Television/Radio Age

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DEPARTMENTS

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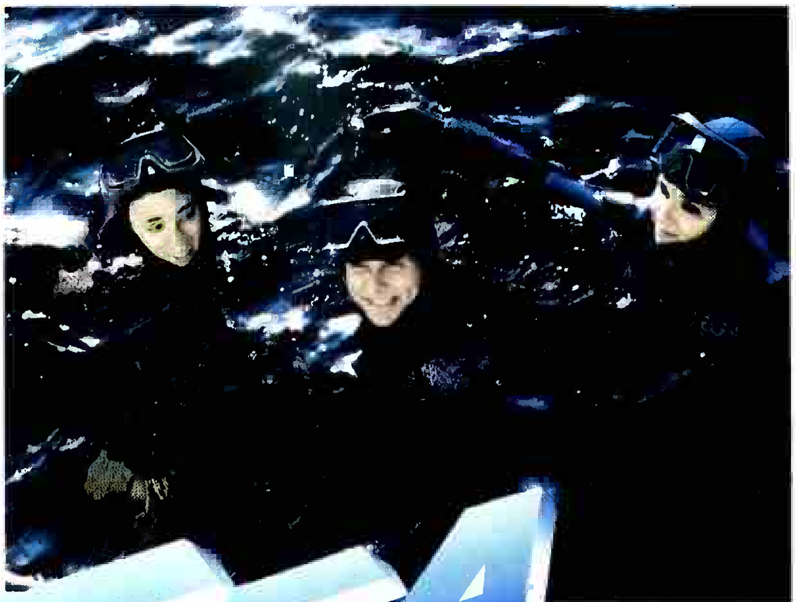
DANGEROUS WHEN WET.



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Centuries ago, the King of England banished the dreaded Cromley family from the British Isles...confiscated their wealth... and burned Cromley Castle to the ground. With the help of his servant Goodman, Sir Hubert Cromley and his wife and son fled to Colonial America. They settled on Salem Island, off the coast of Massachusetts, and began practicing their sinister powers. The Cromley adversaries, since their arrival in America, have been the Deeds, one of New England's wealthiest and most respected families.

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"Salem's Children" is peopled by a diversity of characters. Sybil Cromley, beautiful and manipulative. Jonathan Deed, handsome and honorable. Mr. Goodman, who has served the Cromleys for centuries. Becca, inheritor of the awesome Cromley powers. And many more.

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"Salem's Children" is one-of-a-kind programming designed for an explosive takeoff.

Highly promotable, it's certain to be sampled early and heavily. Sure to grab audiences and to hold them, to be talked about and to be watched avidly.

With broad audience appeal—and especially attractive to young adults, both female and male—"Salem's Children" is flexible enough to capture its time period in a variety of dayparts.

A brand new breakthrough series—from Group W Productions in association with Taft Entertainment.

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Publisher's Letter

There is no substitute for new ideas, tough selling to meet TV challenges

Nineteen-eighty-seven will be a pivotal year for the television business. It will be the year the industry must show how to market, promote and sell its product. It will be the year of challenge and sales creativity. It will certainly be the year when the old cliche will apply—a separation of the men from the boys.

Some 16 years ago, the TV business suffered its first full year of decline in comparison with the previous year. There were a lot of reasons for this dip—the combination of an economic slowdown, along with the deletion of tobacco advertising. But what was remarkable, the following year, in 1972, TV revenues bounced back, and kept growing each year after that. It proved the amazing vitality of the medium, and its ability to rebound. The business responds to catalytic action, but it needs internal stimuli. It needs new ideas, and sales incentives, long and short range planning; it cannot rely on its own momentum alone.

Spot prediction. Last year, this column made a flat-out projection for national spot TV of about 8 per cent for 1986, a figure that was widely accepted by broadcast economists, as well as the financial community. The highly respected Dick Gideon, who makes yearly projections for TV/RADIO AGE and other clients, estimates spot revenues for the year 1986 to wind up, based on our *TV Business Barometer* figures, about 8.9 per cent over last year. Local reflected the added efforts behind this category—up 12.3 per cent (we predicted 12) over 1985.

What about 1987? Here goes with our unadorned, fearless projection: national spot up 7.5 per cent, local about 10.

Following a pattern of increased billings during Olympic-election years, Gideon predicts spot will be up 14.3 per cent in 1988. Over the ensuing two years, 1988–1989, he projects spot up 10.9 and 10.4 per cent each year, assuming the low rate of inflation continues over the next few years. If Gideon's crystal ball is flashing the right signals, it justifies the astronomical prices paid for stations over the past several years.

What is being watched closely is the rate of growth of local billings—particularly in comparison with national spot. It would appear from the *Business Barometer* estimates, that local is growing at a faster rate than national. By 1989, Gideon predicts that local will surpass national in total billings. There are several variables, however, that make the comparisons difficult. A great deal of national business in the past few years has been placed on a local or regional basis. At the same time, the increased efforts on the part of stations to bump up local billings is bearing fruit.

Network drop. The networks' billings leveled off in 1985. It was the first year since 1971 that network revenues were down, a decline estimated at about 2.8 per cent.

This year, Gideon forecasts an increase of about 3.0 per cent in network billings. These figures are saying something to the networks. They are saying that the networks have to be more aggressive in selling their product.

S. J. Paul

Warner Bros., for more than two decades, has consistently supplied the greatest number and the most important features for syndication.

Letters

People meters

My primary responsibility at NBC Research is ratings methodology, and I have been heavily involved in the analysis of people meter systems and data. I have tried to read everything written in the trade press about people meters—and have found most coverage to be superficial.

People meters, and the rethinking of television measurement methodology that they represent, are the major events of the decade in media research. The two-part series on *The Ratings 'Revolution'* by Mal Belville (October 27, November 10) is the only article I have seen which does justice to the issues.

It provides a sorely needed overview of the history, the methodological work being done by CONTAM, and a point-by-point comparison of the complexities of the measurement systems proposed by Nielsen, AGB and ScanAmerica.

Advertisers, agencies and broadcasters will be studying these issues in the coming year [or years], in order to make decisions which will have a lasting effect on the television advertising medium. Mal Beville's articles are something I'm going to be using regularly as a reference.

The people meter situation is very fluid. Deadlines are missed, announced plans are changed, and a lot of data are coming in. I look forward to more in-depth coverage of this topic in *Television/Radio Age.*

Thank you for taking a leadership position in your coverage of people meters.

BARRY COOK
Managing director,
special media research,
NBC,
New York

Hispanic omission

I would like to express my sincerest disappointment in your November 24, '86 issue. The Hispanic supplement was a well-written and organized piece, however, the writer of your *Hispanic Broadcast Focus* section seemed to have included every network in the article with the exception of the Spanish Information Service, which is the largest and first-ever satellite interconnected Spanish regional news and sports network in the country.

I am greatly surprised that we were overlooked in this issue when every other programmer was mentioned. The Spanish Information Service is not only the first and largest regional Spanish News Network, but we are also the only regional Spanish sports network and the largest Spanish network in the NFL.

We are 10 year veterans in the Hispanic broadcasting field and would appreciate the exposure deserved. The parent company is Metropolitan Broadcasting Corp., formerly Metromedia, Inc., the largest independent radio broadcasting company in the country.

DORIS PONCE
Hispanic marketing specialist,
Texas State Network,
Dallas

Must carry

FCC Commissioner Quello's *Inside the FCC* ("Lone voice of dissent on 'must carry' relaxation, 'fast buck' broadcast entry," November 24) was an excellent overview of what our business has become. His rationale and feelings on "must carry" and ownership instability define present problems that I'm afraid will just magnify. Commissioner Quello's opinions will prove to be the correct ones, especially regarding the confusion and loss of public service and continuity in the broadcast business.

JOHN E. SHINE
Vice president/general manager,
WJKA-TV,
Wilmington, N.C.

Colorized booster

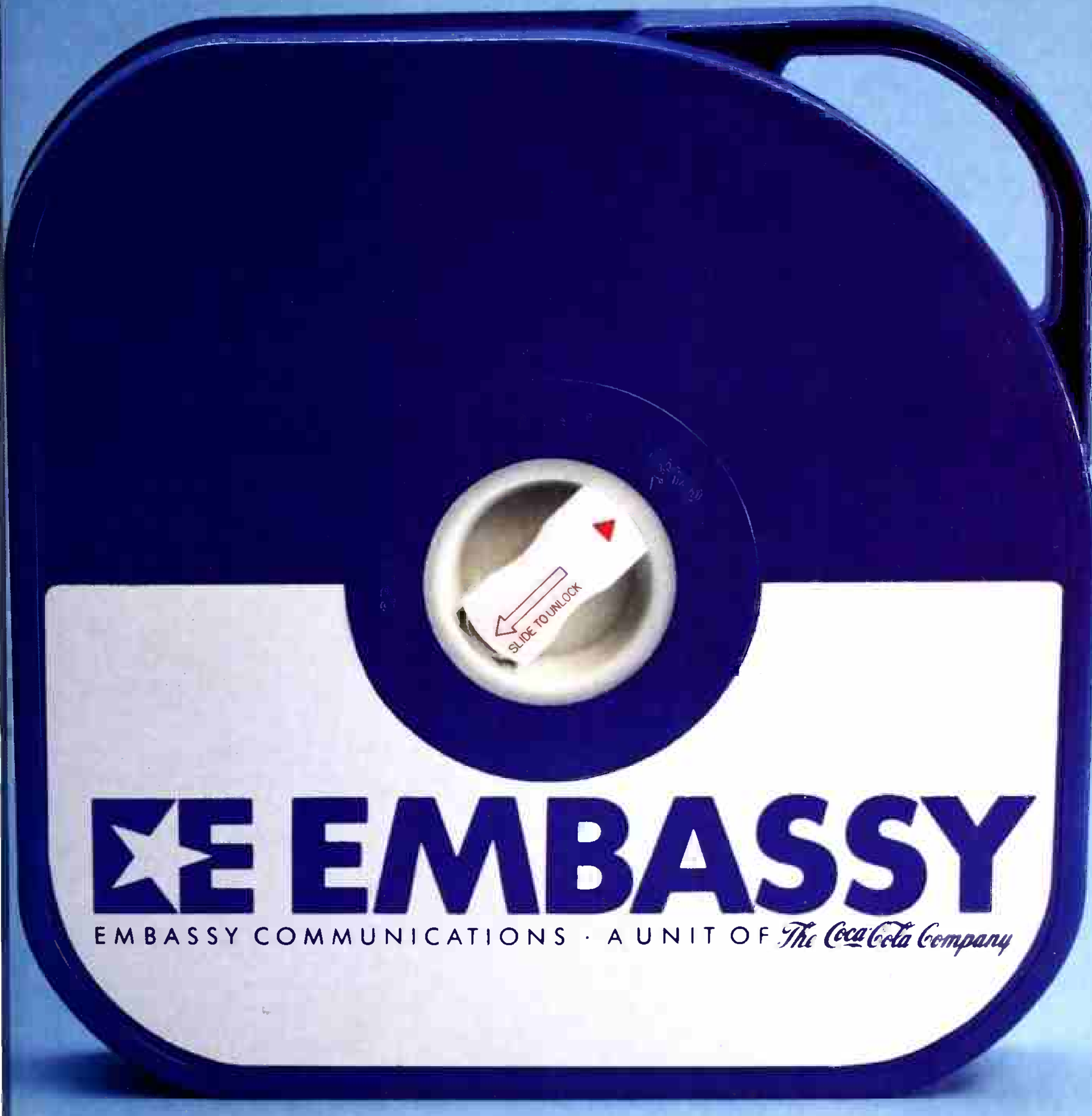
Let's hear it for colorization. WRSP-TV recently ran *It's A Wonderful Life.* Response was tremendous. Colorization affords a new generation exposure to a truly classic film. These same people, perhaps, would not have had the interest or be attracted to watch black and white. Today's 18-year-olds grew up in an environment of full color networks; even local stations were total color the year they were born. Colorization breathes new life to great programs that might not have lasted another lifetime.

To its critics, go the extra effort to turn down the color on your set. Aren't we interested in programming to the masses? If so, we now can attract two groups, those insisting on enjoying oldies but goodies in color, and those that love the originals as produced. One watches with no adjustments, the other turns down the color.

The choice is theirs. And the broadcaster? Well, he just increased his audience share.

STEVEN SOLDINGER
General manager,
WRSP-TV,
Springfield, Ill.

Think soft drink.



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We make America laugh.

Sidelights

Meaningful marketing

About two years ago, WBZ-TV Boston embarked on an enterprising project—a total station campaign dedicated to children.

