vice president, director of network programming, Backer Spielvogel Bates, observes, "I applaud LeMasters... for trying to bring order out of chaos... If you spread it out, you have the opportunity for better scripts and ultimately better product on the screen, because they are not all beating on the doors at Carsey-Werner and so on at the same time." Moreover, if a producer fails to make one of the CBS cycle cuts, he presumably "will have shots down the road" after making minor fixes in the pilot, rather than holding off till the midseason or the next season, he adds.

Some concerns voiced

Some agency people did voice some preliminary concerns. Croasdale says, "I haven't figured out yet how this is going to impact on the upfront, if at all"—for instance, if CBS adds "only two or three" fall series since it may have already introduced others from its cycle system. Similarly, Tom Winner, executive vice president, media direc-

TV pilots fly unfriendly skies

Each spring the skies over the Big 3 networks are crowded with series pilots, several of which are kept in holding patterns as backups for test flights in midseason or beyond. At CBS, for example, *Loose Cannon, His & Hers* and *Normal Life* have been held over as midseason entries.

Still other projects were designed to bow no sooner than January, among them CBS; *Bagdad Gas & Oil* (initially *Bagdad Cafe*) plus NBC's *Family Man, Orleans* and Alan Alda and Carol Burnett projects. Alda's commitment was made without a pilot, or even a concept being developed—which can be dangerous, as CBS learned last fall with Mary Tyler Moore's *Annie McGuire*.

Most of the annual pilots—and even some so-called series commitments—crash land, having failed to measure up to expectations. Such was the case for CBS' *Mars: Base One* and NBC's *Morton's By the Bay* and *Young Rodney*. A handful may get a second shot, such as CBS' *Coming to America* and *The Julie Brown Show*, some sources say. Still others will get a berth after long waits. *Top of the Hill*, currently on the CBS schedule, originally was developed for 1988–89 under the title *Lame Duck*, for instance, while *American Dreamer*, a Robert Urich vehicle, just got a series go-ahead after a yearlong delay.

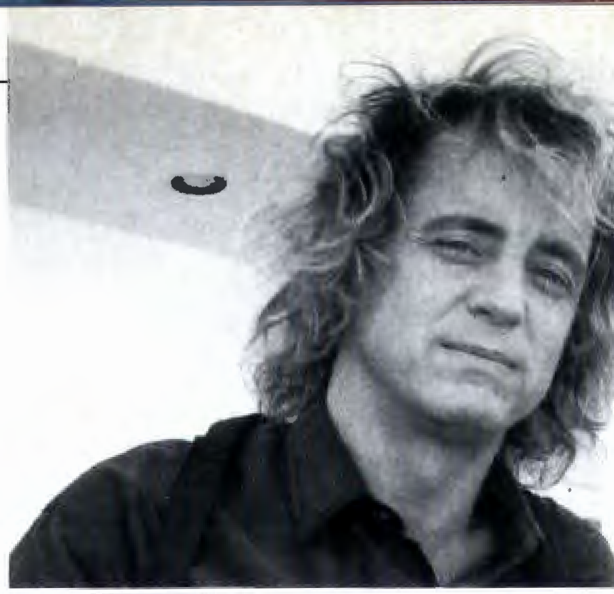
tor, Campbell-Mithun-Esty, hopes this system will not deflate CBS' fall introductions, especially given that "CBS had such a successful season launch" in September. "I would recommend they continue to focus on fall premieres in years to come."

S&S' Frank believes CBS will do just that. All three networks already scatter series tryouts throughout the season but "there will still be a big fall season" for all, she predicts.

Jack McQueen, senior vice president, general manager, Foote, Cone & Belding's FCB/Telecom, who dismissed the 1989–90 development crop as "the dreariest in recent memory," says there should be "economies available by judicious selection of product" and adds, "It's probably naive to expect the resultant savings to be passed on to the advertiser—but we can hope."

Programmers at NBC and ABC are offering no public reactions to the CBS plan or their own pilot plans. However, they have been telling agencies that they plan more coordinated spring-summer programming experiments for 1990. NBC's strategy of shooting fewer pilots but spending more on such trial runs is a strong one, says Bozell's Michel. The networks "should be more experimental in the summer, because they don't have as much to lose then," adds CME's Winner.

Insiders at NBC say that one specific project headed for summer will be an "information/entertainment series that's a cross between *The Ed Sullivan Show* and *Omnibus*." To be produced by *Saturday Night Live*'s Lorne Michaels, this would start in summer in hopes of getting off to a strong start and is ultimately meant to become a 52-week series.



"Loose Cannon"

"Family Man"

"We are now looking at the development fund itself and saying maybe we should make 20 pilots or . . . just take that money, believe in 14 things rather than 30 things and put all 14 things on, and have a bulk of the play during summertime," Brandon Tartikoff, NBC Entertainment president, said at last July's press tour in Los Angeles. That route, he indicated, would give NBC material to consider for fall while also enlivening the summer doldrums with first-run product that could bolster the Big 3's network shares—and hold down erosion by alternative media.

Keeping in mind that frontrunner NBC has relatively few time period needs each season, Tartikoff said, "You're only going to have selected needs in development. . . It's maybe better to air-test three or four series than to make 12 pilots." NBC has just earmarked *The Seinfeld Chronicles* as one such short-run spring series.

Last season, NBC Productions was involved in a dozen pilots but most didn't make it, including some "that would have made schedules in past years." However, he said, "I didn't think in the aggregate that was a good idea" since giving most available NBC time slots to in-house NBC productions would send the wrong signal to the Hollywood creative community.

At ABC Entertainment, Robert Iger, president, said last July that he too was "examining the whole [pilot] process" and that "we are going to increase the budget for summer programming next year and try some new approaches." He agreed that under the present pilot setup, "An awful lot that's spent on pilots doesn't end up on the air, and that's really too bad."

Cautious with dramas

In preparing for fall '89, Iger said ABC emphasized comedy and held back several promising drama projects for backup use. That approach will "give them time to be produced properly, without the tremendous pressure and attention given to their being in the fall schedule." Citing *Capital News*, *Equal Justice* and *Twin Peaks*, he said these series—each to be introduced by a two-hour pilot—can eventually be slated in "the most appropriate" time periods "instead of throwing them to the wolves in a very difficult fall environment."

Like its rivals, CBS also intends to use the summer season to test what Stringer calls "riskier kinds of programming. . ., programs that are offbeat." He said pointedly, "I

"Hardball"

think this'll probably be the last year of *Summer Playhouse*," its low-rated weekly anthology of busted pilots. Or at least the end of the notion of running off such pilots on the same night and time period every week. "We'll have to disguise it more effectively," he joked.

Within the production community, many agree with Larry Jacobson of Grosso-Jacobson Entertainment Corp., who hails CBS' plan as "a good idea. Their development people have wanted to do that for years. Up to now, the pilot season has been a real pressure pot, with all of us fighting for the same people, studios, etc." Moreover, he complains, the first-quarter pilot production season in New York and elsewhere on the East Coast and in the Midwest offers the worst weather conditions for dramatic pilots to be shot outdoors, such as his shop's *Truck One* for NBC. At the same time, he adds, booking time in studios at periods that are less hectic "probably won't affect costs much." A couple of producers, who prefer anonymity, see CBS' move as "narrowing the marketplace. It has the potential of keeping production concentrated in a few hands and making it harder for new people to break in," one producer gripes. Another explains that in the interest of speed CBS may tend to gravitate toward production houses with track records rather than chance relative newcomers, despite proclamations to the contrary.

Among those declining comment were Grant/Tribune Productions and Viacom Productions, whose projects, *Sydney* with Valerie Bertinelli and *Escape from 212*, are among initial concepts entered into the first trimester pot.

Although Jacobson welcomes the less frantic CBS system, he is among many who maintain that it is virtually impossible to have a series match the look and quality of the pilot. "It takes months to develop a pilot, then you pump episodes out one a week as a series," as he stated previously (TV/RADIO AGE, Aug. 21). In a unique arrangement, his shop did a two-hour *Family Man* movie pilot for a half-hour NBC sitcom starring Robert Mitchum.

On the agency side, FCB's McQueen agrees that pilots tend to be "misleading to the agencies and advertisers—and, we suspect, to the networks themselves." Agencies and clients should be "wary of making program selection decisions just on the basis of a front-loaded, expensive pilot," he observes. (See also *Viewpoints*.)

On the other hand, as Winner points out, "It's hard *not* to have pilots," since programmers cannot tell whether a concept will work "until it's all laid out in pilot form." A few years ago, NBC showed a brief clip of *Mr. Smith*, a sitcom built around a chimp. The clip was funny, he recalls, but the introductory episode was "awful"—and the series shortlived.

However, Bozell's Michel contends that even having a full pilot does not always convey what a series will be like. He remembers having seen a 10-minute demo clip of CBS' *All in the Family*, one that perfectly captured the essence of that sitcom.

In the end, the amount of success or failure that CBS generates with its cyclical pilot concept in the coming year will go a long way toward determining how much wind, if any, will go beneath the wings of similar notions at NBC and ABC. Observes Croasdale, "I wouldn't be surprised if the other two go along." □

For fall TV, the prices rise

A two-hour TV movie—the format for most dramatic series pilots—costs from $2.8 million to $3.5 million in the 1989–90 primetime season, according to estimates tallied by BBDO Worldwide.

The cost for one-hour dramatic series ranges from $900,000 to $1.3 million per episode, the agency says, while a half-hour situation comedy works out to between $450,000 and $625,000 per episode.

For the 1988–89 season, BBDO says TV movies averaged $2.5 million to $3 million, with one-hour dramas at $900,000 to $1 million and sitcoms in the $400,000 to $450,000 neighborhood.

"Baywatch"

Syndication's 'Catch 22'

With no room at the inn, new shows head to graveyard

By ROBERT SOBEL

Most syndicators—especially the medium-sized and smaller ones—have become prisoners of the tight availability marketplace. Shackled largely by the demands of national advertisers copping a plea for at least a 70% clearance rate, by the unusually high number of renewals and off-network sitcoms in syndication this season, and by virtually no access room and the continuing strength of hour talk shows, the syndicators are facing either being locked up in the solitary confinement of weak time periods or are being locked out to face the death sentence.

The only saving grace is that if the program manages to rack up the necessary minimum coverage, it can get on the screen, which opens the doors to the possibility of a "parole" into a better time period and giving it an opportunity to work in the harsh syndication world outside.

The world today in first-run syndication for distributors, according to Mitchell Praver, Katz Continental vice president, director of programming, is that the mandatory 70% clearance demanded of barter shows has pressured syndicators to accept weak times and weak station clearances that spell the temple of doom from the start. He says, "Programs designed for early fringe and access are often buried in time periods where they have very little chance to perform."

Do or die proposition

The problem stems from the initial marketing of the product, says Rick Levy, president, sales and marketing at DLT Entertainment. "Once barter is involved, the syndicator is committed to clear at least 70% or die. And in some specific cases, some clients and agencies have requirements above that. Some fast-food chains, such as McDonald's and Burger King, are demanding as high as a 90% minimum coverage. It's not like cash sales, where there's time to sell the show over a period of time."

Joseph Zaleski, president, domestic syndication at Viacom Entertainment Group, says that "even if a show gets a 70% clearance coverage, it may be perceived as a failure. A larger number of clearances gives a prejudice to the value of the program because it is deemed on an NTI basis to be extremely successful, although it may not be doing well in the local marketplace."

With the minimum 70% solution being a major factor, the theory is widespread that it's better to be on a weak station or in weak time periods than to have no coverage in the market, points out DLT's Levy. "If the time period delivers only 10 women, in the 18–49 demo, that's 10 more than if you didn't have any time period at all in the market."

The positive element of being on the air, poor time periods or not, is that the show is sampled, says Palladium Entertainment's Bob Cohen, executive vice president, giving the program "an opportunity to show some signs of life" in some markets, consequently perhaps leading to an upgrading of the show.

The point is, however, says DLT's Levy, that the program has signed its own death warrant if it doesn't get a sufficient number of strong time periods at the beginning to build a story for the stations. "If you have all bad time periods and bad stations, you have no chance at all."

Zaleski at Viacom adds that syndicators must try to get at least a myriad of good time slots on good stations so the syndicator can make an intelligent judgment on the value of the show. "If you have a few stations that are in metered markets early in the schedule, you then have the opportunity of showing its value to other stations, so they can consider changes."

Budget dilemma

The problems inherent in the poor time period/poor stations muddle also affects production budgets, notes Palladium's Cohen. "Not getting good time periods or not getting time period commitments in solid dayparts affects the production budgets, which have to be reduced.

"It's very difficult to produce a $200,000 a week show for daytime on indies. The revenues will be far less than the money you have expended, and then it becomes a matter of how much deficit you can absorb. But of course you don't know in advance what time period the show will end up in, especially if you're selling it on a tiered basis and particularly if you're working with barter."

Without the right time periods and the right type of stations, the program will not deliver enough ratings to produce the required revenue to make the show, says Zaleski at Viacom. "In today's marketplace a 5 rating is deemed a hit. But a 5 doesn't provide a lot of rev-

Viacom's "Trial By Jury"

enue. The amount of revenue must support the production of the show, so unless you can get the proper ratings, you can't make the show for sufficient dollars."

Also, notes Jack Fentress, Petry Television vice president and director of programming, the quality of a program doesn't automatically mean it will do well, or be upgraded, regardless of the time period it's initially placed in. "And I wouldn't characterize any of the current programs as bad. By and large the syndicated programs being offered over the past few years are far superior to those that were around five to 10 years ago. What's important to the viewer is the concept, and if he likes it, he will watch it.

"Even *Jeopardy*, which is a massive hit," turns off some people because it's their feeling that it's too hard to play. "So, while time period is important, the acceptability of the program, obviously, has a lot to do with it. You just can't throw a program on the air and blankly say that if it's in a good time period, it will succeed."