Tom Goodgame, now president of the Group W Television Stations, was then general manager of the Boston NBC affiliate, and he recalls how it all began. "As we started putting together the campaign," he says, "we said to ourselves, 'Let's go all out. Let's utilize our newscasts; let's do features about issues that concern children; let's do programming issues on talk shows that we have, on *Evening Magazine;* let's talk about children's issues in our editorials; let's design our public service announcements to involve children and the issues affecting them.' "

When the project became a success in Boston, it was taken on by the other four Group W TV stations—KYW-TV Philadelphia, KPIX(TV) San Francisco, KDKA-TV Pittsburgh and WJZ-TV Baltimore. Group W Television Sales, however, saw marketing possibilities beyond those five stations and took the package to the NATPE convention in January of last year.

"One-on-one." What happened was not exactly a resounding success. "What we discovered," Goodgame says, "was that the project we'd developed was so comprehensive that you couldn't sit at a booth at NATPE and sell it cold. So we went out on the road,

Jean Stapleton *and Frederick Koehler starred in "Tender Places," a "For Kids' Sake" program about children and divorce.*

and we started talking to people one-on-one."

As Group W prepares to bring *For Kids' Sake* to NATPE later this month, the campaign is being carried by 82 TV stations representing coverage of more than 66 per cent of the country. The project consists of prime-time programs dealing with a variety of subjects from the effect of divorce on kids to parent-children communications. They're backed up by PSAs, vignettes, print ads, sales literature and a variety of publicity materials. And stations are encouraged to develop their own local projects and promotions. Advertisers range from fast-food clients such as McDonald's and Wendy's to banks, hospitals, supermarkets and hardware stores.

True Value's feedback. One multi-market client in the latter category is


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Sidelights (continued)

True Value hardware stores. Says Dan Cotter, president of Cotter & Co., parent organization for the 6,000 independent True Value dealers: "We felt this gave us a chance to involve them in their communities." The reaction?

One of the things the hospital staff particularly liked, says Pat Kelley, director of marketing and public relations, was that the children "looked like children. They didn't look like professionals. They looked like real kids doing things that kids like to do."

And what about the hospital's marketing goals?

Malcom Jamal-Warner *and Phylicia Rashad of "The Cosby Show" hosted an hour-long "For Kids' Sake" special designed to help families communicate more effectively.*

"People don't normally write in to compliment us on something, but we got correspondence from consumers as well as store owners." True Value is a *For Kids Sake* sponsor in 12 markets including WBZ-TV, KYW-TV, KRIV-TV Houston and WGAL-TV Harrisburg-York-Lancaster-Lebanon.

At J. C. Penney in Detroit, Joe Pavitt, multi-district sales promotion manager, says that after people in his organization viewed a 10–12 minute trailer of *Tender Places*, a program about divorce, "there wasn't a dry eye in the house." After Penney became a sponsor on Storer's WJBK-TV, the station and the retailer worked together to come up with local kids' projects such as a muscular dystrophy drive and a campaign to clean up the River Rouge.

When the East Tennessee Children's Hospital in Knoxville, Tenn., first heard about *For Kids' Sake*, in September of last year, sponsorship seemed out of the question because it had already completed its budget process and was into a new fiscal year. But, in order to be a part of the campaign on Multimedia's WBIR-TV, the hospital reshuffled dollars and realigned some of its planned spending.

"Sharing information about health care," says Kelley, "is different than sharing information about soft drinks or about cold cuts. We're after a particular market in children's health care. We want to reach women between the ages of 22 and 45. We want them to be educated. We want them to have children. We want them to be homeowners. That group of people is going to be sitting down with their children watching these shows."

Spanish CFA

Call for Action has been around for 23 years. But it wasn't until this October that its list of 25 member stations included its first Spanish language radio station, KTNQ Los Angeles. Addition of KTNQ also marks the start of a planned multi-market Spanish language network for Call for Action.

During its 23 years in business, CFA president Carol H. Kiplinger says the group's volunteers have answered more than two million telephone calls, "most of them from people looking for a voice bigger than their own to get action on their complaints, cut through red tape, and find solutions to their problems."

In one area of complaint alone—seeking restitution from mail order operators—Bernice Jay, director of CFA's Intercity Network, reports that the operation annually recovers over $200,000 in money and merchandise for disappointed consumers.

At KTNQ itself, Irene G. Caro, director of CFA's Spanish Language Project, reports that its first day as a CFA station brought it 40 phone calls, and that "It continues to be very, very busy." Its first Ask the Expert day was devoted to the new immigration law, a session planned in cooperation with Catholic Charities' Immigration Services Division.

Caro says the CFA operation at KTNQ kicked off with 18 volunteers, all bilingual, and that the volunteer training was conducted in both Spanish and English, with those parts of the CFA training manual that have been translated into Spanish used for the first time. Co-directors for CFA at KTNQ are Yolanda Santillan and Jaime Serrato.

Caro's goals include Call for Action programs operating on Spanish language radio stations in San Antonio, Miami, New York, Chicago, San Diego and San Francisco. Says she: "There is a basic need for bringing consumer services to the Spanish-speaking community. Call for Action is needed in any city with a large Spanish-speaking population."

Oops!

That party to raise money for the endowment of a Wallace Kuralt Chair at the School of Social Work at the University of North Carolina *was* a resounding success (TV/RADIO AGE, December 29, page 54). And it *was* attended by the cream of the CBS crop including Kuralt's son, Charles, Gene Jankowski and Walter Cronkite. But it *wasn't* in Charlotte, N.C. as stated. Those CBS execs simply had to walk across the street, not jump on a plane, because the reception was held at the New York Hilton.

Broadcast vs. cable

Cable operators are not trying to cut local broadcasters out of the picture, so broadcasters should be more flexible in their approach to the cable industry, according to Salvatore M. DeBunda, chairman of the cable and communications law group at the Philadelphia law firm of Fox, Rothschild, O'Brien & Frankel.

Moderating a panel on the must-carry rules at the Pennsylvania Associa-

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"I was very skeptical when we decided to pre-empt prime time with The Best of the National Geographic Specials. I knew the National Geographics were the epitome of quality on television and had won more Emmys than any other series, but I never believed they would so significantly impact our ratings and our ability to reach our year-end projections.
The National Geographic Specials have become the sales staff's single greatest source of pride and have provided us with an incredible sales tool in a frustrating year when help is desperately needed.
The Specials are actually fun to sell. They're a dependable money magnet which:
1. Maintain a 100% sell out level every month.
2. Bring us a higher rate per :30 second spot than 60 Minutes, and more than doubles the average rate we normally get for a :30 in prime. In fact, we're getting the same rate per :30 in the National Geographics that our competition is getting in Cosby.
3. Pull a greater share of our clients' dollars away from our competition. In order to secure sponsorship and/or product exclusivity in the Specials, advertisers will place more money on our station both inside and outside the show.
4. Attract new advertisers to the station through the high quality and unique association we offer them with the National Geographic Specials.
I personally know of no other series in syndication today that by itself offers a station such a legitimate opportunity to make its year-end projections. It's a station management's dream."
Bob Barron
General Sales Manager
KMGH–Denver
IMA
INTERNATIONAL MEDIA ASSOCIATES

Sidelights *(continued)*

tion from callers. Some of them will tell us about problems we don't already know about. They can tell us what's going on before the CHP knows about it. The other kind of information is how bad incidents we do know about are."

PBS video training

GW Television, The George Washington University's TV station, has been chosen as a site to broadcast the Public Broadcasting Service's new video training venture, to be launched in January. Joining 30 PBS stations nationwide, GW TV was the only university TV facility selected.

The PBS National Narrowcast Service will offer video training programs distributed by satellite, microwave, cable or other means directly to the workplace of subscriber businesses, agencies or universities. Test marketed last spring in 21 cities, the service will enhance conventional means of corporate training. The programs, produced by more than 50 video-training producers, were chosen by PBS using guidelines established by the American Society for Training and Development. Among the producers are Time-Life Video, McGraw-Hill Training Systems, Training House, and Coronet/MTI Film and Video. GW TV will broadcast the training programs over closed-circuit microwave channels to subscribing organizations.

Newsfeed's complaint

A flap has broken out between Group W's The Newsfeed Network and *The New York Times*. It seems *The Times*, in the "Arts & Leisure" section of its December 21 Sunday edition, ran a feature story called, "By Van and Satellite, Local Newscasts Are Going National." Not only did the article not mention TNN, but it indicated that the concept of TV stations sharing news via satellite "all started two years ago" when Stanley Hubbard formed Conus Communications.

Richard Sabreen, vice president and general manager of The Newsfeed Network, fired off a letter to David G. Shaffer, author of the article, with copies sent to publisher Arthur O. Sulzberger, among others at the paper. Sabreen took issue with a number of facts and alleged omissions.

As to the article's assertion that "it all started two years ago" he said: "The Newsfeed Network performed its first satellite TV news exchange among local stations January 12, 1981, nearly six years ago."

He also was disturbed that all news directors quoted in the article were those associated with Conus. "A balanced report," he wrote, "would have had a diversity of reaction."

Holiday spirits: *Showmakers Inc.'s George Heinemann was Santa Claus at IRTS' annual Christmas Benefit at New York's Waldorf-Astoria, above, where a full house was entertained by Chaka Khan, courtesy of Westwood One. Flanking St. Nick are Katz Communications' Jim Greenwald, l., who is IRTS president, and Westwood One's Thom Ferro.*

Below, another holiday party in New York—this one sponsored by Caballero Spanish Media at the Bistro in Trump Tower. From l.: Caballero's Manny Ballestero, Young & Rubicam Bravo's Jim Alexander, Caballero's Eduardo Caballero and Castor Spanish International's Castor Fernandez.

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*Source: NTI

Will revived scatter market spur network turnaround?

Does the recent strength in the network scatter market signal a turnaround in this segment of the television business? At least one financial analyst, while not going quite that far, believes things may not be as bleak for network TV as many prognosticators are painting it. Alan Gottesman, vice president at L. F. Rothschild, Unterberg & Towbin, acknowledging that there's "tremendous agreement that business is going to be soft" in 1987, says the first quarter of this year may be "better than expected. Network TV is the trend setter, and it isn't going to take as much of a change as it might have one or two years ago [for things to get better]."

First quarter scatter, Gottesman points out, is showing "a significant increase over upfront, and one significant new [product] category could be the icing on the cake [that would push revenues higher than the low single-digit increases generally predicted]."

Gottesman doesn't make any specific percentage projections for network in '87, but Joseph Fuchs, vice president at Kidder Peabody, sees the web business up only about 3.5 per cent while Ellen Berland Gibbs, president of Communications Resources, puts it at 4 per cent. Both are lower than the widely circulated projections of Robert Coen, senior vice president, director of forecasting at McCann-Erickson, who sees network spending up 5.5 per cent this year over 1986. Coen, in his annual forecast made at the Paine Webber Media Outlook Conference in December, said demand for network TV time will "gradually improve," pointing out that, "eventually, major marketers must shift their attention from controlling costs to building larger corporate revenues if they are to keep their profits moving upward."

As for national spot, Fuchs puts the increase in '87 at 7 per cent, slightly better than Coen's prediction of 6.5 per cent. The Kidder Peabody analyst foresees an "overall relative sluggishness [in national TV advertising] over the next several years. It's a general continuation of advertisers adjusting to disinflation; and the broadcast business will be adjusting to the new economic realities. It's a process that's likely to take several years, as opposed to one year."

Local outlook. Local television sales, which Coen says were up 13 per cent in 1986, will continue to be a relative bright spot in '87, according to analysts. Both Gibbs and Fuchs believe local will increase by 10 per cent this year. Fuchs, who puts the '86 local rise at 12.5 per cent, says that "10 per cent in '87 relative to the GNP environment is very, very strong." Gibbs, saying she is "a little more optimistic on local" than other areas of the business, points to TV stations' current emphasis on new marketing techniques at the local level. However, she issues a warning. "Every time spot drops off, they do this. Let's hope that when spot gets strong, they continue it."

Gottesman believes local's growth "has already come. It's something that guys who own their stations can go out and sell, but there's always a point beyond which it won't work."

Coen did not break local advertising down by medium for '87 but said that overall local ad growth "will be a little stronger than national ad growth." However, he tempered this by adding that "there will be no significant political activity to stimulate local broadcast demand." Overall, local advertising will increase by 7.6 per cent, he said.

The general advertising outlook, according to Coen, is "considerably mixed. Many marketers undoubtedly will continue to exert intense control over their ad budgets, but others with improving profit expectations are likely to begin to re-expand their activity.

"On the other hand," he continued, "product categories that have been expanding rapidly in the last few years are likely to slow to a more moderate pace. However, larger increases for new product introductions or new advertising programs are likely to re-appear at a greater rate than they have in the last few years."