Viacom's Zaleski adds that the audience is the final vindicator of whether a program is good or bad. "I don't know whether a show is good or bad, because it's a personal judgment. People who watch *Roseanne* or *The Cosby Show* watch them because they like the show."

Blair Television vice president, assistant director of programming, John Rohr believes that one of the primary reasons that *Regis and Kathy Lee* survived into a second season was that the buyers of the show liked it. "They said it's not in a critical time period, and they decided to let it grow. If the show is good and the general managers that bought the show like it, the chances are that later it will get a better time period and get sampled a little better."

DLT's "Talkabout"

Few strips launched

Meanwhile, the tight avails marketplace in choice time periods is also reflected by the fact that so few strips were launched this fall, not an unusual occurrence. Fentress at Petry Television counts about 10 or so that made it to the air, with most forced to accept mostly second or third choice time periods.

Most of the new strips are having early ratings problems in the overnights, says Fentress, and "some probably would have done better in better time periods, or in some cases if they had wound up on stronger stations." Among the new series for this fall are Orion Television's *Crimewatch Tonight*, Viacom's *Trial by Jury*, DLT's *Talkabout* and Palladium's *Jackpot*.

Calls to Orion seeking comment were not returned. But in the case of *Crimewatch*, Blair's Rohr says that of the 23 measured metered markets, only two affiliates, WAGA-TV Atlanta and WJBK-TV Detroit, are carrying the show in access and in early fringe, respectively. The only other affiliate that is running *Crimewatch*, to Rohr's knowledge, is WTNH-TV, ABC affiliate in Hartford-New Haven, which airs the strip at midnight. During the football season, it runs at 1 a.m.

A number of mid-sized or smaller market stations carry the show either in early fringe or in access, Rohr notes, so there is no sampling of how good the show is doing. "If it only has a sample size of two of 23, it's going to be difficult at this time to judge the show."

Also, he points out, the show should not be judged against competition rather than on the stations themselves carrying *Crimewatch*. "I wouldn't say that WJBK is a heavy hitter in the Detroit market, but it would be good if it showed some improvement there and in Atlanta over last season's shows in the same time period."

Talkabout, according to Levy at DLT, has managed to get some decent time periods on the Fox broadcasting stations, which are running the show in early afternoon. And all told, Levy says that the game show wound up with 65–70% of the time periods DLT wanted. The remaining percentage was accomplished to accommodate the advertisers.

Shifting time periods

In the case of *Trial by Jury*, the series has 158 stations and 91% clearance, says Zaleski at Viacom, "with a myriad of opportunities." In Seattle, it's in access, and in New York, *Trial by Jury* is run in the daytime and doing all right. Continues Zaleski. But even having a successful show in a weak time period, doesn't necessarily automatically mean the program will be upgraded. "The trouble is that the station won't change the program's position unless he has a failure on his schedule.

"So by taking that poor clearance, there are two penalties. One, you have to take that clearance because it may be your last alternative in reaching the high level of clearances you need. The other is that a station isn't going to fool with a lineup if it's successful, so if the program is in one of the major 10 top markets, it may be relegated to a bullpen position anyway. It's like a baseball game. If your pitcher is pitching a no-hitter, you're not going to change him."

However, he adds, "first-run syndication is a major risk business, and if you want to get on, you have to accept all these things."

And, according to Blair's Rohr, another reason for stations not to make lineup changes is based on creative conditions. Stations, he notes, obviously evaluate the number their present show is getting in comparison to its predecessor's in the time period. And although the number of the current show may not be strong, they are reluctant to change it for a show which is a clone of one that is working on another station.

Regarding *Jackpot*, Palladium's Cohen says the game show is on a number of affiliates in early fringe and in the daytime but not in access, where he would like to see the show wind up. He says *Jackpot* is paying off and says he sees "signs of hope where we can point to a couple of good stories and use those as examples for stations to upgrade the show or for us to move it to a better station." In his overall strategy on *Jackpot*, Cohen is looking for changes by the end of this quarter or for the first quarter of 1990.

Upgrading has already occurred with Viacom's *Super Mario Brothers Super Show*, according to Zaleski. The kid show's performance in the first two weeks has been so strong on KDNL-TV St. Louis that *Mario* was moved recently to a 3:30 p.m. slot from its 7:30 a.m. time period. The show has about 88% coverage, Zaleski says, but because of its strong showing in other major cities as well, Zaleski expects to get additional clearances: "We're in 84 of the top 100, and we expect to get the other six."

Placement strategy

DLT's strategy on new shows is also to get the show into the marketplace at least in the daytime in the initial phase. But, Levy adds, the company and others of a similar size are not really in the marketplace as competitors of the much larger syndicators. "If you want to get into access, you have to play with the access people. We try to put our game show in the daytime, or try to get a primetime daypart for our Mystery Wheel of Adventure movies."

Another major difference between the large syndicator and the smaller ones is seen when it comes to getting a program on the air, according to DLT's Levy. With all the game show entries looking for a go for next year, the smaller vendors are forced to have a show that is already presold in their mind, he says.

A prime example, continues Levy, is Orbis Communications with *The Joker's Wild*. "Orbis is too small for it to launch a new show that has had no track record. If it did, it would have to start from scratch. No small player can take a brand-new show and make it work." *Trump Card*, a new show planned for a fall debut, has an edge, he says, because it will be distributed by Warner Bros. Domestic Television. "They will at least get look-ats and curiosity, but if the show is no good, obviously it won't get on the air."

For next fall, two dozen or so new games will be looking for a launch, and the percentage of those actually getting on the screen remains exceedingly small. But, notes Rohr at Blair, probably those that make their debut will be the shows that come out of the big distributors. "Probably three or four will make it, but I can't tell which they will be because at this time I don't even know which the 24 are.

"But when you think about how saturated the market is in talk shows, courts, tabloids and off-network sitcoms, where are the time periods going to come from? The only way something dramatic will happen to change this is if a lot of programs fall out of bed this year, and I don't see that happening."

He continues that talk shows, for example, will continue to do no worse than their past performances. "The Geraldos, the Oprahs, Sallys and Donahues are all going to do the same numbers this year as last year's. *Regis and Kathy Lee* looks better now than when it started last year, and *The Joan Rivers Show* is doing better numbers than *Regis and Kathy Lee* did last year at the same time, so there's no disappointment there."

Standing on results

Notes Petry's Fentress, while a first-run show coming from a syndicator/distributor with an established track record of success can use its muscle in trying to get the best time slots for a new program, the series has to stand on its own down the line. "After the program gets on the air, it has to stand or fall on its own, but no one would argue that the show, especially if it's a game, will do better in the access time than at early morning or late at night."

But even a major syndication player, Warner Bros., which absorbed Lorimar Television product

Orion's "Crimewatch Tonight"

through the buyout, faced a similar handicap with *Third Degree* as experienced by smaller syndicators. Fentress says that WB had the logistical problem of others in the tight marketplace. "By the time they brought it out, it was just another game show, and there's not a lot of excitement this year for game shows."

When it comes to next year, the prognosis is more of the same. According to Fentress at Petry, the betting is that there will be only two, or possibly three, holes because both *USA Today* and *Family Feud* are questionable returnees after the current season ends. "Not much else will go away, says Fentress, that have been in decent time periods."

The suggestion that Praver of Katz makes which may alleviate the congestion is for a new category in first-run. "It would be refreshing to see that. When you look at the list of game shows, it looks like the late 1970s. True, syndicators have tried medical shows, which didn't work, but it appears that distributors are not as open to new things. They are more conservative, and economics play a major part in the development, but because game shows are relatively so inexpensive is one of the reasons we are seeing so many being prepared for the 1990 season." □

Seminar for CBS affiliates features idea exchanges, network pep talks

Blair stations hone 'dream season' sports sales efforts

By ALFRED J. JAFFE

How do you sell a "dream" sports season?

With deft packaging, enthusiasm and something extra for the advertiser. But, with realism.

That, in a nutshell, is what emerged from the Blair Television Sports Marketing and Sales Seminar, hosted by WBNS-TV Columbus last month.

The two-day affair, Sept. 21–22, was mounted by Blair for its CBS affiliates and was highlighted, it need hardly be added, by CBS-TV's three latest major sports rights acquisitions—the four-year, $1.1 billion Major League Baseball pact effective next year and the '92 and '94 Winter Olympics.

The "dream season" designation is a reference to 1990, which, in terms of major events, CBS kicks off with Super Bowl XXIV, follows with NCAA basketball and NBA championships and includes, besides The (golf) Masters, all of baseball's "jewels"—the All-Star Game, the playoffs for the National and American League pennants and the World Series. With the Winter Olympics, the prospects for future CBS dream seasons are high.

First-time event

Blair had never done a sports seminar for its stations, certainly not one of this scope, before. But William Breda, senior vice president and general sales manager of Blair Television, maintains there's never been such a collection of blockbuster sports events under one roof like this before. And William Giles, president/owner of the Philadelphia Phillies, who spoke at a dinner at the seminar, said, "There is no doubt that CBS is the No. 1 sports network."

The format of the seminar provided for both listening and talking and for learning and teaching. The first day, the seminar was held in a theater where CBS and Olympic representatives held forth. The second day, the environment was more intimate, with four simultaneous roundtables in progress. Each lasted an hour, after which participants shifted to another roundtable until all the participants had taken part in all four roundtables. Subjects of the four roundtables were how to sell (1) baseball, (2) winter Olympics, (3) football and basketball and (4) upscale sports. Each subject was under the cochairmanship of a Blair and a station executive.

The environment was not the only difference between the first and second day's agenda. The first day was network-oriented and the second, station-oriented, and the marketing tone of each differed somewhat. Whereas the network speakers emphasized the prospect for aggressive pricing with no guarantees, if possible, what emerged from the station back-and-forth was more awareness of the difficulties in getting premium prices.

What both network and station agreed on was the opportunity—not to mention necessity—for creative, or even uncreative, packaging. As Hal Trencher, vice president, sports marketing and sales, for CBS Sports, pointed out, CBS has a "monstrous amount of inventory" and packaging "is the way we're going to go." For example, the network, which, under its MLB deal, has only a dozen regular season games each year, all on Saturday afternoon, will lock their spots with spots in the league championship games.

The CBS spokesmen came loaded for bear. Dick Goldstein, vice president for marketing in affiliate relations noted that "virtually every two weeks" CBS will have a sports event for sale in the '90 dream season. In primetime, he said, CBS does not usually dominate with men. "Now we have closed that gap."

Larre Barrett, vice president, Olympic sales, for CBS Sports, stated flatly, "There's no other events like the Olympics." Barrett listed the positives as: It gets a big audience, the Winter Olympics will go on for 16 consecutive days and it has an upscale audience.

And it has leverage. Barrett will "go to market" next month with his Olympic pitch, and, he said, he won't discuss unit costs, cost-per-point or media with clients or agen-

Gift of appreciation. *James Rosenfield, l., chrmn./CEO of Blair Communications, presents Gene D'Angelo, pres./gen. mgr. of WBNS-TV Columbus, O., with gift. Station was host of Blair Television sports seminar.*

cies. And Trencher argued that during the first six months of next year, so far as sports is concerned, "CBS is the only game in town." Trencher also told the assembled affiliates that CBS will try to keep away from audience guarantees for the big sports events and packages.

While laying out the network sales posture to emphasize CBS' sports clout, the network people cited sales aids available to stations and had some tips on how to sell the sizzle as well as the steak.

Goldstein revealed that a CBS baseball brochure now being printed could be used for a station presentation, as could a "dream season" brochure coming up. He cited the successful CBS use of tickets to games for advertisers as a psychological edge and suggested that stations might want to employ retired ball players in their promotion as a less expensive—and possibly better—sales tool.

Trencher, commenting that CBS is "not trying to reinvent the wheel, we're trying to fine tune," revealed that CBS is kicking off this month a tour of malls in about 25 cities with exhibits which help promote advertisers. Stations can also tie in to this road show, he advised.

Barrett disclosed that among the CBS concepts for the Olympics is a slick-paper newsletter, eight to 12 pages in full color, that will be published quarterly in 1990 and through September 1991, at which point it would become monthly. These could be used by either local advertisers or stations, with their logos imprinted.

Ready-made prospects

Barrett cautioned about restrictions that apply due to exclusive sponsorships being sold to advertisers by either the International Olympic Committee (IOC) or the U.S. Olympic Committee (USOC). He pointed out that Olympic sponsorships, which advertisers pay millions of dollars for, give these clients exclusive rights in their product category to use the logos and symbols of the Olympics—so that, for example, as Coca Cola is an international sponsor of the 1992 Winter Olympics, the newsletter could not be used for a Pepsi Cola bottler. However, there are opportunities for clients to use

Network/rep cooperate. *Hal Trencher, v.p., sports marketing and sales, CBS Marketing, l., explained network strategy at Blair seminar. He is shown with Dave Herman, v.p., Blair TV's CBS division, and former Jets lineman.*

Olympic symbols in product categories not covered by IOC or USOC sponsors.

Olympic sponsors, whether via the IOC, USOC or national governing bodies for individual sports, are the best prospects for stations, the CBS affiliates were told by Robert Prazmark, vice president of ISL Marketing, which has the exclusive rights to sell Olympic sponsorships worldwide. The Blair seminar represented the first time Prazmark had talked to stations about Olympic opportunities. For 1992, the actual or anticipated sponsors of the Winter Olympics are, besides Coca Cola, Eastman Kodak, 3M, Visa, Time Inc./*Sports Illustrated*, Brother Industries, Matsushita, Ricoh, Philips, a candy company, a courier company and three to be announced. On average, they will each spend about $20 million for the Olympic rights and probably, said Prazmark, three times as much on promotion and advertising.

The USOC spokesman was Mike Moran, director of media, public information and TV relations, who pointed out that the last time CBS aired the Winter Olympics, in Squaw Valley, Idaho, in 1960, it paid $50,000. CBS paid $243 million for the '92 games in Albertville, France, and $300 million for the '94 events in Lillehammer, Norway. For selling some cable rights to Turner Broadcasting System, CBS got $50 million back but will have to provide the coverage for Turner.

Moran extended a broad offer of help to the CBS affiliates, commenting drily that "CBS paid us a lot of money." He pointed out that the IOC gives back to the USOC 10% of the rights costs. Moran invited stations to bring clients to an Olympic training center as part of an inducement to advertise. And he offered to send addresses of local athletes to stations who wanted them.

While not stinting on touting the promotional clout of CBS' big menu of sports events, many of those speaking at the roundtables brought the stations down to earth.

One of the cochairmen of the Olympics roundtable sessions was Wayne Freedman, vice president, director of marketing for Gannett Broadcasting and national sales manager of WXIA-TV Atlanta, an NBC affiliate. Gannett has only one CBS affiliate, WUSA-TV Washington, represented by three sales executives, but its three NBC and three ABC affiliates had Olympic experiences last year, of course. Freedman ran down a sizeable roster of "lessons":

- Stations have to plan ahead, about a year out, but not too far out, or else they'll interfere with other sales.
- Selling station time is different from selling network time. None of Gannett's ABC or NBC affiliates sold out the Olympic spots.
- Stations have to be flexible.
- Though "everybody" wanted to buy into the Olympics, they all had some objection or other, so it became "a price issue."
- Winter games in Atlanta were not a big draw.

■ Reward upfront clients, even to the extent of suggesting a "fire sale" upfront. Don't be intransigent upfront or you'll end up with a real fire sale later on.

■ Olympics offer special opportunities. If Kodak is a sponsor, go pitch a photo store.

■ Hold a kickoff party for Olympic advertisers, bringing in local athletes and network people. King Broadcasting's KING-TV Seattle and KGW-TV Portland, Ore. sold out the Seoul Olympics this way.

■ The Olympics will bring new viewers, which is a reason to go after new clients.

■ Package "vignettes" of local or outstanding athletes. WXIA-TV sold four $40,000 packages with this device.

■ Play up orders as they come in, to stimulate urgency for selling.

■ Hold sales contests with a trip for incentive.

■ Remember that the Olympics will offer the station entree to top client and agency executives.

■ Be optimistic but reasonable on the subject of guarantees. Without offering specific guarantees, promise big spenders you'll "work with them" in the event of audience underdelivery. But don't sell the Olympics as an efficient buy.

■ Make special Olympic spots for your station and urge advertisers to make them, too.

The point about packaging sports was echoed and reechoed at the baseball roundtable—with various suggestions offered by participants. The most detailed description came from Scripps Howard's WCPO-TV Cincinnati, which was represented by a team of four at the seminar, led by J. B. Chase, general manager *and* general sales manager. The Cincinnati outlet is offering "gold" and "silver" packages spanning the dream season from Super Bowl to World Series. Some have already been sold. One gold package, for example, includes, among 45 total spots, three in the Super Bowl, seven in the NCAA basketball championship games, two in the NBA championship finals, seven in each of the baseball league playoffs and one in the World Series.

Stations are packaging their local diamond games with the network's contests. Vince Frye, general manager of WIBW-TV Topeka, said his station, which carries the Kansas City Royals, has 30 games, mostly in primetime, to link with the CBS offerings. Another affiliate which doesn't have a major league baseball club in its home town, WWTV(TV) Cadillac, Mich., is combining its Detroit Tiger games with the network's baseball lineup, according to general sales manager Frank Brady.

While it was noted that 32 baseball games on NBC had averaged a 4.8 with a weekend ratings decline, Mike MacLean, vice president and sales manager of Blair's CBS team in Chicago and a cochairman of the baseball sessions, pointed out that CBS will build up the regular season games with history and other "high-profile" devices. MacLean also urged the stations to "involve" baseball clients in other things, such as "plugging them into the early news."

Attending seminar *were, l. to r., Jeff Sales, nat'l. sls. mgr., WCPO-TV Cincinnati; Dave Elmore, lcl. sls. mgr., WBAL-TV Baltimore; Bert Fett, dir., Blair sports sales; John Simons gen'l. sls. mgr., WCTV Tallahassee.*

In the football/basketball sessions, Steve Cook, general sales manager of Gannett's WUSA-TV Washington, said that the station found in the past that, in strengthening its identity with the pro football Redskins, a poster worked well. Stressing the importance of including a frame, Cook said, "A poster goes up on the wall when you add a frame." One advantage of a poster, he added, was that it was "intimidating to the competition." This season, WUSA-TV chose the presentation box approach, using NFL merchandising material. Total cost of the boxes, said Cook, was $14,000.

Football, basketball

Other input at the football/basketball sessions:

■ Two stations reported success with airing coaching shows—WBNS-TV doing its own syndication, while in the case of WCTV(TV) Tallahassee the university did the syndication.

■ One station suggested a lottery at a party for clients at which drawings were held for free spots.

■ A trip to the Super Bowl as an incentive for salespeople was suggested, but at one roundtable only one station reported it had used this device.

■ At the same roundtable, most stations indicated that at sports championships requiring four victories they sold spots in the maximum seven games.

At the upscale sports sessions, there was some frank discussion of the meaning of the term "upscale," which some participants felt was a circumlocution for small numbers. But Kenn Donnellon, vice president for advertising and communication at Blair, reminded participants, "What you have to sell is excitement."

Blair's Breda took the position that TV is a "narrowcast" medium, anyway, with sports for reaching men, news for reaching upscale audiences, soap operas for reaching women and kids' shows for reaching kids. John Simons, general sales manager of WCTV, added that while 10% of the news audience are tennis fans, 90% of tennis program viewers are tennis fans. □

Radio throws weight around

Nutri/System diet plan finds its happiest medium

The woods are full of companies that started small on radio, then, once radio helped them grow rich enough to afford television, forgot radio like some men forget their first wife who worked two jobs to put them through law school. But not Nutri/System.

Nutri/System, which, in spite of Weight Watchers, Silm-Fast, Jenny Craig, Lean Cuisine, Stouffer Foods, et al, claims to be "the world's largest seller of integrated weight-loss programs," started in

"I've lost 116 lbs. in nine months, and this is the brand new me."

1971 with newspaper ads. Then four years ago a new management team headed by A. Donald McCulloch, Jr. came in and Nutri/System added television while continuing with its newspaper before and after testimonial ads.

The TV spots are also testimonials by satisfied customers describing their weight loss success on the Nutri/System plan, with a national toll free number for viewers who want further information.

In spring 1987 Nutri/System added radio to its media schedule, and it worked so well, says James K. Millard, vice president, communications, that "Radio is now a key part of our media mix." Such a key part that Nutri/System invests over half its ad budget in radio. Last year that was a bit over half of $15 million, up from the $4 million a year the $232 million company put into total advertising in 1986. And next year 55% of its ad budget will continue to be invested in air personality testimonial advertising on radio.

In Southern California alone, Gordon Mason of the Southern California Broadcasters Assn. reports Nutri/System put $2.5 million into radio there last year, with popular deejays describing how well the plan worked for them.

As explained by Nutri/System regional ad manager Heidi Drummond in SCBA's *Call Letters*, each air personality agrees to go on the plan with a weight-loss goal of about 20 pounds, and he or she has full creative freedom to describe the ongoing results each day in his own words. Drummond says she "urges them to have fun and build their own free-form commercial into their regular patter in their own style. The result is a natural and enthusiastic testimonial with the kind of impact and credibility that produces a bushel of leads for us."

She reports that one personality pulled 283 leads in the first week and another delivered 92 leads from his first nine spots. Leads are tracked daily, and stations stay on the schedule as long as they continue to produce within a set cost per lead. Drummond says she places schedules to run for 52 weeks and looks for advertising early in the week with a heavy frequency within dayparts against a primary target of women 25–49 and a secondary target of adults 18-plus.

But Nutri/System is on radio coast to coast. Radio Advertising Bureau's magazine, *Sound Management*, describes how it worked on one New York station, WXRK(FM):

It took some courage

"It could have been an advertiser's nightmare. K-Rock's Howard Stern is on the air with a black woman who has lost 30 pounds on the Nutri/System weight-loss program. Stern asks how she can enjoy the food when they don't have 'Nutri-chitlins.' Stern offers his sponsor ideas for soul food dishes like 'candy yams stroganoff,' 'hog jowl marinara' and 'watermelon and clam sauce.' Nutri/System paid K-Rock for a one minute live spot. They got about five minutes and virtually no audience tune-out. You can bet most of Stern's 1.5 million weekly listeners could write a paragraph describing Nutri/System."

Says Millard: "Today it's hard to tune to a radio station in any market without hearing an on-air per-

"Radio is a medium for the mind . . . radio's message must be a believable one for it to be accepted in the mind of the listener."

James K. Millard
*Vice president, communications
Nutri/System*

sonality relating his or her weight loss and weight control success with the Nutri/System weight loss program. This message is heard on diverse formats and stations, in diverse markets and from diverse personalities: from Bruce Stevens on WBZ Boston to Darrel Calton on KRJC in Elko Nevada; from B. J. Donovan on KOMO in Seattle to Mr. Chauvin on WFPR Hammond, La., and Dennis Coffman on KCTR Billings, Montana."

Millard says the message, "like the concept of the Nutri/System weight loss program, is deceptively simple: weight loss success related truthfully from one individual—the deejay—to another, the listener."

He describes the ad strategy as simple, too: "We buy an advertising schedule of 60-second spots on the station and give the air personality a complementary weight loss program. Then, during the 60-second spots, the personality simply talks about his or her experiences on our Nutri/System program. The results have been astounding."

So astounding that Millard was able to tell the June Radio Workshop sponsored by the Radio Advertising Bureau and the New York Market Radio Broadcasters Assn. that total retail revenues climbed from less than $200 million in 1986 to more than half a million dollars last year. "And by the end of 1989, we expect to be in excess of $700 million."

New York DJ Howard Stern "could have been an advertiser's nightmare."

Measures of success

He added that the number of weight loss centers has grown from fewer than 700 in 1985 to over 1,100 by February '89 then to some 1,200 by June, in all 50 states and in every province in Canada. He adds, "That number is a moving target that changes daily. Last year we were opening an average of almost one new center every business day. By this summer that rate was more than two centers every business day."

Millard concludes, "By every business measurement, our Nutri/System success story has been phenomenal. But the real success has been the impact our program has made on the lives, the self-image and on the health of almost one million Nutri/System customers every year.

"During any given week, over 150,000 North Americans are losing weight on our program. And among these clients we are proud to count several hundred air personalities. But the needs and experiences of these on-air personalities are no different from those of our other Nutri/System clients."

Millard notes, "One half of all adult Americans are overweight. One in four is obese. Through observance of National Weight Loss Month, which Nutri/System was proud to organize, some 800 on air personalities helped us raise the public's awareness of the serious health threat posed by obesity.

"How successful was this effort?" asks Millard. "One measure might be the reaction of the competition. No less a celebrity than Lynn Redgrave carried the same message for Weight Watchers in national advertising this spring. And Chuck Berger, president of Weight Watchers International was quoted by Fortune magazine as saying, 'Nutri/System is ripping up the track' of the weight loss industry."

He reports that of Nutri/System's some 1,200 weight loss centers, 170 are owned by the company. The others are franchises. Nutri/System's agency, Eric Mower & Associates, buys radio and TV time in the 15 to 20 markets where the company's 170 owned systems are located, and most of the franchise centers either buy their own broadcast time and newspaper space direct or arrange for a local agency or media service to handle it for them.

Millard says Nutri/System uses television "in probably all of the top 150 markets," plus a scattering in smaller markets where the company also has some franchise centers. He adds, "Every six months we line up five to eight new satisfied customers so people won't get tired of seeing the same faces in our commercials, month after month."

He notes, "As in many other lead-oriented businesses, we ask each new customer the first time they visit one of our centers where they heard about us: Word of mouth? A newspaper ad? Radio or television? And, if broadcast, what call letters or dial position? This helps show us which media are most productive for us."

And Millard adds that the reason radio works so well for Nutri/System is "the same reason radio works so well for any intelligent advertiser who recognizes the power of radio. It's live and it's local, but it's even more than that. Radio is a medium for the mind. Where the visual media can often manipulate the consumer through 'enhanced' or 'styled' photography or camera work, radio's message must be a believable one for it to be accepted in the mind of the listener. That's because it exists in only one place—the mind of the listener." □

Viewpoints

Jack McQueen

Senior vice president and general manager, Foote, Cone & Belding/Telecom, in a recent speech before the Phoenix Advertising Club

Network television: Is what you see really what you get?

One could easily get depressed with the litany of problems facing network television, but my Scottish father succeeded in convincing me that where there are problems, there are also opportunities. And I'm convinced that's the case here. We don't need to abandon the tube and revert only to bus cards and matchbooks to peddle our clients wares.

But we do need to consider changing the rules of the game and steal a page or two from our body of experience in working with the broadcasting business. Ever since the dawn of what was first called the "magazine" method of selling the television, now known by the euphemism "scatter buying," agencies and clients have felt, with good reason, almost powerless in the program process.

For quite a few years now, advertisers and agencies have satisfied themselves with quantitative numbers that essentially showed that they were getting their money's worth and reaching what they determined were their target audiences.

Now, in this era of increasing clutter and viewer choice, a qualitative look at television advertising seems both prudent and necessary. This means developing a sort of environmental impact study on each show in which a client's message is telecast. In other words, whenever possible, we recommend looking at a show before it's telecast, not only to see that the content doesn't conflict with an advertiser's standards, but also to assess the quality of the episode.

Pilots misleading

Program pilots produced for the annual rain dance at the four broadcast networks tend to be misleading to the agencies and advertisers—and, we suspect, to the networks themselves. In many instances, what they bought is not always what they get. And it's not surprising because of the system.