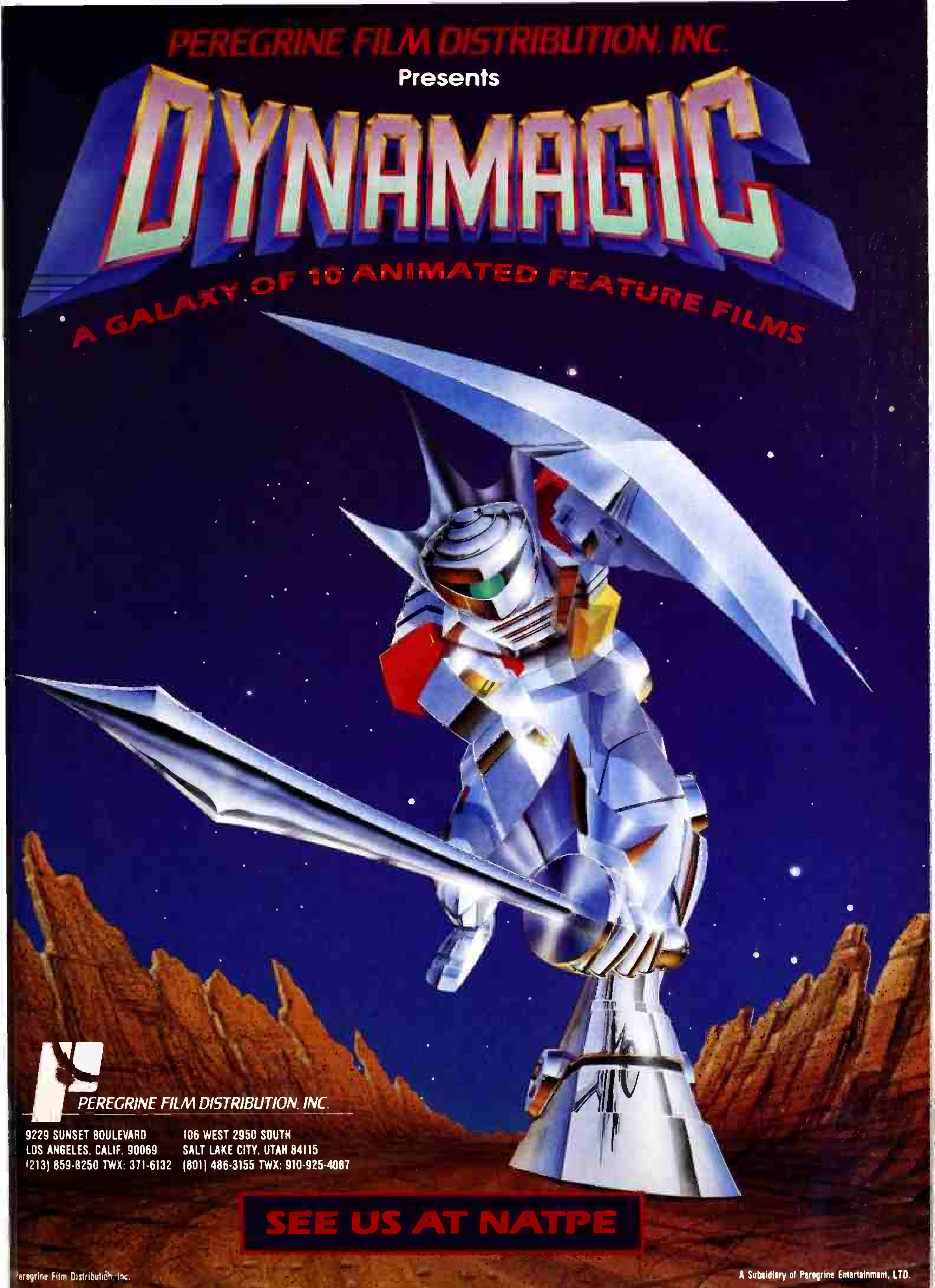
CBS changes. Toward the end of 1986, two specific company-related developments were being watched closely by all industry observers. One was the continuing changes at CBS under acting CEO Laurence Tisch; the other was the filing for Chapter 11 by Grant Broadcasting.

The latest movement at CBS involved a new organizational structure at the CBS/Broadcast Group. Under the realignment, Thomas F. Leahy, who had been executive vice president of the CBS/Broadcast Group with responsibility for the Entertainment Division and Television Network Division, became president of the CBS Television Network. Tony Malara, who had been president of the network, assumed the new title of senior vice president, distribution. He reports to Leahy along with Jerome Dominus, vice president, network sales, and Donald Wear, senior vice president, CBS Broadcast International. A new position, senior executive of marketing, is expected to be named shortly and will also report to Leahy.

Neal H. Pilson, who had also been executive vice president, was named president of CBS Sports and Broadcast Operations. Reporting to Pilson are Robert Hosking, president of CBS Radio, James McKenna, senior vice president of Operations & Engineering, and a senior vice president of CBS Sports, who will be named later. Pilson previously had these responsibilities, plus the Television Stations division.

Peter A. Lund, who was president of CBS Sports, is now president of CBS Television Stations. Leahy, Pilson and Lund, along with B. Donald Grant, president of CBS Entertainment, and Howard Stringer, president of CBS News, all report directly to Gene F. Jankowski, president of the CBS/Broadcast Group.

Fuchs calls the CBS moves a "healthy adjustment process. What CBS and the other networks are doing is all part of the same mosaic—adjusting their operations to the new economic realities of the business."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Addiction. The image was once of the strung-out street junkie. Now, it's everywhere. And it can hit anyone: your neighbor, your spouse, yourself. "The Hidden Addict" focuses on four forms of addiction—who may fall prey and why.

"MINUTES TO LIVE" (June)
Trauma centers are hailed as a new concept in emergency medical care, and hospitals all across the country are pushing hard to establish centers in their communities. Includes true-life stories of how trauma centers can make the difference between life and death.

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" AGELESS AMERICA" (August)
People are living longer because of medical science, but what effect has this had on the quality of life? This special will provide the latest medical breakthroughs in cancer, heart and nutritional research and how it affects the aging process.

" THE BEST DEFENSE" (December)
Our own immune system is not only the body's best defense, but may be the key to medical breakthroughs in the 1980's. The search for answers in the treatment of cancer, AIDS and organ transplants is explored in this fascinating hour.

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es-Barre/WNEP-TV • Richmond/WXEX • Knoxville/WBIR-TV • Shreveport/KTBS-TV
oke/WDBJ-TV • Honolulu/KGMB-TV • Lexington/WKYT-TV • Spokane/KREM-TV
• Salinas/KSBW-TV • Rockford/WREX-TV • Duluth/KDLH-TV • Tallahassee/WCTV
sburg/Weston/WDTV • Marquette/WLUC-TV • Bellingham/KVOS-TV • Sitka/KTNL-TV

GROUP W PRODUCTIONS
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Gottesman views the CBS moves as more of a "philosophy that pervades through the company, rather than some carefully abstracted master plan." This philosophy toward consolidation, he says tells network management: "You don't have to be this complicated."

Grant bankruptcy filings. As for Grant Broadcasting, the three independent TV stations owned by the company—WGBO-TV Chicago, WGBS-TV Philadelphia and WBFS-TV Miami—filed for bankruptcy last month. The company is in debt to program distributors for more than $24 million.

Is this a foreshadowing of more station financial problems to come? And will it have a sobering impact on prices of syndicated programs?

Fuchs believes it might affect the buying power of weaker stations in the marketplace, but "the best programs, like *The Cosby Show*, are still going to command premium prices. And the really weak programs are not going to have much of a marketplace; they're not going to get bailed out."

But, "the overall attractiveness of producing television programs has not been diminished."

Gibbs says the proliferation of indies, "with so many stations coming on the air, presented problems when revenues slowed down. But this is not an insurmountable problem; it will just take a while to sort itself out."

Preempting the networks

With both ABC and CBS threatening to cut compensation fees to affiliates, at least one syndicator is going for the jugular. David Fox, executive vice president, Fox/Lorber Associates, says "We're sending a letter to all CBS and ABC affiliates, saying one way to fight back on compensation is to take [cash] programming and preempt the networks [in primetime]." A good vehicle for this, Fox reasons in his letter, would be *The Great Performers* and *Extra, See All About It*, two 26-episode, off-HBO series premiering this month from Fox/Lorber. "Very few syndicators have quality cash programs," Fox explains, so he doesn't know if other companies are taking a similar approach on the compensation issue.

The Great Performers consists of HBO comedy and music specials (such as Robert Klein, Pee Wee Herman and Bette Midler) while the *Extra* series is comprised of HBO documentaries. Fox says 15 stations have already picked up one or more of the packages.

HDTV test to begin

A unique television station with an extremely selective audience is going to begin transmitting some visually unusual programming in Washington January 7. Its call letters are WWHD-TV and its frequency is a combination of channels 58 and 59.

Tests for the past month have proved the feasibility of broadcast transmission of high-definition television (HDTV), but now the broadcasting industry is fighting to get the Federal Communications Commission to set aside spectrum space for the transmission of HDTV. Transmission requires an extra-wide bandwidth of nine or 10, or even more, MHz, as opposed to the normal width of six.

Until now, the experimental broadcasts run by the National Association of Broadcasters from the tower of Gannett's WUSA-TV in northwest Washington have been seen only by the select few positioned along a very narrow beam that stretches from WUSA-TV to downtown Washington. The FCC and NAB are on that line, and there are reports the beam can be picked up on Capitol Hill. A local department store plans to hold the first public demonstrations in February, well after Korean Olympic Games shot in high definition by ABC, other programs prepared for the demonstration, and even commercials have been made available for the tests.

But as the broadcasters fight with the FCC and the land mobile industry over spectrum allocation, there are indications that their industry will begin reaping some of the benefits before they begin transmitting regularly in the medium as soon as, some say, five years from now.

First in. At a recent symposium on the status and future of HDTV, it became clear that the movie industry was the first likely large user of HDTV because the equipment involved is said to cut production costs dramatically. There was less optimism at the symposium about TV *broadcast of* television, however.

But Richard Stupf of Universal City Studios, told the attendees, "While we don't see high definition being applied directly to our filming of high-action, the adventure kinds of materials we produce for the networks, . . . there are scripts that we have on the shelf today for televison primetime shows that are on the shelf because we can't meet the kind of production schedules that are demanded in producing for television. When we get some workable high definition and quick turnaround services in Hollywood, we certainly will be dusting off those scripts and taking another look at them, because we can save a lot of money and a lot of time."

Masao Sugimoto, engineering comptroller with Nippon Hoso Kyokai (NHK), says he expects it to take two years to manufacture a high-definition TV set for consumers and another year to market it. Assuming broadcasters can work out their own problems, the feeling at the conference was that HDTV could be broadcast to wide audiences as early as five years from now.

But Eddie Fritts, president of the NAB, frets that the FCC may have given away valuable space in the badly needed spectrum to land mobile operators before broadcasters are ready for HDTV (See *Inside the FCC*; page 129).

Unless the FCC slows its pace of granting land mobile the spectrum space, Fritts says, HDTV may end up being "available only to Americans who pay a monthly cable fee or a daily video tape rental charge."

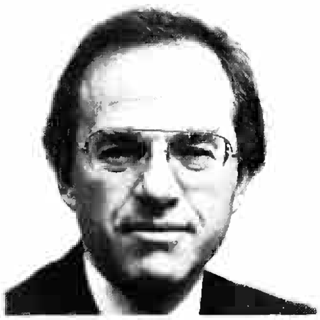
Guess who helped break up the A-Team?

As far as the over-the-air signal is concerned, Ben Crutchfield, NAB engineer in charge of the experiment, says "the pictures look very good" and there have been no reports of interference with other stations in the capital area.

Butensky's plans

"We want to move forward in the proper fashion and we don't expect to just acquire or produce programming for programming's sake," says Ave Butensky, who just joined Fries Distribution Co. as its executive vice president, domestic television distribution. "Each property we do will be judged on the market needs and what we think the advertisers will want," continues Butensky.

Butensky, by joining Fries, will have several ventures to keep him busy. Besides Fries' new feature film package Fries Frame III, 25 made-for-TV movies which Butensky says had a cumulative 19.8 rating and 32 share on the networks, other new product going into syndication includes a *Howdy Doody* special, a how-to for automobile buyers and a series on children of celebrities.



Ave Butensky

The *Howdy Doody* special, called *Howdy Doody's 40th Birthday Party*, already has a 50 per cent clearance coverage. The two-hour show will be a modernized version of the popular kids' series, with celebrities who appeared in the series' "peanut gallery." Stations cleared include all the Fox stations, WUAB(TV) Cleveland, and KPLR-TV St. Louis. Airing is based on two runs in a two-week window of the last week in November through the first week of December, 1987. Stations are requested to play the show in primetime in the first run and in early fringe in the second, according to Peter Schmid, senior vice president of marketing and sales at Fries. *Howdy Doody* is being offered via barter.