Pilot production is done primarily by a relatively small fraternity of acceptable, already successful production companies who conjure up ideas they think will sell to a network. Then they go out and employ one of the million-buck-a-year "hired gun" producer/writer teams to produce the pilot, usually betting quite a few extra bucks on the outcome. They all knock their brains out on the pilot. If it sells and gets scheduled, the original production team may be plying its trade on another show or on a project for the following year.

So, maybe then they're hired on as "executive producers" to fulfill the commitment. But the actual week-to-week writing and production is done by a whole new bunch of people. Some of them may be talented folks who are getting their first break. Others, unfortunately, may be trainees on their first job. Also, with the personnel churn in network entertainment divisions, the customer may have a whole different creative outlook. So buyer beware. What you saw in the pilot last spring may not be the show you select to run your clients advertising message in later in the year.

We're at a very important crossroad now. As they properly should, the networks have become a bottom-line business guided by lean and tough managements. However, we continue to point out to them what is an obvious fact of life to us in the agency business: Our success, and that of our clients, is in direct proportion to the caliber of our creative product.

All other parts of our shop have to be good, too. We must have able broadcast negotiators to deal with the network's sales reps. We must have smart researchers and able programmers. So must they. And our management talent must provide a valuable marketing arm for various advertisers. But neither a network, station nor ad agency can get away with delivering anything but excellent programming and sparkling commercial work.

Networks too lean?

That's the reason it makes us nervous to pick up the trades and read about another round of network program personnel cuts. Never has the product side been so important. There's a large number of television opportunities out there now. In my view, Fox Television has become a viable fourth network. They know their audience, and they're zeroing in on them in an impressive fashion.

And now that all the hype has been shaken out, there are some promising programming opportunities in basic cable to enable us to reach targeted viewers in over half of American homes. There's some debate about how many homes have VCR's now. We say 60% just to use a round number. But the important thing is the growth curve. By next year it appears they'll be almost as common as toasters in American homes.

Another consideration that excites us is the possibility of truly global programming. With the deregulation of television worldwide, there is a severe shortage of universal program product to fill an expanding number of outlets. We consider this to be a marvelous opportunity for multinational clients, as well as a new revenue stream for program suppliers.

Buena Vista film deal with USA Network preempts syndication and nets $55 million

In a groundbreaking arrangement between a basic cable service and a distributor, USA Network will shell out a record-breaking $55 million to Buena Vista Television for 26 theatrical films, Touchstone I, to begin airing in May 1990, it's been learned. And, it's understood that USA is close to signing another similar deal or two with other major distributors, although less money and less titles will be involved.

What makes the deal so important, besides the high price being paid by USA, is that it represents the first buyout by a basic cable network of a major motion picture syndication window, according to Kay Koplovitz, USA president and CEO. The traditional route for movies has been pay-cable and network, followed by syndication, then basic.

The $55 million price tag is being paid as a premium for the syndication preemption and is higher than any previous syndication window. The last syndication window averaged about $2 million per title. USA paid extra, too, because a value was attached to the anticipated ill-will from stations resulting in the bypass, says an authoritative source. But the movie marketplace has been soft lately, due in part to the fact that Fox Broadcasting affiliates have been shying away from buying movies as Fox increases its own original programming.

No boycott. Peter Affe, vice president, sales development at Disney/Buena Vista Television and an architect of the USA deal, says he doesn't see stations boycotting future BV movie packages because of the sale. "We have two studios functioning, so we can come out with another package in short order, as syndication requires."

Noting the changing marketplace, Robert Jacquemin, president, Buena Vista Television, says "USA makes a strong statement about the changing direction of the television industry and its role there." Also, points out Jacquemin, the deal is significant in that it represents the first time that a sale on movies has been made which includes product not yet released theatrically.

It's thumbs up. *That's the signal coming from, l.to r., David Kenin, senior vice president, programming, USA Network; Kay Koplovitz, president, CEO, USA; and Robert Jacquemin, president, Buena Vista Television, in announcing the film deal, said to be worth $55 million.*

The first title to be shown on USA Network has not yet been determined, but it will air in May 1990, according to Dave Kenin, senior vice president of programming, USA. All titles will be shown initially on Showtime, then go to USA. Some of the titles will get a network window after the pay service airing.

Films announced include *Good Morning Vietnam*, *Three Men and a Baby*, *Dead Poet's Society*, *An Innocent Man*, *Beaches*, the soon to be released *Stella*, and *Blaze*, starring Paul Newman, which will be shown theatrically in December.

In addition, the package is known to include *Tin Men*, *The Good Mother*, *Cocktail*, *Shoot to Kill*, *Outrageous Fortune* and *Adventures in Babysitting*.

The disposition of the package after the basic cable run has not yet been decided, according to Jacquemin. Options to be considered are looking for a syndication sale for the package or placing some of the films into a new film package.

Casablanca seen shutting down

Casablanca IV, producer/distributor of syndicated properties including *Fast Copy* and *Crimes of the Century*, among others, is reportedly shutting its doors, falling prey to the soft syndication marketplace currently being experienced by some of the smaller companies. Calls placed to the Los Angeles company's executives went unreturned, but an employee at Casablanca confirmed that the company was "in the process of closing down."

Basically, the ill times that have befallen Casablanca are a result of a small distributor not being able to clear enough stations to get on the air in an environment of few availabilities, according to one knowledgeable observer.

Also, the company was getting into the funding of projects, he notes, which turned out to fare poorly. These included *Hit Squad* and *Howard Cosell: Speaking of Everything*, a late-night talk syndication entry.

But apparently what broke Casablanca's back was its inability to get *Celebrity Secrets* launched, he continues. The game show was supposed to get a September launch in first-run syndication but was pulled back after a trial and when the show failed to get enough clearances from stations. "They put all their eggs in one game-show basket and were looking for the home run," he says.

In movies, too, Casablanca had a movies-of-the-week package, acquired after their network run. "It was a cash package, which had little chance to succeed in today's market," according to the source.

At 1988's and the past year's NATPE, Casablanca was looking to make a big splash with large exhibit space that included a *Casablanca* movie set lookalike. The exhibit was shared with Action Media Group. Principals at the formation of Casablanca included Richard Gold and Chuck Gerber. Gold was a co-founder and president and COO. Gerber, also a co-founder, was executive vice president. Both left Casablanca around January to form their own company, G2 Entertainment. Casablanca's chairman and CEO is Richard Cohen, and executives include Jack Allen and Jim McCallum.

Orion plans three shows and a new movie package

While a precise blueprint has not yet been laid out reflecting the new management changes at Orion Television Syndication, the overall goal of the company is to be a "full-fledged television company, producing for television and cable, and to try to take advantage of the changing technologies," says Bob King, who recently joined Orion as president of TV distribution.

On the drawing boards are three first-run projects—two game shows and a nostalgia series—while down the road, Orion is planning to enter the animation and the talk show arenas. Pilots on the two game shows, which are being mounted for fall 1990, are a revised *Name That Tune* and an original newcomer, *Divorce Wars*, says King. The other projected series, *Then And Now*, has not yet reached the pilot stage.

Divorce Wars is called a sex/comedy game show, similar to *Love Connection* or *The Dating Game*. "The accent will be on comedy," King notes. Host of the planned show will be Bill Rafferty.

Tune will be hosted by Peter Allen, who has a music and nightclub background, points out King, making him different from other game show hosts.

Wars can play in many different time periods, and *Tune* is being targeted for early fringe and access.

In the movie area, King says its Orion Volume V, consisting of 20 titles including *Mississippi Burning*, *Colors*, *Bull Durham* and *Married to the Mob*, is being put together, although a specific availability date to stations has not yet been determined. Being examined are coventures with international producers, according to King.

King's predecessor was Scott Towle. Joe Indelli, former president of MTM TV Distribution Group, also recently joined Orion as a vice president of TV distribution.

Big 3 TV networks plan to fight hard to keep share from sliding to 50%

At a National Academy of Cable Programming panel discussion, one of the Big 3 TV networks' top executives was forced to publicly think about the unthinkable—the possibility that the three-network audience share could soon drop to 50%.

When asked about that possibility by moderator Robert Wussler, the onetime CBS Television Network president who now is president, Comsat Video Enterprises, John Sias, president, ABC Television Network Group, said that in that eventuality the networks "must learn to operate profitably." Adding "I'm not panicking," Sias said ABC will wage an "aggressive and profitable battle" to slow the audience erosion process as much as possible.

Panelists Kay Koplovitz, president/CEO, USA Network; Jules Haimovitz, president/CEO, Aaron Spelling Productions; and Jamie Kellner, president, Fox Television agreed that the erosion process is "evolutionary," although Koplovitz noted that it has been so rapid in recent years as to give the impression of being "revolutionary."

Should the Big 3's combined Nielsen share approach 50—well below their peak 90-share levels prior to the advent of the cable and home video era—the networks would be forced to "downsize" further, Kellner predicted. Fox, already operating with a relatively lean staff, would be in a better position to cope in such an environment, he felt.

Cable gains seen. Koplovitz, noting that cable penetration is at 59% of all U.S. TV households and that it could reach 70% in five years, forecast that the three-network share could well slide to 50 within that same time frame. Consequently, she predicted, cable will begin closing the ad revenue gap, as sales start reflecting the audience sizes of the respective media.

Although the three-network share fell to 65 during the summer season, Sias pointed out that the cable audience is "very fragmented." Over the next five years at least, he said, network TV, including Fox, is "still going to be the place to go" to reach a mass audience quickly so far as advertisers are concerned.

Looking into the future, Kellner anticipated that "a fifth network" will be on the scene in 10 years or so. Despite the intensifying competition, he said the Big 3 are not going to "crawl away" in defeat. They will enjoy "a clear advantage well into the future," he said. Noting that five years hence is as far as he

'Premiere week' shares recover: CBS

The three-network Nielsen share for this fall's "premiere week" ending Sept. 24 was 72, an improvement over last fall—when series performances were thrown awry by a lengthy writers' strike and by the Seoul Olympics.

The combined network share was 68 for the week ending Sept. 19, 1988, when the Olympics overwhelmed lackluster entertainment competition. The share level had risen to 70 for the week ending Oct. 24, 1988, designated by CBS and ABC as their official premiere week.

Still, the 1989 average was down from the 77 Nielsen share tallied by the Big 3 in the week ending Sept. 21, 1987.

At CBS/Broadcast Group, David Poltrack, senior vice president of planning and research, has projected that the Big 3 will lose about two share points per season. In his opinion, the September '89-to-September '87 share comparison is only one share point worse than CBS' estimate and thus not a major decline.

Moreover, Poltrack emphasized, "We're recovering from a very signficant down" caused by the fall '88 disruptions. Keeping in mind that the strike caused production delays that forced staggered premieres at that time, he added, the 72 figure represents "rather signficant" momentum.

could prudently project, Sias stated that the Big 3 will attempt to remain "as vigorous as possible" with strong programming and more emphasis on "smarter marketing of our programs." Since sampling of new series is one of the most formidable tasks for the networks, he said it is important to devise scheduling tricks and promotion to get viewers to tune in.

Bigger sponsor role. Sias said that the networks will "look for all kinds of devices" to bolster sampling of such newcomers, as ABC did with two showings within one week of the *Life Goes On* pilot and as NBC did with several previews of *Sister Kate* prior to "premiere week." "There will be more of that," he felt. Koplovitz pointed out that cable has long given its programs several showings.

Erosion "makes it more difficult for the advertiser," said Haimovitz. Since the networks remain the only way to reach a cumulative 90% or so of the TV audience in a week's time, they will remain the advertiser's primary medium, he added, with cable and other alternatives used to "fill in."

Turning to the outlook for advertiser-produced programming, Sias said, "There will be some more of it" but it is "unlikely" to take the form of weekly series. "More likely," he said, will be "one-time-only specials, made-for-TV movies, things of that kind, and perhaps in the sports area."

Looking at *the future of television were National Academy of Cable Programming speakers, l. to r., Robert Wussler, Comsat Video Enterprises; John Sias, ABC Television Network Group; Kay Koplovitz, USA Network; Herb Granath, ABC Video Enterprises; Jules Haimovitz, Aaron Spelling Productions; and Jamie Kellner, Fox TV.*

National Video Center looks to get additional business from networks

National Video Center Recording Studios, large-scale teleproduction facility, expects to grow "tremendously" in the broadcast market, according to Andrew Lustig, vice president of National Video. "We see ourselves as becoming an even bigger supplier than we are at present for the networks.

"Networks are going more and more out-of-house for promotions and special shows, while continuing to do their own in-house work for their normal everyday things. We see ourselves as supplying the editing, animation and the other aspects that the networks can't do themselves."

Also, the fact that the networks will no longer be limited on in-house productions in primetime beginning with 1990 is seen as having a very positive impact on National Video. According to Lustig, "It will affect us tremendously. Their facilities will be jammed, and they will have to come out-of-house to do production, mixing and editing. They use our facilities on the weekends now for such things as news specials and other types of programs. The promotion for the network shows will come from New York, so they will be spending a lot of money with us to do that."

Sitcoms, however, are rarely produced in New York, except for *The Cosby Show*. "*Kate & Ally* was done here, but hasn't been renewed. *The Equalizer* was shot here, but that's over and will go to the USA Network." National Video edits and shoots shows for the basic cable service, although it doesn't get involved in its first-run projects. For HBO, Cinemax and Showtime, National Video is generally the production company for specials only as well, says Lustig.

Main business. National Video's main business is producing graphic and on-air promotions for networks and local affiliates in New York. But another important aspect of its business is editing, film transfers and shooting shows for syndication, notes Lustig.

Included in the latter category are the editing of the Geraldo Rivera one-hour special, which required "integrating live reports with taped aspects," says Lustig. *Grandstand*, a syndicated sports game show was edited at the studios, under the MCA TV banner. National Video, in addition, does the sound mixing for all the Major League Baseball Productions shows, including *This Week in Baseball* and specials for syndication, plus home video productions.

In other types of programs, National Video edited and transferred to film an ABC Afterschool Special, *Daddy Can't Read. Donohue* and Fox Broadcasting late-night *The Joan Rivers Show* promos were edited at National Video.

Also, National Video does a large volume of business with cable companies, as mentioned previously. It recently edited and film-transferred a one-hour music special for HBO featuring Carley Simon, called *Coming Around Again*, and another was a tribute to Les Paul. For Nickelodeon, National Video recently shot and edited a series, *Eureeka's Castle*, which is currently airing on the network.

Spinoffs. Meanwhile, National Video, which set up a few ancillary divisions over the past two or three years, is planning to form more spinoffs to complement the existing divisions. Like the present units, the new divisions will serve as in-house clients, paying "favored nation" prices to National Video.

Some three years ago, the studio formed an animation company, Telezign, primarily to do broadcast design for promotions and commercials. The division was formed with two former CBS employees. More recently, a music-scoring entity was set up, Four Score, which scores music and does sound effects for commercials and industrials, along with theme music for shows.

Prior to Telezign, National Video established a division for the testing of commercials and for animatics and special effects.

The unit is called Napoleon Videographics and is headed by Mark Napoleon.

Syndication shorts

GTG Marketing will distribute a first-run access strip, *Celebrity Update*, for the fall 1990. The half-hour series, to be produced by GTG, will be a daily entertainment newscast focusing on movies, TV and music, according to Bob Jacobs, president of GTG Marketing. Bill Hillier will be executive producer. A pilot is expected to be completed next month.

What A Dummy, weekly sitcom to be launched for the 1990 season, has been licensed to Fox Television Stations' six stations by **MCA TV,** in the initial sale. The half-hour sitcom is being offered via barter. Down the line, MCA is looking for *Dummy* to become a strip, similar to *Charles in Charge* and *Out of This World*. Also, MCA will offer a late-night strip, *My Talk Show*, for the coming season, to be produced by Imagine Films Entertainment.

Fries Family Theater's *The Mark Twain Collection*, series of six two-hour specials, has been cleared in 114 markets representing 85% of the country. New stations include WJZ-TV Baltimore, WFTV(TV) Orlando, WCPO-TV Cincinnati and WSOC-TV Charlotte. Window for the films, to air on a barter basis, is the first Saturday through the third Sunday of each month, beginning this month, through March 1990.

Republic Pictures Domestic Television's Color Movies II, consisting of eight colorized movies, has been picked up by 10 markets, increasing the total coverage to 36%. Additional stations include WFXT-TV Boston, WJZ-TV Baltimore, WXIN-TV Indianapolis, WCCB-TV Charlotte, WZTV(TV) Nashville, WKFT-TV Raleigh and WHAS-TV Louisville.

Also at Republic, its Republic Premiere One, 12 movies, has added 11 stations for a total clearance of 61.4% of the country. New stations are WPWR-TV Chicago, KWGN-TV Denver, WTTV(TV) Indianapolis, WVTV(TV) Milwaukee and KSTU-TV Salt Lake City, among others.

All American Television has launched the ad sales drive on *Takin' Off*, one-hour specials focusing on seasonal travel bargains. Produced and distributed by New Travel Network, the quarterlies are available beginning in January. Stations cleared included KNBC-TV Los Angeles, KTVU-TV San Francisco, WUSA-TV Washington, WSB-TV Atlanta, WEWS-TV Cleveland and WTVJ-TV Miami.

Western International Syndication, a division of Western International Media, has named International Creative Exchange as international distributor of *The Secret Files of J. Edgar Hoover*, two-hour special to air in the U.S. Dec. 6.

KHOU Keeps 'Sajak'

KHOU-TV Houston has not replaced *The Pat Sajak Show*, as reported in TV/RADIO AGE, Sept. 18. The item stated that the station had dropped *Sajak*, CBS show, for The *Arsenio Hall Show*.

American Film Technologies plans big entry in computer animation field

American Film Technologies, a leader in the colorization of black-and-white films, has begun to test-market a computer generated, paperless animation process that may change the animation production industry dramatically.

At this point, AFT is just coming out of its research and development phase on the computer, explains Arthur Hartel, senior vice president, chief operating officer at AFT, and a few more tests are necessary for the system to be off and running. AFT, too, at this point is just starting to analyze what the cost of the service will be to clients. But, adds Hartel, after all is said and done the cost will be highly competitive.

"Until we get further down the line, it's difficult to know what route to take. There are several possibilities. One is to do it as a service for a company, such as a Warners or a Disney. But we have had no discussions with them. Another way may be the beginning of where we will go.

"But in the next few months we will quantify the question of price and then begin to determine how to approach the marketplace." Bob Glaser, president of AFT, notes that AFT recently did a test for Calico Productions, West Coast animation producer.

Best work. The key object, however, costs aside, says Hartel, "is for AFT to do the best possible work for the client, and the clients that have high production values—which is what the system lends itself to—are the kind of clientele we are trying to gear this to. So it's not only a system that we think will have more economy in it but that will have the look that is very difficult to achieve otherwise. Our major attribute is quality, which will command a high price."

In the way of looks, the AFT computer brings to the table "a better 'ink-and-paint' to the business, better special effects because we can achieve them in an economical fashion, and we think we will be able to bring better motion to the actual animation than what is being done currently today by existing, traditional and other computer animation systems."

Hartel sees the application of the AFT computer as not just for TV purposes but for feature film work as well. "We see this as very efficient for features so that we would be able to do any feature animated film the same way that anyone else is doing. In fact, the system lends itself to the very high production values of feature film."

Another advantage inherent in the AFT system is that it provides the potential for control over the product. "More than what will be seen on the screen, AFT has a very efficient production facility.

Control of product. "Right now animation is conceived here and sent over to the Far East to be produced. That's very time-consuming. But people working with our system will have the control here at our studios and have the program done probably much quicker than doing it abroad.

From start to finish, a half-hour cartoon traditionally takes five to six months at minimum, says Hartel. But once the first episode of a series is put into the computer system, an average of four or five half-hours will have been churned out by the time the end of the line has been reached. This is a hypothetical scenario, points out Hartel, because AFT has not yet gotten its production lines flowing for the computer. "Until that time, we can't talk definitively on what the time contractions will be."

Rolling soon. However, Hartel sees the AFT assembly line rolling with computer-generated cartoons within the next 60 to 90 days because he expects to sign AFT's initial client or clients soon. "But we want to be very selective in choosing the first customer out of the box. We would like to find somebody with whom we can work very closely with and who would take advantage of the opportunity our system represents."

Arthur Hartel

The system can also composite live-action with cartoons, points out Hartel.

TV Horizons' deal with Televentures

TV Horizons, LBS Communications ad sales division, has added Televentures to its rep list. It will sell Classicolor I, 12 newly converted classic films. TV Horizons handles similar ad sales duties for ITC Entertainment and Twentieth Century Fox, among other syndicators (TV/RADIO AGE, Sept. 18).

The Televentures titles include *The Count of Monte Cristo*, *The Son of Monte Cristo*, *The Last of the Mohigans*, *The Man in the Iron Mask*, *Brewster's Millions* and *The Corsican Brothers*.

Zooming in on People

Marvinia Anderson has been named vice president, worldwide sales at **World International Network.** Since May 1982, Anderson

Marvinia Anderson

was director, worldwide cable/cassette marketing at ABC Distribution Co., a division of Cap Cities/ABC.

Olivia Ayala has been appointed vice president television division at **Guber-Peters Entertainment,** sold recently to Sony Corp. Prior to joining G-P in 1987, Ayala was with Blake Edwards Entertainment.

Rick Shae has been named manager, southwest region at **MCA TV** sales. Since 1986, Shae held the title of southwest regional manager at Group W Productions. Before that, Shae was national sales manager at WISH-TV Indianapolis.

Rhonda Schulik has joined **Group W Productions** syndication sales as account executive, and **Jeffrey Hoops** has been promoted to southern regional manager at Group W Productions. For the past year-and-a-half, Schulik has been an independent syndication consultant. Before that, she was an account executive at Television Program Enterprises. Hoops was southeast division manager, joining Group W in March 1987.

Patrick Twyon has joined **Marathon Entertainment** as executive vice president in charge of marketing.

Patrick Twyon

Michael Grossman

Michael J. Grossman, former executive vice president at Coca-Cola Telecommunications, has joined **Ventura Entertainment Group** as senior vice president. Prior to his Coca-Cola post, Grossman was senior vice president of Columbia Pictures Television, a unit of Coke.

Cable Programming

Cable News Network, Atlanta, will on Oct. 16 make "the most significant weekday changes" since its 1980 debut, according to Burt Reinhardt, CNN's president. At 6 p.m. (ET) it will start *The World Today* as an hour-long evening newscast, its first head-on battle with the Big 3 networks' dinnertime newscasts. The CNN newscast also will oppose local newscasts across the country. This change will bump *Showbiz Today* to 5:30 p.m., with *Newswatch* cut to a half-hour, running from 5 to 5:30. In other changes, CNN adds a one-hour daily newscast *Newshour* at noon as of Oct. 2 and an international news hour, called *World Day*, at 10 a.m. as of Oct. 9. The latter will run in mid-afternoon in Europe and early evening in Asia.

TBS Atlanta has set an Oct. 15 premiere date for *Earthbeat*, a weekly series devoted entirely to environmental and social issues and international in scope. The Sunday 11 p.m. (ET) magazine-formatted series will be underwritten by Thompson Vitamins and produced by Planet Live Inc.'s Earthbeat Television. Tokyo's NHK Television has signed on as the first overseas partner in the series. NHK will supply stories from Asia and elsewhere. Meanwhile, CBS began running Earth Quest, a nightly primetime package of one-minute environmental briefs, on Sept. 18; it replaced *A Presidential Portrait*.

Lifetime Television will premiere *Lifetime News Update*, a 30-minute news program featuring highlights of the week's news of specific interest to women, plus daily news inserts. Both the half-hour program and the fillers will be produced by Conus Communications. The weekly show will air on Fridays at noon and 7 p.m. and Saturdays at 2:30 p.m. beginning July 7.

USA Network has signed a multiple picture deal with **Blair Entertainment** to air six first-run TV movies based on original stories by Frederick Forsyth. The movies will be produced by London Weekend Television in association with Blair and Taurus Films. Three of the movies are: *Just Another Secret*, starring Beau Bridges; *A Casualty of War*, starring Shelley Hack; and *Pride and Extreme Prejudice*, starring Brian Dennehy.

Capital Cities/ABC Video Enterprises has launched an independent production unit to create programming for the U.S. cable services and the foreign TV market. The unit, Capital Cities/ABC Video Enterprises-Ultra Entertainment, will be headed by Bob Rubin as executive director. The unit will produce both series and specials.

Showtime has signed heavyweight contender Evander Holyfield to a new two-fight package.

TELEVISION/RADIO AGE

Station Report

October 16, 1989

THE JOKE'S ON NIELSEN

Independent WACH-TV Columbia, S.C. got back at the ratings services with a contest asking media buyers to guess what ratings competitor WIS-TV got in a three-hour time period—during which its transmitter was shut down./47

IT'S ALL IN THE FAMILY

Insisting that no one can sell Detroit better than Detroit, WXON-TV has set up its own house rep. The thinking: "Nothing is lost in translation from one manager level to the next."/47

BUYER'S OPINION

Grammarians deplore people who go around verbing nouns—as in "impacting." But at Vitt Media International, this term translates into Spanish quite profitably./49

SPOTLIGHT ON...

"Guerrilla media campaigns" are counterattacked by Len Kay of Kelly, Scott and Madison. He calls them a way of paying dues but advises advertisers not to pay too much./51

WACH-TV's fantasy fun contest spotlights ratings services errors

This one's for Bud: specifically, a trip to "Fantasy Land"—Disney World to be exact—for Donna Rodgers of Budweiser's marketing staff. That's her reward for being the media decision maker who came closest to predicting the "fantasy rating" Nielsen would report for WIS-TV Columbia, S.C. for the three hours, 5:35 p.m. to 8:45 p.m. on July 19 when the station was off the air after heavy rains leaked through the roof onto some key transmitter components and the transmitter safety system shut itself down.

The number Rodgers guessed was closest to an average 19% share, making it No. 1 in its time period during the hours it was off the air, according to Nielsen. By Arbitron's reckoning, WIS pulled an average 13% share during the three hours it was down, with a high of a 21% share at 7 p.m.

But while all this was one more fun promotion for Rodgers and the contest's other entrants, the contest was devised as a way to throw a glaring spotlight on audience measurement failings that the man running the contest, Walter Flynn, president of WIS competitor WACH-TV Columbia, regards as very serious, indeed.

Diary results faulted. Says Flynn: "The purpose of our contest was to demonstrate the major flaws of the ratings services' diaries. Both Arbitron and Nielsen have run their own diary vs. meter comparisons showing the difference between metered reports and diary reports in the same markets. Without exception, all dayparts reported show increases in viewing for independent stations when meters are used, compared to the results turned up by diaries. The bottom line is, diaries are archaic, misleading and undependable!"

Walter Flynn

Flynn adds, "The results from both ratings services demonstrate that people tend to fill out their diaries at the end of the week and

(continued on page 48)

WXON-TV sets up house rep as own Detroit market specialist

Doug Johnson, vice president and general manager of WXON-TV Detroit says his station "has been with the best reps in the business—Katz, MMT and Blair. They all do a great job. We can't fault them.

20

WXON-DETROIT

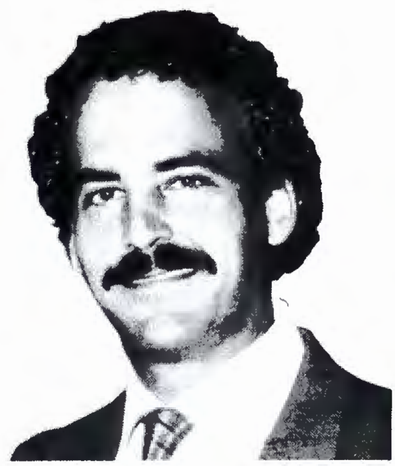
But the business is changing. Today it's not just us up against other TV stations. Today, on top of everything else, there are the ad hoc networks, barter syndication sales and cable sales. Each of them keeps chipping off chunks of the advertisers' budgets."