Others. The auto show, *The Auto Connection*, is a projected weekly half hour which reviews new cars; and a one-hour series, tentatively titled *Born Famous*, focuses on young people such as Debbie Boone and Linda Hope, whose parents are famous persons. Still another series is *Six Guns and Saddles*, western films trimmed from their original 75 minutes to half-hour programs. All the Fries programs will be presented at both the INTV and NATPE conventions, says Butensky.

Butensky, before joining Fries, was president of Botway Media Associates, a New York based media buying service. His industry affiliation began in 1955, when he joined the traffic department of Dancer Fitzgerald Sample. After managing the syndication and barter division as senior vice president of the agency and president of Program Syndication Services until 1978, he joined Viacom Television Program Group as president. In 1979, Butensky formed Avcom Inc. and joined Botway a year later as senior vice president, rising to CEO in 1981 and president in 1982. Butensky will headquarter at FDC's corporate offices in Los Angeles. Reporting to Butensky will be Schmid and Richard Askin, senior vice president, distribution, and others of the senior management team.

CBS' 'Morning Program'

Three months ago, TV/RADIO AGE asked program executives at several CBS affiliates what they would like their network to program against *Today* and *Good Morning, America* (*Feedback!* September 15, 1986). Now that CBS has announced details of *The Morning Program*, its 90-minute radio-influenced show that will follow a revamped harder-edged 90-minute *CBS Morning News*, TV/RADIO AGE re-queried some of those same program executives for their latest reactions.

Marion Meginnis, program manager, WBTV(TV) Charlotte, hit the nail nearly on the head last fall when she suggested "less news but more programming that's a companion for people watching at that time . . . maybe heavier news in the first hour." Now, says Meginnis, *The Morning Program* "looks very good to me. It certainly makes sense." She notes that WBTV already has a radio-style formatted local show at 6:30, and that *The Morning Program* should also be compatible with programs the station runs later in the morning—such as *Hour Magazine*.

WBTV's Marion Meginnis

KFMB-TV's Jules Moreland

CBS also seems to have paid heed to the September advice of Jules Moreland, program director, KFMB-TV San Diego, who suggested that the *CBS Morning News* was "getting beaten to death because we're trying to do the same thing [as the other networks] . . ..Maybe it's time they did something to get young people in."

"They [CBS] weren't too happy about what I said,"

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Source: NTI (*-NTI/NAD) 1985-86.
Subject to qualifications available upon request. ** NSI/ROSP 11/84, 11/85


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largest revenue, operating income and cash flow of any of the 10 segments. Revenue reached $12.8 billion, operating income totalled $2.3 billion and cash flow equalled $2.7 billion. Total assets came to $14.5 billion, topping cable and pay TV, which put their assets at $11.4 billion.

■ The broadcast segment shows a high concentration of revenue. The top 15 companies, 25 per cent of the group, account for 85.4 per cent of gross segment revenue. The three network companies alone account for 64.7 per cent of revenues, 45.2 per cent of operating income, 43.0 per cent of cash flow and 30.1 per cent of assets. But their operating income margin was only 12.5 per cent, compared to 27.7 per cent for the non-network companies, and the cash flow margin was 14.1 per cent compared to 34.3 per cent for the non-network companies.

On the other hand, the return on assets of the network companies, whether figured on operating income or cash flow, was better than the others: 25.1 vs. 14.2 per cent, respectively, for operating income and 28.4 vs. 17.8 per cent, respectively, for cash flow.

■ Broadcast segment revenue was up only 3.7 per cent in '85, down sharply from the 20.5 per cent increase the year before. This compares with a five-year compounded revenue growth rate of 12.5 per cent during the 1981-85 period.

Profit dropped. Operating income growth in '85 slowed down to 3.5 per cent. This compares to 25.5 per cent in '84, a rate which had been growing over

(continued in "Wall Street Report," page 116)

26 Jacor Communications	0.9	1.2	2.0	3.4	14.3	33.3%	66.7%	70.0%	320.6%	99.7%
27 Jefferson-Pilot	49.9	58.9	65.9	74.8	83.7	18.0%	11.9%	13.5%	11.9%	13.8%
28 Josephson International	5.8	7.8	11.6	14.6	15.2	34.5%	48.7%	25.9%	4.1%	27.2%
29 Journal Company	21.0	22.6	27.6	33.7	39.2	7.6%	22.1%	22.1%	16.3%	16.9%
30 Lee Enterprises	39.1	43.2	45.5	48.5	51.8	10.5%	5.3%	6.6%	6.8%	7.3%
31 Liberty Corp. (COSMOS)	40.9	57.8	62.3	68.6	76.8	41.3%	7.8%	10.1%	12.0%	17.1%
32 Lin Broadcasting	71.0	88.4	107.3	148.8	171.7	24.5%	21.4%	38.7%	15.4%	24.7%
33 Maclean Hunter	34.7	37.5	37.6	38.0	37.3	8.1%	0.3%	1.1%	−1.8%	1.8%
34 Malrite Communications Group	23.8	28.9	38.9	63.9	69.0	21.4%	34.6%	64.3%	8.0%	30.5%
35 McGraw-Hill	58.4	66.7	71.6	81.9	83.3	14.2%	7.3%	14.4%	1.7%	9.3%
36 Meredith	66.9	78.0	88.5	103.8	114.7	16.6%	13.5%	17.3%	10.5%	14.4%
37 Metromedia	207.3	270.8	343.7	385.0	441.7	30.6%	26.9%	12.0%	14.7%	20.8%
38 Multimedia	97.4	110.5	125.9	135.3	153.3	13.4%	13.9%	7.5%	13.3%	12.0%
39 New York Times	36.8	47.0	53.4	60.1	68.6	27.7%	13.6%	12.5%	14.1%	16.8%
40 Olympic Broadcasting	—	—	—	0.6	3.7	NA	NA	NA	516.7%	NA
41 Park Communications	42.8	46.8	49.8	54.8	55.9	9.3%	6.4%	10.0%	2.0%	6.9%
42 Price Communications	0.0	0.5	5.2	13.7	26.5	NC	940.0%	163.5%	93.4%	NC
43 RCA (NBC)	1,618.7	1,786.5	2,094.3	2,370.9	2,647.5	10.4%	17.2%	13.2%	11.7%	13.1%
44 Rollins Communications	21.4	21.9	22.5	23.7	27.3	2.3%	2.7%	5.3%	15.2%	6.3%
45 Satellite Music Network	0.1	0.9	2.7	5.9	12.3	800.0%	200.0%	118.5%	108.5%	233.0%
46 SCI Holdings	143.7	156.6	167.8	184.7	202.6	9.0%	7.2%	10.1%	9.7%	9.0%
47 Scripps-Howard Broadcasting	87.0	93.1	94.4	106.9	122.9	7.0%	1.4%	13.2%	15.0%	9.0%
48 Selkirk Communications	56.1	57.5	61.7	68.8	72.0	2.5%	7.3%	11.5%	4.7%	6.4%
49 SFN Cos.	—	—	—	66.1	80.0	NA	NA	NA	21.0%	NA
50 Stauffer Communications	15.9	17.9	17.7	19.0	21.6	12.6%	−1.1%	7.3%	13.7%	8.0%
51 Sungroup	5.8	5.7	6.1	6.3	5.0	−1.7%	7.0%	3.3%	−20.6%	−3.6%
52 Taft Broadcasting	125.1	140.8	171.5	189.6	283.4	12.5%	21.8%	10.6%	49.5%	22.7%
53 Telepictures	—	—	—	3.9	7.1	NA	NA	NA	82.1%	NA
54 Times Mirror	87.0	100.4	116.1	124.7	128.8	15.4%	15.6%	7.4%	3.3%	10.3%
55 Tribune Company	142.8	182.3	228.7	282.2	331.7	27.7%	25.5%	23.4%	17.5%	23.5%
56 TVX Broadcast Group	4.0	7.1	10.6	15.5	15.7	77.5%	49.3%	46.2%	1.3%	40.8%
57 United Television	36.0	41.1	53.8	72.1	77.1	14.2%	30.9%	34.0%	6.9%	21.0%
58 Viacom International	89.6	122.3	53.4	70.5	83.7	36.5%	−56.3%	32.0%	18.7%	−1.7%
59 Washington Post	90.8	107.7	119.8	136.0	154.5	18.6%	11.2%	13.5%	13.6%	14.2%
60 Westwood One	4.4	7.2	9.4	12.8	19.1	63.6%	30.6%	36.2%	49.2%	44.3%
Broadcasting Total	8,165.0	9,249.7	10,434.8	12,549.6	13,021.0	13.3%	12.8%	20.3%	3.8%	12.4%
Adjusted Total*	8,004.1	9,075.1	10,251.5	12,348.8	12,804.0	13.4%	13.0%	20.5%	3.7%	12.5%

Source: VS&A "Communications Industry Report." * *Adjusted total excludes Gencorp and Olympic because some data were not available.*

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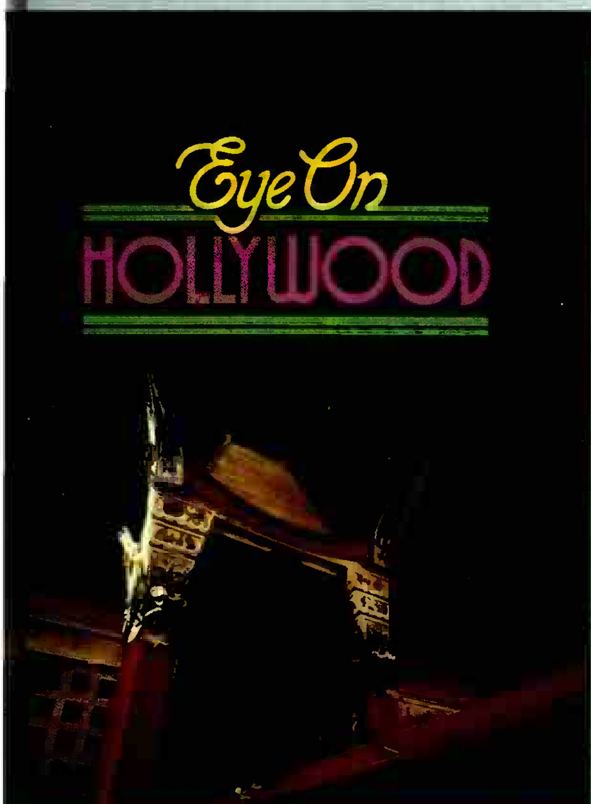

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TV Business Barometer

Spot TV increased 15.5% in Nov.

Spot TV numbers in November look pretty good in light of the earlier '86 averages, though it should be pointed out that the Standard Broadcast Month (SBM) had a little to do with it.

November showed a double-digit percentage increase over '85, the fifth month it's happened in '86. The increase amounted to 15.5 per cent, just about the same as October, which rose 15.4 per cent.

Comparison

However, October '86 and '85 were both four-week SBMs while November of '86 was a five-week SBM vs. four weeks for November, '85. On the other hand, as has been pointed out often before, most reporting stations in the *Business Barometer* sample send in their data based on the calendar month.

In any case, November was almost a record month for spot TV time sales, reaching $541.9 million. It was the fourth $500 million-plus spot TV month of '86 (and the sixth ever) and the second biggest month in terms of current dollars in spot TV history. The record was set in May, which saw $548.4 million in spot business taken in, and the November figure just edged out April, which hit $539.4 million.

With November, spot topped the $5 billion mark and topped the annual total for $1985, which came to $5,077.0 million. The 11-month total for '86 was $5,122.5 million, $462.0 million higher than the year before. That puts the year-to-date increase at 9.9 per cent. By all accounts, the final figure for '86 will be less than 9.9 per cent since indications are that the December *Barometer* figures will not look so hot.

The smaller stations scored the highest percentage increase in spot TV during November, the fifth month this has happened in '86. The larger stations were Number 3 in percentage increase, also the fifth time last year this happened. The medium-size outlets, which were second, had been first in percentage increase five times before November.

Spot projections

How '86 will end up in spot time sales remains to be seen. But it is unlikely to top 10 per cent. In his projections of spot TV for this year, based on *Business Barometer* historical trends, including 10 months of spot TV data covering '86, consultant Dick Gideon predicted an increase of 8.9 per cent to $5,530.0 million (see story on Gideon forecasts for spot, local and network TV in this issue).

Gideon does not expect spot to increase to the same degree in '87 as in '86. He figures on a 7.4 per cent hike this year with a spot time sales total of $5,940.0 million. Next year, being an Olympics/election year, spot is expected to do well, of course, and, in fact, Gideon expects spot to do fairly well during the remainder of the decade.