The remedy?

Johnson has created TV Rep Inc., a house rep company set up to handle WXON's national sales. The new rep's first offices have been opened in New York, Chicago, Beverly Hills and Detroit.

Key managers. Heading TV Rep as vice president is Mike Berman, who had been WXON's station manager. Other key managers are Howard Levinson, former WXON national sales manager, who is now national sales manager for TV Rep working out of New York, and Joan DiCarlo who moves in from Seltel as New York regional sales manager. Also, Joseph Antelo comes from TeleRep to become Chicago regional manager, and P. J. Lewis leaves a post as national sales manager at WHCT-TV Hartford to become regional sales manager in Detroit.

Johnson says, "By being our own market specialist who knows Detroit inside out, knows what our station can do and what each of the other Detroit stations is doing, we're in the best position to show advertisers exactly what we have that enables them to reach more viewers more efficiently. Each of our people in each TV Rep office is



Doug Johnson

his own manager, cuts his own deals, and reports directly to me. I give the yes or no. It cuts out having to go through each of the middle manager levels at the rep companies, between the man who's actually making the deal with the buyer and the final decision maker at the station. Nothing is lost in translation from one manager level to the next, and so on, on up the line. And when an agency says it wants to look at a big movie package for a client ready to put up a lot of bucks for a longterm buy, my manager on the spot refers it directly to me."

KIIS contest promotion launches new Pentel product for typing goofs

Peg Schiavo, vice president, general sales manager of Gannett Broadcasting's KIIS(FM) Los Angeles, says Interep's McGavren Guild Radio is the station's national rep and that Interep Radio Store "is in the business of meeting all of a client's marketing needs through one supplier. When an advertiser buys a radio campaign, they don't have to go somewhere else to buy television, then go to a sales promotion

KIISFM 102.7

house to arrange for their point of purchase displays in the stores. They can get it all through one-stop-shopping at Interep Radio Store."

Schiavo says KIIS has arranged for a number of vendor programs using the Radio Store concept, "both for national advertisers and for local Southern California retail chains." One of the latter involved a new product introduction for Pentel of America, Ltd. and its new Pentel Correction Pen. She describes this as a typist's white-out, "but in a squeeze tube rather than in the traditional bottle. This way the fluid is concentrated in just the one tiny area to be corrected. It doesn't have a chance to spread out, gum up and get lumpy."

KIIS ran a promotion for the product launch using spots produced by the station's own air personalities and aimed at secretaries.

450 retail outlets. Says Schiavo: "The deejays told listeners where to go to pick up their entry blanks to try for a nice weekend get-away to San Francisco, with air fare, hotel and meals paid for." And "where to go" was any of 450 retail outlets throughout Los Angeles and Orange County that were also carrying the new Pentel Correction Pen. She says the retailers "reacted well to our KIIS point-of-purchase counter cards in bright, day-glow colors, promoting the weekend get-

Peg Schiavo

away contest and runner-up prizes of matched luggage sets and radios. They were attracted not only by the store traffic-building potential of the promotion itself, but also by the way they received our counter cards: in boxes with brightly colored labels saying 'Materials from KIIS.'"

Schiavo calls it "a win-win situation for everybody. Besides the secretaries who won the trip and other prizes, Pentel won high visibility for its new product, all the retailers won an extra incentive for more shoppers to visit their stores, and we won a nice schedule on KIIS."

WACH-TV spotlights ratings errors

(from page 47)

don't actually remember everything they watched. Both the Arbitron and Nielsen tests show the diary method tends to underestimate viewing levels of an independent station by as much as 60%. Independent stations are hurt by loss of revenue because they don't get credit for actual viewing. Even network affiliates lose because of lower HUT levels reported and second set viewing that doesn't get into diaries. HUT levels reported by diaries average 24% lower than meter results."

Still trying. Flynn recalls, "I tried to persuade the ratings services to do something back when I was on the network side at ABC. Now, here it is, 1989, and they're still letting glaring inaccuracies like their July 19 fiasco go through and get in the book to mislead people.

"We're not going to let this drop," adds Flynn. "I've asked Arbitron and Nielsen what they plan to do to upgrade their methodology in the nonmetered markets. Metering every market may not be feasible because of the costs involved. But I've suggested they use the differences both services have proved exist between diary and meter results as an adjustment factor to apply to diary results. Or they might change diaries every three days rather than seven days, to cut the diary-keeper boredom factor. Or they might consider an abbreviated meter system or use coincidental telephone surveys in their diary-only markets. We're only one station. But if every station that ends up with a short count would bring this problem to the forefront, Arbitron and Nielsen would either improve or run the risk of losing their accreditation from the Electronic Media Rating Council."

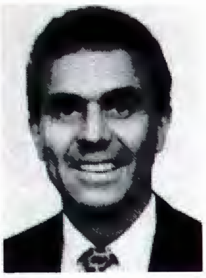
KXIV launches new kids club

In Salt Lake City, "V Crew" is the name of the new TV kids' club set up by KXIV-TV. V Crew kicked off its membership drive Sept. 1, and by Oct. 5 already had over 20,000 youngsters signed up. General sales manager Russ Heaton observes, "With over 350,000 children within our Salt Lake metropolitan area alone, the idea of a kids' club is a natural."

Project coordinator Kaye Baker says that besides such syndicated kids' fare as *Denver the Last Dinosaur*, *The Jetsons* and *The Super Mario Brother's Super Show*, V Crew will focus on education through PSAs and such community outreach programs as working with the library to promote literacy, antidrug and antialcohol campaigns, healthful nutrition and exercise for kids and working with the children's hospital, children's museum and the planetarium.

Appointments

Stations



William J. Katsafanas is now general manager of KTVY-TV Oklahoma City, recently acquired by Palmer Communications. He had been general sales manager for NBC affiliate KSDK-TV St. Louis.

Peter D. Brake has transferred to Phoenix as general manager of Scripps Howard's KNXV-TV. He moves in from the company's KSHB-TV Kansas City, where he had been assistant general manager, to replace **Stuart B. Powell** who has left KNXV to become vice president, general manager of Fox Television's WFLD(TV) Chicago.

Frank Hensen has been promoted to vice president, sales and marketing Communications for MTV Networks. He had been director of ad sales research, based in MTV's Chicago office. Before joining MTV in 1986 Hensen had been a marketing rep for A. C. Nielsen's HomeVideo Index.

News director **John M. Spain** has been named station manager and director of news operations for ABC affiliate WBRZ-TV Baton Rouge, La. Spain is a past president of the Radio-Television News Directors Assn. and has served as chairman of the ABC Television Network News Advisory Committee.

One Buyer's Opinion

Being first in its category to target Hispanic youth pays

Patrick

In reaching young people, it's our media planning philosophy that you must teach youngsters over and over, just like school. We feel media is the textbook and the creative message is contained within. But as we all know, getting them to pick up that book in the first place is pretty tough.

In targeting the Hispanic youth market for L.A. Gear's athletic footwear we used the principle of learning theory, reasoning that the youth market is most strongly subject to attitudinal bending. One of the techniques we employed for L.A. Gear was a scheduling technique we call "impacting." This involves running two commercials together as closely as possible, in some cases, back-to-back. This is to increase viewer attention.

If you were watching TV and saw the same spot run back to back, you might think someone at the station made a mistake. They'll have to make good on that one. If so, you'd be wrong. It was planned that way on purpose. The higher frequency of your advertising message increases the learning of that message, which will translate into higher sales.

From Los Angeles, where L.A. Gear first tested Spanish language advertising to Hispanic youth in spring 1987, their success was rolled out to three more markets—New York, San Francisco and Miami, during the '87 back-to-school campaign. Then Chicago was added for the Christmas campaign as L.A. Gear salespeople reported back the high usage of their product among Hispanics. Another attraction for L.A. Gear strategically was that, at the time, none of its competitors were targeting Hispanic youth.

In 1988 L.A. Gear increased advertising weight levels, number of weeks of advertising, and promotional activity against Hispanics. This year the market was expanded to include every Hispanic market with a viable Spanish language television station.

And the results? We feel L.A. Gear has soared to become the No. 3 footwear company in the United States, in part thanks to marketing to Hispanic youth. While there is no hard research to back this, I feel that L.A. Gear is the leading brand of athletic footwear among Hispanics, from my own observations in both New York and Los Angeles, and also from what we hear from L.A. Gear's sales force, who know their markets best.

Hispanic youth have responded well to L.A. Gear's advertising in large part because there were no competitors advertising to them. But now it will be a different story. L.A. Gear's competitors have started to follow suit.

We tried to keep our success a secret, and it did last two-and-a-half years. But when you generate this much business, people will wake up and take notice sooner or later.

Hispanic media has benefited L.A. Gear by delivering an exclusively Hispanic audience, thus making it more effective from a media planning perspective and more efficient from a media buying standpoint. However, as more of L.A. Gear's competitors create specific Hispanic targeted campaigns, competition for Hispanic youth will increase and our hold on brand loyalty may well decline. This means continued success in marketing to Hispanic youth is likely to depend on more sophisticated executions of creative strategy and media planning.—**Gary Patrick,** *senior vice president, Vitt Media International, Los Angeles, before the "Hispanic Business" National Hispanic Market Trade Show and Media Expo*

Al Blake, Jr. has been named general manager of Knight Quality's WGIR AM-FM Manchester, N.H. He came to the stations two years ago as an account executive and now moves up from general sales manager.

Jim Matthews is now vice president, general manager of Media General's WJKS-TV Jacksonville, Fla. He had been with TAK Communications' KITV(TV) Honolulu and before that had worked for WKOW Madison, Wisc.

Robert Swift has been named vice president of sales and marketing for Turner Broadcasting Sales, Inc., responsible for marketing, advertising and promotion of all four Turner networks. He had been vice president, corporate accounts for TBSI.

Don Howe has been promoted to general manager of Jacor Communications' KRFX Denver. He steps up from general sales manager at KRFX to succeed **Bob Visotcky,** now vice president, general manager of Jacor's WMJI Cleveland.

Howard Jernigan is now president and CEO of WGNT-TV, the new call letters of WYAH-TV, Norfolk-Portsmouth-Newport News, acquired by Centennial Communications Inc. from Christian Broadcasting Network Inc. for $10 million. Jernigan was formerly general manager of WGM(FM) Newport News and WNOR AM-FM Norfolk.

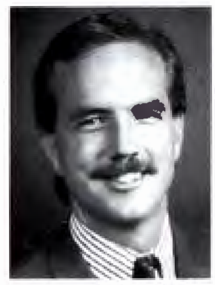
John Rogers has been named to serve as general manager of Bahakel Communications' WAKA-TV Selma-Montgomery, Ala. He continues to oversee operations at WABG-TV Greenwood-Greenville, Miss., where he has been general manager since January.

Paul R. Thomson has been appointed controller for Westwood One Stations Group, Inc., overseeing financial reporting for KQLZ(FM) Los Angeles and WNEW/WYNY(FM) New York. Before joining Westwood One Thomson had been senior audit manager for Price Waterhouse in Los Angeles.

Sandi Tracy has been named director of advertising sales, Midwest Region, managing The Discovery Channel's new Chicago sales office. The former NBC executive was most recently an account executive with the USA Network.

Gerald R. Walsh has been named vice president and general manager of WFXT-TV Boston. He comes to the Fox Television station from WLVI-TV Boston, where he had been president and general manager. Walsh is a past president of both the New England Chapter of the National Academy of Television Arts and Sciences and the New England Broadcasters Assn.

Arthur E. Daube is the new general sales manager for Television Station Partners' WTOV-TV Steubenville-Wheeling. He moves in from the Wilkes-Barre-Scranton market, where he had been local sales manager at WBRE-TV.



Gary Schneider has transferred to Houston as general sales manager of Gaylord Broadcasting's KHTV(TV). He had been local sales manager for the company's KTVT(TV) Dallas-Fort Worth.

Gloria Kostyrka is now eastern sales manager for the CBS Radio Networks. She transfers from CBS Radio Representatives where she had also been eastern sales manager and before that headed the rep's Atlanta sales office.

Media Services

Leni Salz has been promoted to senior vice president, general manager of Global TeleCom Media, the media buying division of LBS Telecommunications. She joined LBS last year from Lintas:New York as Global's general manager and now steps up from vice president.

Spotlight On . . .

Len Kay

Senior vice president
Director of media operations
Kelly, Scott and Madison
Chicago

The way Len Kay sees it, "Ideally, a company's media plan should be as comprehensive and as forward looking as its business plan: where it is today, where it wants to be a year from now, and how it plans to get there. It will have short term and long term objectives. It isn't necessary or even desirable in some cases to be too specific about events far in the future. But knowing where you want to be helps keep you moving in the right direction."

But Kay also points out that many companies "adopt what can be called a guerilla approach to consumer media—a hit-and-run operation in a short period of time that makes noise and smoke. It may get attention if the noise is loud enough, or it may just shake the ground a bit."

Kay explains that "A typical guerrilla media campaign is the ubiquitous, four-week TV flight that hangs in limbo, not preceded, accompanied or followed by anything. The only objective is to do it. Some advertisers look at this kind of thing as if they were [reluctantly] paying their annual dues. . . . 'The trade expects it.'

But he adds that "There is one positive side to guerrilla media: one doesn't need to be concerned with after-effects—like did it work? As with any hit-and-run attack, it accomplishes its objective just by happening. To leave the world of over-extended metaphor and get back to plain media terms, the one-short TV or radio flight, or the one-time print ad, can serve a short-term purpose, and that purpose does not have to have anything to do with conventional consumer awareness and pull-through.

"But this is the point to keep in mind: When guerrilla media begins to lose its value, *bail out*! Find another strategy and find it quickly."