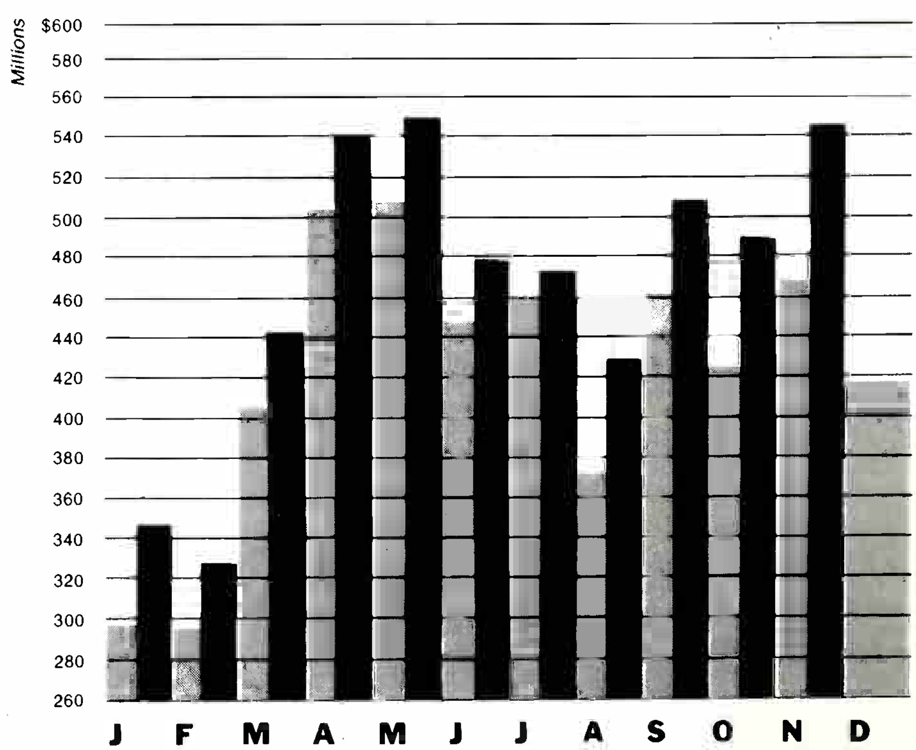
National spot +15.5%

(millions)

1985: $469.2 **1986: $541.9**

Changes by annual station revenue	
Under $7 million	+26.1%
$7–15 million	+16.6%
$15 million up	+12.5%

November



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DENVER KWGN-TV
SACRAMENTO KTXL
BALTIMORE WBFF-TV
INDIANAPOLIS WXIN-TV
MILWAUKEE WVTV
NEW ORLEANS WGNO-TV
BUFFALO WUTV
COLUMBUS WTTE-TV
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FRESNO KMPH-TV
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NORFOLK PORTSMOUTH WYAH-TV
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International Report

London

BBC moving closer to sponsored programs via IBM project

The BBC seems to be moving inexorably closer sponsored programs. If the marked departure from past practices materializes, IBM seems likely to be the first company to benefit. An aerial history of Europe during the past 1,000 years, being produced by White City Productions and financially backed by IBM, has been viewed by top BBC executives who seem ready, albeit reluctantly, to approve its broadcast. The matter of commercial sponsorship was initiated at a meeting with government officials who would like to see more independently produced domestic programs on British television. The BBC representatives suggested that some of these programs could be sponsored. If the idea does finally come to pass, the BBC may have to amend its charter, which those in charge always have interpreted as prohibiting the taking of money directly from a commercial organization to finance programs.

Thames Television decides not to join Super Channel

Thames Television has decided not to join Super Channel, the European satellite television service due to start broadcasting at the end of January. Instead, it is believed to be considering a 5 per cent/$5.3 million stake in Luxembourg satellite company, SES, which plans to launch its medium-powered Astra satellite in 1988.

As a result of its decision, the London-based organization becomes the only British TV company not to invest in the $57.6 million Super Channel project, although it will supply programming. Directors apparently are not satisfied with the Channel's business potential.

Thames still, however, will need approval from the Independent Broadcasting Authority before investing in SES. If permission is given, the commercial channel is likely to take one of the 16 channels on Astra. SES claims that the RCA-manufactured satellite will be able to reach individual homes by direct broadcast, as well as deliver to cable networks throughout Western Europe.

SES investors include the Luxembourg government and German and Belgian banks, but until now only one company, Scan-Sat, has booked a channel. SES' main problem at the moment is that it still has not reached agreement with the European satellite organization, Eutelsat, of which Luxembourg is a member. Current Eutelsat rules preclude member countries from participating in competing satellite ventures.

Paris

Two largest shareholders leave France Media Intl

France Media International's two largest shareholders are to withdraw from the company. Following the decision announced by Sofirad (33.33 per cent of FMI's capital) and the French State (23.33 per cent), an auditor will evaluate the company's net worth. FMI President Gerard Pruvost has until January 31, 1987, to find private buyers, but claims he has already received feelers from three possible partners.

FMI, INA (Institut National de l'Audiovisuel) and Sofirad plan to jointly distribute non-commerical TV programs, a venture which is separately funded under the auspices of aid programs, and will remain in public hands. Meanwhile, a confident FMI has signed for next spring's MIP-TV.

Pandora gets rights to major U.S. network miniseries

Pandora has acquired worldwide rights, excluding the U.S. and Canada, to *I'll Take Manhattan*, the first time an independent European TV and video distributor has obtained worldwide rights to a major network miniseries, claims Pandora. "They usually go through the major companies, like Paramount or MGM," says a Pandora spokeswoman.

The eight-hour miniseries, based on Judith Krantz' best-selling novel about a magazine empire, is due to air on CBS in March over four consecutive nights.

In English-speaking Canada it will air on CTV, and in French-speaking Canada via Telemetropole.

Beijing

China Central TV renews program agreement with CBI

China Central Television (CCTV) has renewed its agreement with CBS Broadcast International, for the third year, to air 64 hours of CBS programming throughout 1987, including commercials.

When the agreement was signed in 1984, CBS was the only foreign broadcaster with a regular spot on Chinese television. CCTV will continue to air one hour of CBS programming in Mandarin during primetime viewing and one hour in English on one Sunday each month. Under the new agreement for 1987, the monthly Sunday show also will be broadcast in Mandarin and during primetime.

Jayne Ferguson, CBS director, advertising sales, says, "the renewal of the agreement reflects the positive attitude of viewers towards the CBS programs." According to the Strategic Information Research Corporation, she says, the broadcasts have "a loyal viewership in China's three major cities."

During the last three years, Chinese viewers have been treated to a variety of CBS sports, news and entertainment, including *60 Minutes* and college football. This year's (1986) broadcasts have included advertisers such as Boeing, Campbell soups, Colgate-Palmolive, DuPont China, International Hydron, Kodak, Philips International, Stauffer Chemical and the Weyerhaeuser Co.

Bonn

German High Court nearing decision on Karlsruhe region

"The most profitable occupation in German broadcasting is to be a judge," comments one source, referring to the numerous cases of public versus private broadcasters in the continuing battle for broadcast outlets.

At the beginning of February, the country's High Court is expected to make a decision on private commercial broadcasting in the Karlsruhe region. In this particular case, the Stuttgart regional parliament supports private radio broadcasters, and wants national TV/radio network ARD's quota of radio limited to what it had at the end of 1984.

BKS study. A recent study by private broadcasters' organization, BKS, found that ARD already runs 16 radio stations in Karlsruhe, while five are foreign language stations and only one is private. It is believed that the High Court decision will favor private broadcasters this time.

BKS also is opposing a decision by WDR, regional ARD station, to carry advertising on radio (it currently is limited to television). BKS objects for two reasons: the ARD network covers the whole country, while private broadcasters have a very limited reach; and ARD is financed by a license fee, an additional source of income which private broadcasters don't have.

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Cable Report

TWA to launch travel net, with dose of home shopping

Four unrelated factors have converged to make now the right time to launch The Travel Channel, according to Jim Trecek, executive vice president of the TWA Marketing Services cable network.

First, Trecek notes, the deregulation of the travel

Jim Trecek

industry has created a boom in travel marketing: The $300 billion travel industry is now the third largest retail business in the U.S.

Second, he continues, home shopping has achieved credibility during the past year, to the point where consumers will now turn to their TV set as a source of product/service information.

Third, Trecek explains, deregulation of the cable industry and the revised role of must-carry have created channel space for new cable networks.

And, fourth, "Carl Icahn bought TWA with no preconceived notion of how an airline ought to be run."

So TWA created TWA Marketing Services last year, which has in turn created The Travel Channel, launching as a 24-hour basic cable network on February 1.

The channel will consist of about 50 per cent travel-oriented entertainment and information programming (including a news hour, game shows and destination programs), 30 per cent direct selling of discount travel packages and 20 per cent direct selling of travel-related products. But, stresses Trecek, all airlines are invited to participate. "We are not a TWA propaganda channel," he declares. "TWA's presence will be no greater than anybody else's."

Trecek says that 30–40 per cent of The Travel Channel's programming will be self-produced in New York, with a total of 60–70 per cent of the schedule Travel Channel exclusives.

Although each Travel Channel hour will include 10 national ad minutes (three-to-five-minute infomercials are available, as well as 30 and 60-second spots), Trecek says primary revenue will come from the direct sales of products and services. But the network is taking great pains not to "alienate the rest of the travel industry," adds Trecek. "We have to be very careful that travel agents not see this as another booking agent."

To ease this possibility, all travel packages sold by The Travel Channel will be sent to consumers in the form of coupons, which they will then redeem at travel agents. So, Trecek explains, not only does the local cable system receive 5 per cent of each sale, but local businesses also benefit—unlike other home shopping services, which "take retail sales away and create bad feelings." Furthermore, adds Trecek, the travel agents "will be scrambling to buy the two minutes an hour of local ad time."

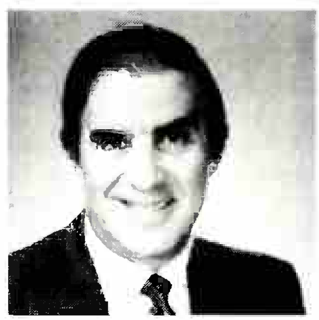
Trecek says The Travel Channel will launch with 5 million subscribers and get up to 10–15 million by year's end.

Meanwhile, the World Travel Network also plans to launch on basic cable during the first quarter of this year. This service, totally advertiser-supported, plans to include a travel game show, *On Your Way*, produced by Nicholson-Muir.

Variety at Lifetime

Lifetime is set to return to an all-original primetime schedule within the next couple of months, highlighted by a nightly variety hour that Charles Gingold, vice president, programming says will fill a TV void. "I'm going to hit 'em where they ain't," says the former programmer at Group W's KYW-TV Philadelphia, "and bring variety back to television."

The in-house production, details of which are yet to be announced, will run at 9 p.m., with a repeat at midnight. It will be taped before a studio audience in New York, but not at MTI where Lifetime's other shows are produced. And Gingold says the ambitious



Charles Gingold

project may be served best by partnering with another company as co-producer.

As for the rest of primetime, *Regis Philbin's Lifestyles* will depart, but not Regis. He'll be back in a new 8 p.m. series, *The Regis Philbin Show*, restructured for a "nighttime feel" and a male/female audience. Celebrities and performances will be in, Gingold reveals, while such "strictly female-oriented things" as fashion shows will be out. There will be a new set, and a studio audience for the first time.

Although Dr. Ruth Westheimer is entering the broadcast syndication arena via King Features, she'll continue to hold down Lifetime's 10 p.m. hour. Gingold notes that 58 new *Dr. Ruth* episodes are already in the can.

Amidst all these changes, Lifetime's 11 p.m. *Moveibreak* bids adieu, and Gingold says he's working on a first-run offering for that time period as well.

"This is like a big TV station," he concludes, "where you're able to control your own destiny. This is what I was hired to do, not to buy off-network programming."

OnTRAQ keeps trucking

Only 40 per cent of cable households notice local ads on basic cable networks, according to results of a national subscriber survey released by Westinghouse OnTRAQ. The telephone survey was conducted among 1,000 households over a recent four-day period, with results tabulated via OnTRAQ's CableTRAQ, an automated system developed in 1985 by the Westinghouse Research Center and Group W Cable. Although Westinghouse Electric Corp. has sold Group W Cable, it will continue marketing CableTRAQ to systems as a means of monitoring satisfaction levels of their subscribers.

Other results include:

- Fifty-eight per cent of surveyed cable households own VCRs; of these, 64 per cent say their cable viewing is unaffected by the VCRs, with only 19 per cent reporting decreased viewing.
- Fifty-three per cent feel cable programming has not changed over the past year, while 26 per cent say it has improved.
- Forty-eight per cent would like to choose and pay for additional channels "a la carte," but 43 per cent would prefer that their basic service include more channels at a slightly higher cost.
- Fifty-one per cent feel signal scrambling is "fair business practice"; 41 per cent disagree.
- Fifty-three per cent rate cable service "good to excellent" when compared with gas, electric and other utilities.
- Forty-four per cent find their cable service a "good to excellent" value for the price, while 38 per cent peg it as "fair to poor."

The quality of telephone service is the biggest subscriber complaint, according to the survey, with 34 per cent of respondents giving that facet of cable operations a "fair to poor" rating.

Repairs account for the next largest complaint area, with 21 per cent rating repair service "fair to poor." Next comes installation and cable store/office service, both with 14 per cent "fair to poor" ratings, followed by cable guides, billing, telemarketing sales assistance, and door-to-door sales assistance.

Elkes cautions cable crowd

The rewards of cable deregulation also mean a loss of legislated protection against competitors, warned Viacom International president and CEO Terrence Elkes in a recent address before a joint luncheon of the New York State Cable Television Association and New York Women in Cable.

Elkes stressed that it would be wrong for the cable industry to seek legislative protection against such competition as satellite dishes. Rather, he said, cable should meet the threat through better pricing and programming.

Reminding the cable audience of its own past, Elkes stated, "Cable was built on the backs of local broadcasters. Who are we to complain about backyard dish owners?"

Terrence Elkes

In the mid-'70s, he said, pay TV survived only because of the "arrogance" of the broadcast networks, who thought they could knock the new medium out of the marketplace. "If we fail to remember the mistakes of the past," he cautioned, "we will be condemned to repeat those mistakes."

Elkes said cable can take advantage of its new freedoms and "become the premiere distribution medium for the rest of this century" by knowing its audience, providing "unique" programming, and promoting that programming to the target audiences.

Knowing the marketplace, he explained, means marketing to individual TV sets rather than to homes. By 1995, he noted, there will be more than 200 million TV sets. Eventually, he said, there should be no extra charges for homes to get more than one set hooked up.

Unique programming, he said, does not necessarily mean "proprietary" programming, but just that the "audience must perceive that they can't get that programming except on cable." Thus, he questioned whether the cable industry should commit dollars for NFL Sunday Night football games, when viewers can receive the same programming over the networks on other days. Besides, he adds, most NFL viewers probably already subscribe to cable.

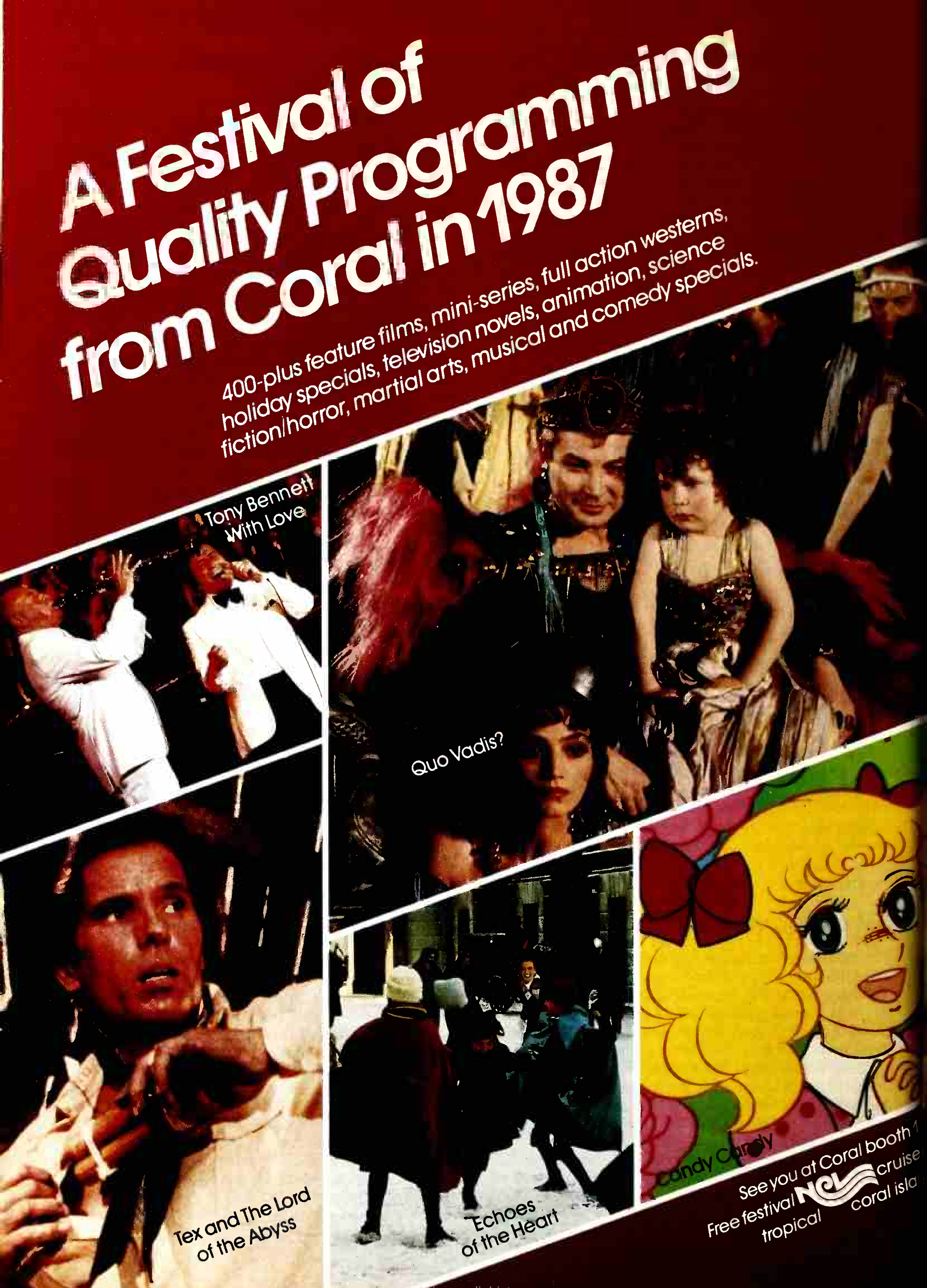
Finally, to promote viewership, Elkes said cable systems in low-penetrated areas must go for circulation rather than higher margins. Raising prices, he said, will limit circulation and "leave the market open for C-band and Ku-band dishes."

TNN leads in women

The Nashville Network has more primetime 18-plus female viewers than any other basic cable service, according to an analysis of A. C. Nielsen data by TNN distributor Group W Satellite Communications.

Using Nielsen Household Tracking and Nielsen Station Index demographic diaries for the third quarter, 1986, GWSC determined that TNN reached 317,000 adult women. The other six basic networks measured by Nielsen Tracking had the following numbers of female viewers: CNN, 280,000; USA, 264,000; ESPN, 256,000; CBN, 225,000; Lifetime, 156,000; and MTV, 154,000. The Nashville Network led in women despite having fewer total primetime viewing homes than CNN, USA and ESPN.

Meanwhile, TNN has reported a record-breaking 190,000-plus entries for a fourth quarter viewer contest featuring singer Ronnie Milsap and sponsored by RCA Records and Dodge Trucks. The grand prize included a trip and a truck.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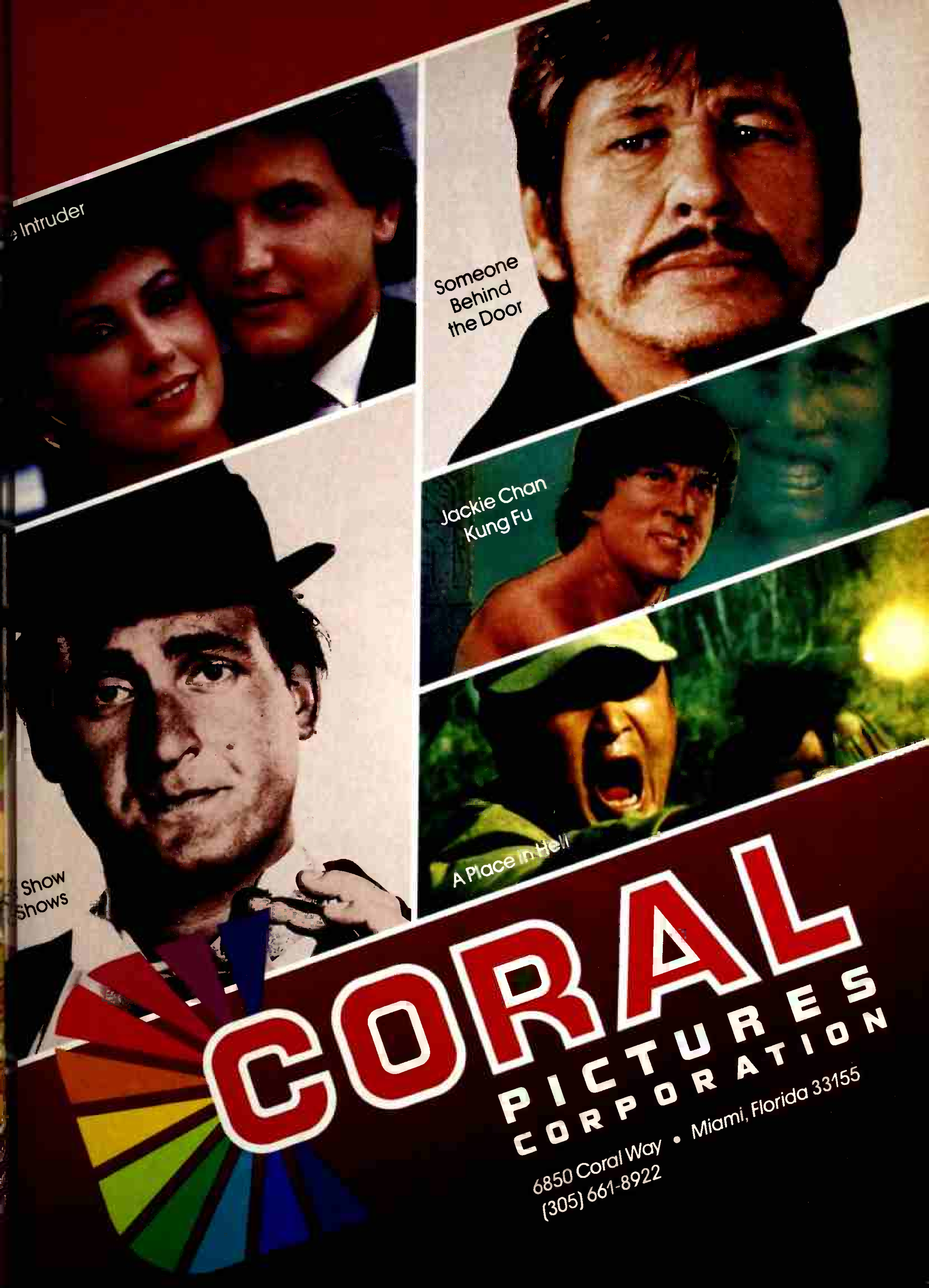
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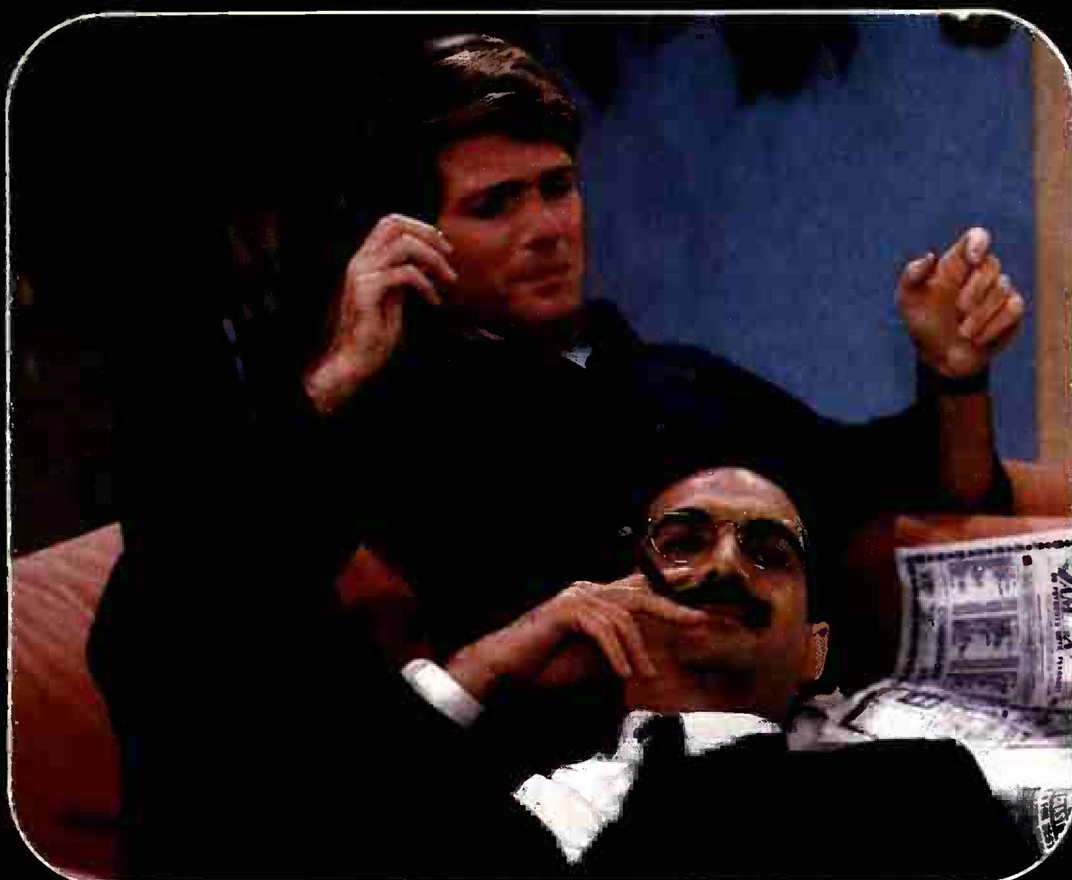

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New Arbitron advisors watch competitive changes

Any changes Arbitron is planning for its radio diary, to stay competitive with Birch, will bear some close watching, "to make sure that any attempt to correct a current problem doesn't create some other problem in the process."