Concludes Kay: "Guerrilla media is a gimmick. Webster defines a gimmick as 'A mechanical device for secretly and dishonestly controlling gambling apparatus.' 'Nuff said."

Representatives

Lynn McAdams has been appointed vice president, Chicago regional manager for Group W Radio Sales. She had been selling locally for WJJD/WJMK(FM), also Chicago, and before that she had been with Blair/RAR, representing all Group W's radio stations.

William F. Russell has joined MMT Sales as marketing manager with its recently formed Marketing and Business Development Department. At MMT the former senior manager of trade marketing and promotion for Colgate-Palmolive Co. will create presentations and work on value-added marketing programs "hand-tailored to meet advertisers' needs on a local market basis."

Joe SanGeorge has been appointed sales manager of the Rangers sales team at Seltel in New York. He moves in from Petry Television, and before that he had been with MMT Sales.

Gina Forsythe, manager of Republic Radio's Dallas sales office, has been elected a vice president. She joined Republic in Dallas in 1984, moving in from a broadcast supervisor's post with Bozell, and was promoted to manager two years later.

Brian McCullough and **Yolanda O'-Hern** have been named New York sales managers of the Swords sales team at Katz Independent Television. O'Hern moves in from TeleRep, where she was a manager in the Chicago office. McCullough came to Katz as a sales executive in 1985 from Seltel, and before that he had been a research manager with Petry Television.

Peter J. Moran has been named a senior vice president at Cable Networks, Inc. He came to CNI parent company RASCORP in 1982 and now moves up from vice president, director of sales for CNI.

Randy Becker has been promoted to sales manager of Banner Radio's Seattle office. Before joining Banner in 1988, Becker had sold for Major Market Radio and for KKGO(FM) in Los Angeles.

Eugene M. Cunningham has been promoted to vice president and director of Blair Television's Independent and CBS research departments in New York. He came to Blair in 1977 as a sales assistant and has been a research director for the past eight years. He also serves as chairman of the Research Advisory Committee of the Assn. of Independent Television Stations.

Jacki Schlesinger has been promoted to vice president, customized audience research for Katz Television in New York. She joined Katz in 1983 as a sales assistant and now steps up from manager of PROBE services.

Christi L. Taylor is now managing partner of H.O.T. Reps, a new rep company based in Bellvue, Wash. to represent radio and television stations, publications and direct mail services. Telephone (206) 637-1856. Taylor was formerly executive vice presdient of Radio West in Seattle.

Lauren Maiman and **Christina Terrone** have been promoted to research managers at Katz American Television in New York. Terrone heads research for the Red Team, and Maiman oversees Blue Team research. Both step up from research analyst.

Agencies

Karen Ritchie has joined McCann-Erickson in Detroit as senior vice president, director of media services. She had been senior vice president, group media director with Lintas:Campbell Ewald since 1984.

David Perry has joined Saatchi & Saatchi Advertising in New York as executive vice president, director of broadcast production. He had been senior vice president, director of broadcast production for J. Walter Thompson in Chicago and before that was with Scali, McCabe, Sloves.

Geoffrey Frost has been named senior executive vice president and deputy director, Marketing Planning department at FCB/Leber Katz Partners, New York. He had been creative director for Europe with Publicis. FCB.

Sally Sullivan has been promoted to media supervisor at DDB Needham Chicago. She joined the agency in January, moving in from Henderson Advertising in South Carolina, where she had been a media planner.

Kathleen Wyerman is now a planner and buyer for Della Femina, McNamee WCRS-Boston. She moves in from similar responsibilities at Fahlgren & Swink in Columbus, Ohio.

Nancy Hoyt-Pennington has been named media planner and local store marketing media director on the McDonald's account at Cranford Johnson Robinson Associates in Little Rock. She was formerly a senior planner and buyer with Evans/Dallas Advertising.

Wall Street Report

CL sees French TV offering growth potential for U.S. investors

Investors interested in capitalizing on broadcast industry growth are being instructed to give France a once-over by CL Global Partners, New York. Vice president Jessica Reif advises, "The French broadcast stocks appear the most expensive on an overall valuation basis but should experience the strongest growth due to the relatively immature stage of the French television market." For the longterm, she's recommending both TF-1 and Canal Plus.

TF-1, with a 30% stock float, commands 43% of total French viewers and 53% of TV advertising revenues. When it was privatized in 1987, it lost consumer TV set tax revenues representing 28% of its total revenue, but it raised its advertising rates 32%. This was followed by overall 10 and 17% rate increases in '88 and '89. Although it is allowed more advertising time than the other networks, it is only selling two to three minutes per hour on average, while it is allowed 12 minutes per hour. Reif projects ad revenue to increase 14% this year to some $730 million (U.S.) and another 10% to $808 million in 1990. Reif points out that TF-1 is diversifying its revenue base, having invested $1¼ million in a Moroccan TV channel in '88 and now also airing home shopping on its network.

With total revenues amounting to some $786 million in 1988, CL projects them to reach $814 million in '89 and $905 million in 1990. Net income was some $25 million in '88 and is projected to rise to $49 million and $79 million in the next two years.

France's pay TV success

Another longterm bet in France, according to Reif, is Canal Plus, which she says is the second most profitable pay-TV service in the world, HBO being the first. The over-the-air service passed the breakeven point in 1986 and "profits have been enormous with 52% EPS and 17% cash flow growth in 1988." As of 1988, the company, with a 24.5% stock float, began paying a dividend of 50% of net profits.

The pay service had revenues of some $680 million in '88 and is projected by CL to $765 million and $879 million in '89 and '90. Net earnings are expected to go up from $97 million to $111 million and $118 million.

The channel covers 87% of France, and subscribers pay $25 a month. Renewal rates are currently 94%, and close to 97% of subscribers pay through automatic bank transfers, substantially decreasing bad debt risk.

Reif points to the company's diversification: It has a 10% investment in the Canal Enfant family service and two production subsidiaries—100%-owned Canal Plus Productions and Ellipse Programmes, where it is reducing its ownership from 50% to 30%. It also owns 10% of TVS Entertainment in the U.K. and 5.6% of Havas. It plans to own at least 7% of the latter, which is, incidentally, 25% owner of Canal Plus. The company's foray into Switzerland and Spain has not been successful, Reif notes. It's taken losses with its 20% stake in Spain's Canal 10, and the Swiss government intervened to prevent startup of a channel there.

In new ventures, Canal Plus is planning to invest $100 million to be equal partner with Bertelsmann in a West German pay-TV venture. A similar project is planned for Spain, where it is limited to 25% ownership, and Canal Plus is starting a pay-TV channel in Belgium, where it has a 33% position.

Cash vs. asset value

Analyst Raymond L. Katz at Mabon, Nugent & Co. takes a hard look at four entertainment stocks and poses, "Is a dollar worth a dollar? The market may not always think so, as evidenced by the entertainment and media stocks of four companies in which cash accounts for a large percentage of their asset value."

At Capital Cities/ABC, he observes, cash represents 9% of asset value, and the discount to asset value is 38%. At Paramount Communications, cash is 34% of asset value, and the discount is 32%. At CBS, the numbers are 39% and 28% respectively, and at Chris-Craft, they're 71% and 14%.

"The market seems to be valuing the cash as an asset with a potential return, and not as a dollar in cash," Katz comments. "We think that Chris-Craft's low discount to asset value shows the market's willingness to pay up for Chairman Herb Siegel's penchant and ability to reinvest attractively."

As for CapCities, Katz opines that the stock "is rewarded due to management's share repurchases." And, while Paramount's and CBS' cash positions may look similar on the surface, he thinks they're horses of a different color. He notes CBS CEO Larry Tisch has shown a disinclination to do anything with the company's cash that will generate a pretax return of more than 8–9%.

Paramount, however, "will probably do an acquisition or restructuring and not sit on its cash; the potential is certainly there for returns in excess of 8–9%. Consequently, unless the market is nervous about where PCI's Chairman [Martin] Davis puts his cash, we think PCI is cheap relative to CBS."

Paramount below forecast

Speaking of Paramount, Dennis McAlpine, analyst for Oppenheimer & Co., observes its third quarter results were below his expectations, "but it doesn't matter." He observes, "Paramount wrote off $80 million pretax in expenses associated with the Time bid. Excluding that, net income would have been 56 cents per share vs. 46 cents, rather than the reported 15 cents."

He adds, "The key is still what Paramount will buy and the prices it will pay. We still do not expect the company to be taken over. As hopes for a takeover fade (particularly if Paramount announces a major acquisition), we expect the stock to drift lower.

With Paramount having reported earnings per share of $3.21 in 1988, McAlpine has revised his 1989 estimate from 95 cents to 85 cents and estimates $1.70 in 1990.

FEEDBACK

To what extent do you feel cable carriage of sports will affect your station's ability to continue a profitable sports broadcast operation?

"Generally speaking, it could prove to be more difficult. We see no immediate audience erosion threat because cable penetration in the Houston market is currently only in the 47 to 48% range. However, as a station that carries 120 live sports events a year, between the Astros and the Rockets, we are concerned about potential revenue erosion. That's because there are so many sports packages out there available to cable."

Thom Neeson
General sales manager
KTXH-TV Houston

"Cable has been carrying Pittsburgh Pirates games that we don't carry for about five years, and they have not affected our profitability one bit, nor our sales effort, for that matter. In fact, there's actually room for some kind of unique partnership between us. On the national side, however, ESPN will be a problem in the sense that it has been granted protection on certain nights of the week. The real problem will be our scheduling of the games."

Joseph Berwanger
Vice president, general manager
KDKA-TV Pittsburgh

"Shortterm, it's no problem. Longterm, it's definitely a problem. It's another place for advertising dollars to be spent. It's competition for viewers. Meanwhile, we'll have to wait and see what effect the ESPN baseball broadcasts will have next season. Neither the Brewers nor the Bucks [which WCGV-TV carries] are on [the regional] cable channel now. Right now, the audience size of home team broadcasts is much bigger than that of out-of-state teams. The baseball ratings on NBC are only about a third of those of the Brewers' [away] games. When I say longterm, I mean four to five years. For the next two or three years, cable won't have much effect."

Robert Furlong
Vice president & general manager
WCGV-TV Milwaukee

"If this trend continues, we eventually will see most major sports events on cable and eventually moving to pay cable. However, I do not believe Congress will allow continued siphoning of sports from free TV by cable. Unless the NFL and Major League Baseball willingly police themselves, Congress will step in and consider elimination of their antitrust exemption . . . Owners are being motivated by greed and seem to have little interest in local fan support—and they could very well kill the goose that laid the golden egg."

Kevin O'Brien
Vice president, general manager
KTVU San Francisco

"Local cable coverage of local sports will not significantly impact either the ratings or revenue potential on our station. KTTV will continue a 50-game L.A. Dodgers schedule as it has in the past. The Dodgers games, KTTV's primary sports vehicle, will continue to be profitable and continue to draw a large audience, even though additional Dodgers games will be carried on ESPN. We also carry a couple of NFL games, but ESPN's carriage of additional NFL games does not impact on our ability to sell since the ratings are so much smaller on cable than over-the-air . . . Prime Ticket, which carries Lakers basketball, will siphon off sports dollars in the marketplace, but KTTV does not carry basketball, so it will not be directly affected by that."

Bill McGowan
Vice president, sales and operations
Fox Television Stations
Los Angeles

"We're not a typical situation. The Padres pay us a fee for the time, and they sell the time and do the production. There's no rights fee involved. We have an eight-year contract with them, with five years left to go. We carry 51 games a season, all away. About 50 home games are carried on pay-per-view by Cox Cable. I understand why other stations are concerned about cable, and I'm on their side. There's a lot to be said for over-the-air broadcast of sports. It's still the best way to reach a large audience and sell advertising. What will happen at the end of our contract with the Padres is that I would hope we would make it worthwhile to continue carrying them."

Michael McKinnon
General manager
KUSI-TV San Diego

In the Picture

George Hayes

Now head of media planning at McCann-Erickson in New York, Hayes points to the continuing strength of television, the staying power of radio, and the ongoing need for training each new crop of media beginners.

Erosion or not, Hayes waits for someone to beat TV's performance

With some senior agency executives stressing the audience fragmentation that's changing the media world and others toasting the continued good health of the mass media, pointing to one more strong upfront network market as just one symptom, George Hayes, McCann-Erickson senior vice president and new director of media planning in New York, agrees that today's viewers have much wider channel choice. And he's quick to point out that at least some of the upfront network demand is a function of advertisers' needs to buy more commercial units than it used to take to reach the same number of rating points.

Nevertheless, Hayes still comes down on the side of those who emphasize that "Television still reaches more people than any other medium. And it still does that with a powerful impact." He adds, "While television does seem to break some of the general economic rules by being one of the few commodities that can keep raising prices in the face of sliding product quality, I still don't see anyone offering anything else that can reach the millions of consumers television does, as quickly as television does. And to me, the growing strength of cable is still more evidence of television's continuing attraction. From where the viewer sits, whether it's over-the-air or through a wire, it all looks like television."

Hayes' description of radio is "amazingly adaptable." He sees radio as "a medium that's been able to change with the times to make the successful transition from its original role as primetime entertainer 40 years ago to constant companion today. Almost everyone spends as much time with radio now as they did then—even though they're also spending all this other time watching television, too. In fact so many people spend so much time listening to radio today, network radio has an upfront market almost as strong as television's. We have to move in early to get the best of radio at the right prices, just as we do with TV."

RAB advisor

Hayes is also a member of the Radio Advertising Bureau's Media Directors Advisory Council. Hayes says the council's most recent project was the panel it organized using agency media executives who described client case histories at the Radio Workshop sponsored this summer by the RAB and the New York Market Radio Broadcasters Assn.

Hayes recalls, "Arnie Semsky [executive vice president, media and programming services at BBDO] was the moderator, and our panelists described how they had used network or spot radio, or both, to meet their clients' marketing goals with quite a bit of success. That was our last project, but I expect we'll be doing some more things under RAB's new management. They have a lot of new people over there, and my guess is they probably brought some new ideas in with them. The council's overall goal is to educate the younger agency planners about radio and what radio can do for their clients. In the past, the council has organized a number of other seminars based on actual advertiser case histories, and training is an ongoing concern."