That's the opinion of Gerry Boehme, vice president, director of radio research for Katz Radio in New York and one of the two research members appointed to three year terms to the Arbitron Radio Advisory Council. The other member is Elaine Pappas, vice president, director of research for Hillier, Newmark, Wechsler & Howard, New York.

Boehme points, for example, to changes made last year, leading to Arbitron's new daypart diary (see story in opposite column), designed to correct some editing and crediting problems, that "now appear to have resulted in changes in listening patterns that may or may not be more accurate. It's important to find out which. And if it turns out to be less accurate than what we had before, to correct the new problem."

Boehme adds that possible changes are not necessarily limited to diary format. Arbitron, he notes, "may attempt changes in sampling procedures, especially in ethnic neighborhoods, to try to improve the response rates. They may try to change the way diaries are placed and delivered, to see if such changes might help the level of usable returns. Every one of these moves, or others like them, will have to be watched closely to make sure they don't subtract from the level of accuracy in the process of attempting to improve it."

Officers. At the same time Boehme and Pappas were appointed, the council also elected two officers and four new members. The officers are Dan Halyburton, vice president, general manager of KLIF/KPLX(FM) Dallas-Fort Worth, and Lee Larsen, vice president, general manager of KOA/KOAQ(FM) Denver.

The new members elected to three year terms are: Ted Dorf, vice president, general manager of WWRC/WGAY(FM) Washington, D.C.; Dennis Israel, president, general manager, WGY Albany-Schenectady-Troy; Dennis Lemon, vice president, general manager, WLAV Grand Rapids; and Al Maxwell, general manager of KTLT(FM) Wichita Falls, Texas.

In addition to the selection of new officers and members, the Council passed two resolutions. One urges Arbitron to "continue to conduct its own exhaustive analysis of the effects of the new daypart diary and report its findings to the industry as quickly as possible." The other urges the measurement service "to place radio in the forefront of its efforts to market and develop new qualitative and quantitative audience measurement techniques that take advantage of new technology."

Missing summer listeners

Researchers at the Katz Radio Group are forming some conclusions of their own while awaiting a report by Arbitron to the Radio Advertising Bureau's GOALS Committee January 8 on why it thinks summer listening, as reported on the basis of its new daypart diary, took a dive (TV/RADIO AGE, November 24, 1986). In KRG's new *Arbitron Daypart Diary Study*, Bill Schrank, vice president, director of Katz Radio Group and TV research, says that "this type of fiasco" appears to be "due to inadequate testing of methodological changes."

He adds that it's "a problem that Arbitron and others in the research business have created. Any diary change must be tested under 'battlefield conditions' with the exact pressures to fill out and return that a respondent faces during a regular survey. With cooperation rates at an all-time low of about 40 per cent, the smallest increase in respondent input could have a huge effect. Obviously Arbitron's own editing procedures must be thoroughly tested during any change."

Christal Radio research director Maggie Hauck finds that the severest listening drops occur in those hours before and after the divisions between dayparts, and calls this, "categorical evidence that the new diary has negatively impacted persons-using-radio levels. The new diary potentially could cause time spent listening to drop due to the difficulty in filling out long listening duration entries. For example, listening at work from 9 a.m. to 5 p.m. would have to be recorded in the diary two ways. The degree of difficulty and confusion is equal in both cases and as a result, the at-work listener could potentially record his listening as 10 a.m.–3 p.m. only. Any listening that crosses the Arbitron daypart (dividing line) could potentially be shortened to conform to Arbitron's dayparts because of diary keeper confusion or laziness."

PUR drops. Gerry Boehme, research director of Katz Radio, reports finding overall persons-using-radio levels falling below 15 per cent, sign-on to sign-off, in five markets, in comparing spring, '86 to results from the new summer, '86, diary. And summer PUR was below spring levels in 67 markets. In most markets, says Boehme, "Arbitron's summer books had the lowest PURs in history. That's a pattern opposite what was predicted prior to the release of the sweep. Summer months have always been considered heavy-usage times, with longer days, warmer weather and school vacations promoting increased radio listening. Instead, in comparison to spring '86, the average station lost 8 per cent of its quarter hour listening credit. Some were much worse."

And at Republic Radio, research director Bruce Hoban observes that most of the PUR loss occurred from 10 a.m. to 3 p.m., down 6.1 per cent in 14 markets measured in both the summer of 1985 and '86. This, says Hoban, "would be explained by a combination of respondent fatigue and confusion as to filling out continuous listening across two dayparts or perhaps some editing flaws. Arbitron had summer '86 PURs 6.8 per cent lower than Birch. Birch did not suffer as much of a spring to summer PUR loss as did Arbitron. The Birch interview design was consistent during this period, whereas Arbitron changed its diary."

Katz's Boehme concludes that the impact of the reported drops in listening levels "is critical and concerns all radio stations. Any reported drop in listening could adversely affect additional radio market budgets, radio cost-per-point, station rates, and radio worth vs. other competitive media. If the fall '85 PUR finished 2 per cent below summer, '85, will fall, '86, finish below summer, '86? If it does, it will be an Arbitron-made disaster for radio. If it does, the new daypart diary should be withdrawn."

Birch released before Christmas a comparison of its average listening levels with Arbitron's during three sweeps—winter, '86; spring, '86, and summer, '86. The averages are based on total listening in metro areas. In the winter, '86, sweep, Arbitron was listed with an average 17.5, Birch with 17.9. In the spring, it was 17.5 and 18.6 and in the summer, 16.6 and 18.8, respectively.

Arbitron Rating Co.'s president "Rick" Aurichio responds that higher ratings are no indication of quality and that he recalls cases where specific daypart and demographic figures show Arbitron levels higher than Birch's In the meantime, the Arbitron executive indicated he had no intention of withdrawing the controversial daypart diary.

RAB unites local groups

The goal of the meeting of local radio associations that Radio Advertising Bureau president Bill Stakelin has called as part of RAB's 1987 Managing Sales Conference, starting February 6 in Atlanta, is to let people at the member radio stations know that RAB is available to them "as an information clearing house on how to go about selling radio more effectively in their own markets," says an RAB spokesman.

Stakelin calls it an extension of RAB's "grassroots development project" being undertaken in conjunction with state broadcasting associations and says it "will probably mark the first time that most of these 75 or so local groups have ever talked to each other to share ideas and tactics."

As an example, says the spokesman, such an exchange of ideas could detail for stations how they can combine forces to stage a local Radio Day, who to invite, what kind of events to set up, and how much it should cost. "We know," he explains, "because we know how stations have already done this in some markets—how they worked together to make all radio look good, instead of just schlepping their own avails and bad-mouthing each other and making radio look bad."

He says RAB wants stations to know about the help it can offer, such as research runs, audio visual presentation with full graphics, "and showing them how to promote radio and how to do their own PR better. We can show them the kinds of things the Southern California Broadcasters Association is doing on the Coast, and the kinds of things NYMRAD (New York Market Radio Broadcasters Association) is doing in this market."

Fruit chairs ANA unit

The annual Radio Advertising Workshop, co-produced by the Association of National Advertisers and the Radio Advertising Bureau, will continue to be a major area of focus for the ANA's Radio Advertising Committee, says its new chairman, Charles B. Fruit, vice president of Corporate media and sports marketing at Anheuser-Busch, Inc.

But Fruit says he has some other ideas that he's keeping close to his vest until after he's had a chance to discuss them with other members of the committee when they meet in New York shortly after the first of the year.

Viacom promotes Figenshu

The new president of Viacom Radio is William Figenshu, also appointed vice president of the Viacom Broadcast Group. Figenshu joined Viacom in 1980 as vice president, programming and now moves up from vice president, operations. He is a member of the International Radio and Television Society and a former committee member of the Country Radio Seminar in Nashville.

William Figenshu

In his new post, he supervises operations of an eight-station radio group. Stations include WLTW(FM) New York; WLAK(FM) Chicago, WMZQ AM-FM Washington, KIKK AM-FM Pasadena-Houston and WRVR AM-FM Memphis. Viacom's Broadcast Group also owns and operates five major market television stations.

NYMRAD sales meet

At NYMRAD itself, staffers at press time were busy lining up speakers for the group's January 6 Sales/Management Seminar set for New York's Grand Hyatt Hotel. Scheduled keynote speaker will be former NBC *Tonight* Show host Steve Allen, who's been tapped to take over the midday shift at the mike for WNEW New York later this month. It's Allen's first public appearance since his new radio job was announced.

Radio Business Barometer

Nov. spot down 10.5% (adjusted)

Spot radio has been having a pretty poor year, but November takes the cake. On the surface, the numbers are good, until the business of the Standard Broadcast Month (SBM) takes over. Then it's the pits.

November billings for spot radio, based on rep reports, came to $94,453,600. That compares with $84,463,200 for November, '85, seemingly up 11.8 per cent. But the latter month was a four-week SBM and this past November had five SBM weeks. So Radio Expenditure Reports, source of the data, adjusted the '85 figures upward, as is the practice. This resulted in November, '85, figures being reported on a comparable basis as $105,579,000. That means a 10.5 per cent drop in spot business in November based on a five-week vs. five-week comparison.

Spot radio through November is still running a little ahead of the same period in '85, but not by much. Here, too, there must be an adjustment since, under the Standard Broadcast Calendar, the last week of November, '86, is week 48 while the last week of November, '85, is week 47. While '85 spot radio time sales through November came to $827,950,000, adjusting it upward brings it to $845,565,900. This compares with the '86 figure of $851,133,700, which translates into an adjusted increase of 0.7 per cent, instead of a rise of 2.8 per cent on the unadjusted figures.

The adjustments run through the data for the four market groups, both for November and for year-to-date totals. The top 10 markets were up 7.4 per cent unadjusted but down 14.1 per cent adjusted; their time sales came to $36,842,900. The 11th-to-25th markets showed time sales of $21,123,100, which comes to an increase of 16.2 per cent unadjusted and a decrease of 7.1 per adjusted.

Likewise, the 26th-to-50th markets attracted time sales of $13,450,100 in November, representing an increase of 5.0 per cent unadjusted and a decrease of 16.0 per cent adjusted. Finally, the 51st and smaller markets, which had been doing better as a group than the others, also showed a minus sign despite the unadjusted increase of 20.2 per cent. With time sales of $23,037,600, the adjusted year-to-year ratio came to minus 3.9 per cent.

On a year-to-date basis, three of the four market groups show a minus adjusted percentage change. Only the smallest markets have a plus sign. The top 10 markets pulled in $323,918,700 during the first 11 months of the year; that's down 0.1 per cent unadjusted and 2.2 per cent down adjusted. The 11th-to-25th market group tallied $182,984,900 for the period, which figures out to 1.2 per cent up unadjusted and 0.9 per cent down adjusted.

As for the 26th-to-50th markets, the total was $129,640,300 for 11 months. That equivalent to plus 1.9 per cent unadjusted and minus 0.2 per cent adjusted. Lastly, the 51-plus markets accounted for $214,589,800, up 9.7 per cent on an unadjusted basis and up 7.4 per cent on an adjusted basis.