Back to basics

He adds, "In our own training here at McCann we've found that, with so much reliance on punching everything up on computers, our newer people don't pick up a feel for a lot of the basics we used to absorb on the job when we started and we did all these calculations manually." Hayes says that to remedy this, McCann has revised its training program "to emphasize more of the fundamentals. We get down to showing our new people how to calculate reach and frequency, what it really means, and that reach times frequency equals X number of GRPs for a reason. We require them to do some manual calculations right there in our sessions so they can get a real feel for what their computer is actually doing."

As for turnover, Hayes says it's generally a two to three year cycle: "Our new people come straight out of school and just as they finally reach the point when they become really useful and have acquired a good working grasp of the basics, so many of them go into account management or move into media sales. The hope is that, under our revised training system, more of our newer people will stay with us in media longer."

Discussing program environment, Hayes observes, "Ever since that lady complained about *Married, With Children*, clients have been more concerned about program content. But they were concerned when Rev. Wildmon was criticizing programming, too. Now we even have loggers in Oregon protesting about Turner's program on forestry. A lot of clients figure they don't really need shows that make waves, so they want the programs they are in, or are considering being in, screened pretty carefully.

"On the other hand, in the specific case of *Married, With Children*, that lady's complaints were probably the best thing that ever happened to the show. It's like banning a book in Boston: Everybody else runs out and buys the book in New York, Chicago and Los Angeles."

Oxley fails in amendment effort calculated to kill fairness doctrine

Rep. Michael Oxley (R-Ohio) put up a valiant effort for broadcasters, but, as expected, the sentiment was overwhelmingly against him and them. By a 261–162 vote, the House of Representatives defeated his effort to drive the stake through the heart of the Fairness Doctrine. The leadership of the panels that deal with telecommunications issues had waited all year for a vehicle to which they could attach codification of the fairness doctrine, something the administration would not dare veto in order to turn thumbs down on the doctrine.

The vehicle was the main piece of budget legislation that sets the spending targets for the government for the rest of the current fiscal year that began Oct. 1. As it was being written, the package drew language that not only would codify the fairness doctrine but would establish a system of fines for any station that violated the doctrine.

Down to defeat. Oxley introduced an amendment on the House floor to delete from the budget reconciliation bill any language referring to the fairness doctrine. Rep. Tom Tauke (R-Iowa) spoke on the floor in favor of Oxley's amendment, but they received few other supporters, and the amendment went down to predicted defeat.

The sentiment of the House, and of Congress as a whole, in favor of the fairness doctrine has been overwhelming ever since the FCC under Chairman Mark Fowler decided to erase it from the list of its regulations. But President Reagan vetoed the last congressional try to write what previously had been an FCC regulation into law.

Oxley tried to raise the specter again, saying, "everyone knows that President Bush would veto it. . . ." But as Rep. Ed Markey (D-Mass.), chairman of the Telecommunications Subcommittee, noted in responding to Oxley, "there has been no indication on the part of the White House that they intend on vetoing the reconciliation bill if the fairness doctrine is included. There has been no statement to that effect which has been made in any form that has come to the public attention and, therefore, I think that that particular issue is a red herring."

In the end, the Telecommunications Subcommittee favored codification of the fairness doctrine by a higher percentage than the House as a whole. Sixteen members voted against the Oxley amendment, seven for it.

The legislation still had a way to go, but Senate acceptance, except for some possible differences in details in the fine set up, was assured. The system of fines, not present in the old FCC regulation, would mean that broadcasters could be assessed $10,000 a day if they are found to be providing one-sided news coverage and not giving time to opposing views.

No harm done. Oxley, Rep. Tom Tauke (R-Iowa), and other opponents of codification argued that the fairness doctrine has been off the books for the past two years, and no harm has been done to the nation's viewers. The National Assn. of Broadcasters has dropped its all-out opposition to the fairness doctrine since its successful fight against it two years ago caused it a great deal of grief and loss of allies in Congress. It remains philosophically opposed but can see the votes on the wall in favor of codification.

Rep. Michael Oxley (R-Ohio)

Although broadcasters appear to have lost the battle on that issue, short of the courts, the quickening pace of action on fairness and children's television means that, once it is passed, the congressional communications panels will turn their attention to some of the legislation the industry would like to see enacted. Communications leaders in both houses had made it clear since the beginning of the current session that nothing would pass until those two pieces of legislation were disposed of.

Copyright action in House unit covers two fronts

The full House Judiciary Committee has approved a pair of copyright bills that could have some effect on the broadcast industry. One would protect their copyrighted works from being legally reproduced by state universities, and the other would give the Copyright Royalty Tribunal, which administers the compulsory license that broadcasters would like to see repealed, a new status in the government.

The U.S. Supreme Court last summer ruled that Congress does have the power to abrogate the 11th Amendment, which says states cannot be sued in federal court. But the court said Congress could only do so if it makes its intentions unmistakably clear.

Congress apparently did not do the latter when it rewrote the 1976 Copyright Act, but it has begun the process of making very clear that it had no intentions of freeing states and their state-university entities from having to abide the copyright laws that bar certain reproductions.

In the other matter, the CRT, which administers the royalties that cable systems pay broadcasters for carrying their signals on cable, got elevated in status and in pay. By doing so, the panels have made it clear they intend to take no action soon to get rid of the compulsory license, despite broadcaster pleas that the compulsory license gives the cable industry an unfair advantage.

(Washington Roundup continued next page)

Prospect for new kidvid legislation becomes unglued in committee

The U.S. Senate Commerce Committee was in such a hurry to end the wrangling and get on with a vote on the issue of children's television that it may have given the broadcasting industry new life in a continuing battle. Just a few minutes earlier, its representatives had given up the battle as a lost cause.

After agreeing on a last-minute compromise between two conflicting measures, Sen. John Danforth (R-Mo.) wanted to apply equally to cable the requirements just voted on for over-the-air TV. Sen. Daniel Inouye (D-Hawaii) chairman of the Commerce Subcommittee, had agreed to hold the kidvid bill off the Senate floor for 30 days to give parties a chance to comment on the draft that had been completed just the night before.

The committee members wrestled with the cable issue, grew increasingly impatient, and finally agreed to hold a bill-writing session immediately after cable oversight hearings set for late October. Danforth's amendment would then be considered as a committee-sponsored amendment that would take precedence on the floor.

Sen. Albert Gore (D-Tenn.), who has made no secret that he would like to see the cable industry reregulated, then made sure that any amendment he offered to the children's programming bill also would be in order. The activity means that the children's television bill, once a sure thing, now appears to be in danger of unraveling, and perhaps even become subjugated to a

the marketplace

much broader bill aimed at reregulating cable.

Lobbyists for the National Assn. of Broadcasters, who were present, were not displeased with the way things turned out. After all, just days before, the NAB had issued a call for the Senate to take a new look at cable regulation, and if the children's TV bill dies as a result, the broadcasting industry would consider itself a double victor.

As the new version stands now, however, the NAB would oppose its enactment. So would the Justice Department, which would be in the position of making a recommendation for a White House veto. In attempting to compromise the differences between a straight bill to limit the number of minutes that a children's program could devote to commercials—a carbon copy of legislation passed last year and vetoed by President Reagan—and a much tougher bill sponsored by Sen. Tim Wirth (D-Colo.), the new bill would add two new restrictions on TV stations.

Instead of merely requiring licensees to serve the educational and informational needs of children in overall programming, the compromise would require them to provide programs specifically designed to serve those needs, both of preschool and of school-age children. That was a provision in Wirth's bill. The issue of program-length commercials, not addressed last year or in this year's copy of that legislation, would be dealt with in the new bill.

Wirth had proposed strong limitations on the ties between the programmer and the station, but the compromise confines itself to requiring the FCC to complete its proceeding on the issue and to more closely scrutinize complaints.

the marketplace

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Merchandise for Sale

Washington Report

Bush's FCC launched with hellos, goodbyes, entry into drug war

A recent meeting of the FCC was unique in many ways. All sorts of milestones were set. Half the meeting was taken up with hellos, announcements of staff, and with a tearful farewell and thanks reminiscent of the Academy Awards.

But the tone of the FCC for the foreseeable future also was set when the session focused on two of the issues that may set the hallmark of the agency under the leadership of Al Sikes, chairman.

The milestones at the meeting, whose agenda actually took only 45 minutes to complete, included the first FCC meeting for Sikes and the two commissioners who came aboard with him, Sherrie Marshall and Andrew Barrett. It was the last meeting for Patricia Diaz Dennis, and for 90 minutes, it was the only time in two years when there were five FCC members to attend a meeting.

Sikes' leadership of the open session also was different. His presence at the helm apparently bodes for efficient, but dry sessions without the sprinkling of humor his predecessor, Dennis Patrick, brought to the sessions. However, Sikes could have been hampered by the fact it was unfamiliar territory, but he has not in the past displayed the ease of manner that was part of the Patrick character.

Hearing on AM radio

Sikes also displayed a penchant for being accommodating. The meeting was significant in that the limited agenda included a decision to hold an en banc hearing Nov. 16 on the state of AM radio service. The National Assn. of Broadcasters had been pushing Sikes heavily to make that one of the first priorities of his administration.

Although those elements of the meeting were interesting, the most important aspect could be that Chairman Sikes has taken the FCC in somewhat of a new direction, with an overlay of the ideological Fowler/Patrick era everyone thought had ended. The decision made in that meeting could have some long-lasting effects beyond the limited scope of the action actually taken.

For months now, the nation's capital has been in the throes of one of the periodic fevers that strike the federal government. This one is aimed at the illicit drugs issue, to the extent that extraordinary measures are being proposed to the detriment of many other government priorities. Some of the actions being taken or contemplated have many civil libertarians quietly fretting. Sikes joined the bandwagon at his first meeting, coming up with a way to tie drugs to broadcast licenses. Although the two elements are unrelated, and violations already would be covered by other laws, the five members voted unanimously to "clarify" FCC policies.

It had a convenient jumping off point because Gregory Knop, a principal in Williamsburg County Broadcasting, licensee of WKSP(AM) in Kingstree, S.C., had been convicted of a drug trafficking, but had not disclosed it in the paperwork regarding character qualifications that go along with applications for licenses. Unfortunately for Knop, his company was involved in a comparative proceeding for a new FM station in Kingstree, and the previous conviction became known.

Although Knop's felony record was added to the proceeding back in February, the commission didn't get around to acting on it at the commission level until the drug issue had reached fever pitch and the rest of the federal government had begun looking for every way possible to attack the problem.

In the Kingstree action, the commission opened for comment a proposal to not only knock Williamsburg out of the FM proceeding but to revoke the AM license it already has. The commissions voted unanimously in favor of the action by signing an order circulated among them, with the last commissioner signing onto it just before the start of the open meeting.

But the action was not released until after the commission took up the item, which had been placed on the agenda a week earlier, to clarify its policies relating to drug trafficking.

Although the FCC, like other federal agencies, is created by Congress to do the regulatory work that Congress no longer has the time or will to perform, its members are appointed by the administration. The past two chairmen interpreted that arrangement to mean they should do the ideological bidding of the administration. Sikes, who came from the same administration, cited President Bush's speeches on the drug issue and the priority the administrative branch has given to the subject to justify what it was about to do.

Answering the call

Although the agency noted it had no evidence that drug trafficking by licensees or their employees was any more rampant than for society as a whole, it decided to elevate that type of crime as one it would pounce on, revoking licenses, if possible, if even a major employee of a station is convicted of a drug offense, let alone principals.

Sikes said at the hearing that despite budgetary constraints, the FCC would look into ways to cross-check the names of those convicted of drug-related crimes to the list of officers or principals of license-holders.

General Counsel Diane Killory, who explained the action that came to be the last that she and Mass Media Bureau Chief Lex Felker would take for the agency, said the FCC also was "looking at whether we need to amend our application and reporting requirements so that we could make that connection."

She did say, however, that the FCC survey would be limited to actual convictions for drug trafficking, noting that the agency doesn't have the resources to follow through on indictments or arrests. That normally would be under the purview of an administrative law judge that usually considers challenges to licenses.

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1989

October 12–16	MIPCOM International Market, Cannes October International Issue
October 15–18	American Children's Television Festival, Ambassador West, Chicago
November 2	Asta/Independent Programme Producers Association, Hyde Park Hotel, London
November 4–10	The London Screenings, Thames Television International, London
November 5–8	Community Broadcasters Association Convention, Riviera Hotel, Las Vegas
November 13	London International Advertising Awards, Royal Lancaster Hotel
November 13–15	Television Bureau of Advertising Annual Meeting, Century Plaza, Los Angeles November 13 Issue

1990

January 3–6, 1990	Association of Independent Television Stations, Century Plaza, Los Angeles January 1 Issue
January 16–19	NATPE International, New Orleans Convention Center January 15 Issue
January 18–21	Radio Advertising Bureau, Annual Managing Sales Conference, Loews Anatole, Dallas January 15 Issue
February 11–16	International Television Festival of Monte Carlo, Loews, Monte Carlo February Television/Radio Age International
February 28–March 3	Country Radio Seminar, Opryland Hotel, Nashville
March 31–April 3	National Association of Broadcasters, Atlanta March 26 Issue
April 20–25	MIP-TV, Cannes France April Television/Radio Age International
May 9–15	Golden Rose of Montreux Festival, Montreux
May 19–22	CBS-TV Annual Affiliates Meeting, Century Plaza, Los Angeles May 15 Issue
May 21–23	National Cable Television Association Convention, Atlanta Convention Center
June 3–6	NBC-TV Annual Affiliates Meeting, Washington, D.C.
June 12–14	ABC-TV Annual Affiliates Meeting, Century Plaza, Los Angeles June 4 Issue