November

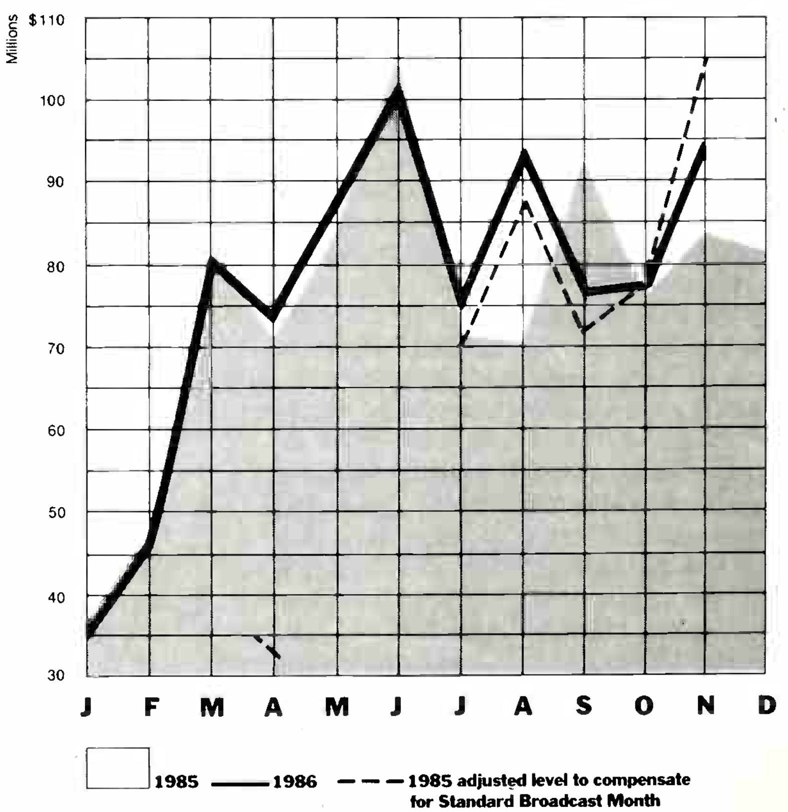
National spot −10.5%*

(millions) **1985: $84.5** **1986: $94.5**
1985 adjusted: $105.6

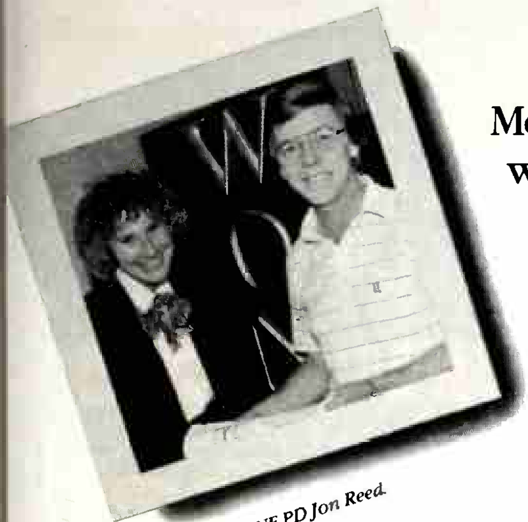
Changes by market group

Market group	Billings (mils.)	% chg.* 86–85
1–10	$36.8	−14.1%
11–25	21.1	− 7.1
26–50	13.5	−16.0
51+	23.0	− 3.9

Source: Radio Expenditure Reports
** Adjusted*



Cathy Moran knows more about WONE/WTUE and WJFM because she's been there.



Cathy with WONE PD Jon Reed.

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

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

That's why Cathy Moran, Account Executive from our Detroit office, recently traveled to Dayton and Grand Rapids to work at WONE/WTUE and WJFM.

"After visiting these two markets, I returned to the office with valuable information, plus the enthusiasm and good feelings only a station visit can generate."

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

McGAVREN GUILD RADIO
Innovative Leadership
AN INTEREP COMPANY

athy with WONE/WTUE
SM Jim Meyer.

WJFM SM Jack Swart,
MGR Detroit rep
Elaine Slasinski,
Cathy Moran and
MGR Chicago rep Linda Muskin.

WONE/WTUE
VP/GM Don Schwartz
with Cathy.

WTUE Midday DJ
Jan Neilson with Cathy.

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

*These are the best promoted programmers in the U.S. and abroad.**

ABC Pictures International
Access Syndication
Almi Television Productions
American Movie Classics
American National Enterprises, Inc.
American Television
ARP Films, Inc.
Atlantis TV International
Ismé Bennie International
Beta Film
The Black Forum
Blair Entertainment
Buena Vista Television
Castle Hill Television
CBC Enterprises
C.B. Distribution Company
CBN Continental Syndication
CBS Broadcast International
Central Independent Television
Channel Four Television
Chanowski Productions
Cinema Releasing Corp.
Cinema Shares International Television, Inc.
CineVisa International Media Distributors
Joel Cohen Productions & Distribution
Colbert Television Sales
Columbia Pictures International
Columbia Pictures Television
Coral Television International
Devillier-Donegan Enterprises
Walt Disney Productions
Ralph C. Ellis Enterprises
Embassy Telecommunications
Essence Communications
Eurotel
Filmation
Filmoption Internationale
Films Transit
Four Star Entertainment
France Media International
Fremantle International, Inc.
Fries Entertainment
Gaylord Program Services
Gaylord Syndicom
Genesis Entertainment
Globo TV Network of Brazil
Group W Productions
Group W TV Sales
Harmony Gold/USA
Horizon International Television
Thomas Howe Associates
Hubbard Entertainment
Ironstar Communications
ITC Entertainment, Inc.
Kelly Entertainment
M.A. Kempner
King Features Entertainment
King World Productions
LBS Communications
Lorimar-Telepictures
MCA-TV
MGM/UA Television Distribution
Muller Media, Inc.
Multimedia Entertainment
Mutual of Omaha
NBC International, Ltd.
Nelvana Entertainment
New Century Telecommunications
New World Television
Nine Network of Australia
NIS/Filmdistribution
Orbis Communications
Orion Entertainment
Paramount Television Distribution
Peregrine Productions
Primetime Entertainment
Pro Serv Television
Program Syndicated Services
Raymond International
Reeves Entertainment Group
Republic Pictures Corporation
Rhodes Productions
G. Ross Tele-Distribution
SACIS
The Samuel Goldwyn Company
SEPP International
SFM Entertainment
The Silverbach-Lazarus Group
Simcom International
Sullivan Films
Syndicast Services
S4C
D.L. Taffner/Limited
The Television Program Source
TEN/The Entertainment Network
Thames Television International
Tribune Entertainment
Turner Program Sales
TVS International
Twentieth Century-Fox Television
Twentieth Century-Fox Television International
Via le Monde
Viacom
Victory Television
Visual Productions '80
Warner Bros. Television Distribution
WesternWorld Television
World Events Productions Ltd.
World Wrestling Federation
Worldvision Enterprises, Inc.
WW Entertainment

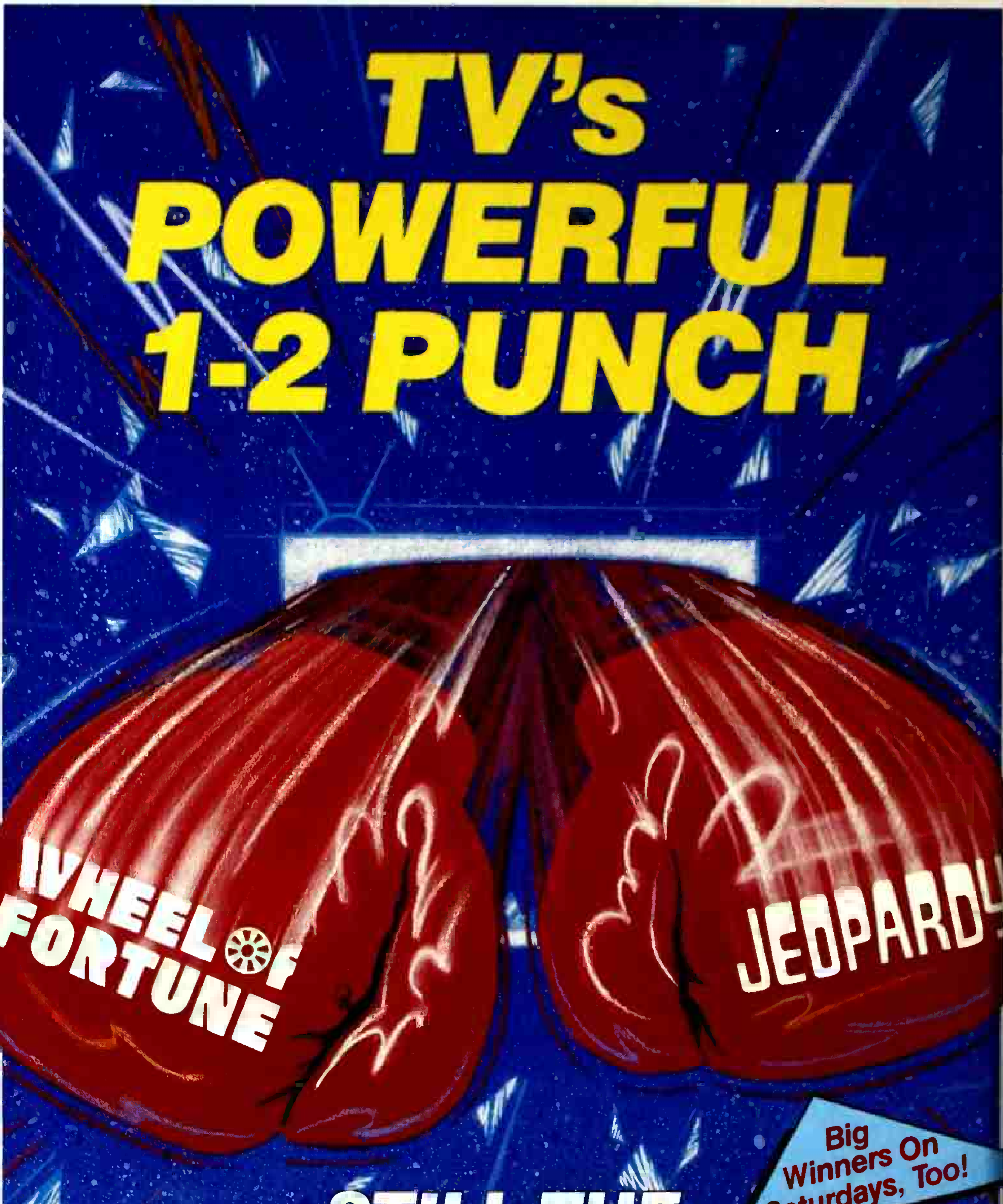
** These are programmers who advertised in Television/Radio Age in the past 12 months.*

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1987

January 7–11	INTV, Century Plaza, Los Angeles December 22, 1986 Issue
January 21–25	NATPE International, New Orleans January 19, 1987 Issue
February 7–10	Radio Advertising Bureau Managing Sales Conference, Hyatt Regency, Atlanta February 2, 1987 Issue
February 9–13	International Television, Film & Video Programme Market, Monte Carlo Television/Radio Age International, February Issue
March 28–31	National Association of Broadcasters, Dallas March 30, 1987 Issue
March 29–31	Cabletelevision Advertising Bureau, New York March 30, 1987 Issue
April 21–27	MIP-TV, Cannes Television/Radio Age International, April Issue
April 26–29	Broadcast Financial Management Association, Marriott Copley Place, Boston April 27, 1987 Issue
May 17–20	CBS-TV Affiliates Meeting, Century Plaza, Los Angeles May 11, 1987 Issue
May 17–20	National Cable Television Association Convention, Las Vegas Convention Center May 11, 1987 Issue
May 31–June 2	NBC-TV Affiliates Meeting, Century Plaza, Los Angeles May 25, 1987 Issue
June 9–11	ABC-TV Affiliates Meeting, Century Plaza, Los Angeles June 8, 1987 Issue
June 10–13	American Women in Radio and Television, Beverly Hilton, Los Angeles June 8, 1987 Issue
June 10–14	BPME Convention, Peachtree Plaza, Atlanta June 8, 1987 Issue
September 1–4	RTNDA Conference, Orange County Civic Center, Orlando, Florida August 31, 1987 Issue
September 9–12	NAB Radio '87, Anaheim Convention Center August 31, 1987 Issue
November 11–13	Television Bureau of Advertising Annual Meeting, Atlanta Marriott November 9, 1987 Issue

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


TV's POWERFUL 1-2 PUNCH
WHEEL OF FORTUNE
JEOPARDY!
Big Winners On Saturdays, Too!
STILL THE HEAVYWEIGHT CHAMPS!

Television/Radio Age
January 5, 1987

Flood of new independent stations is likely reason for drop, shown in survey

Indie GM earnings show a decline from '85 to '86

By ALFRED J. JAFFE

After showing bigger advances in earnings than TV affiliate general managers during 1985, the earnings of GMs of independent outlets appear to be going the other way.

The latest survey of TV station execs by TV/RADIO AGE reveals an actual decline in earnings by indie bosses during 1986, compared with the previous year. While the survey did not probe for causes of executive earning trends, the apparent reason for the indie GMs' slide is the flood of new independent stations on the air and the difficulties many of them face in showing a profit. The result seems to be a decline in average earnings of all indie toppers.

Overall, general managers showed a modest rise in earnings, as was true of both general sales managers and program directors of TV stations. For both GMs and GSMs, the '86 earnings rises were, on the average, less than the year before.

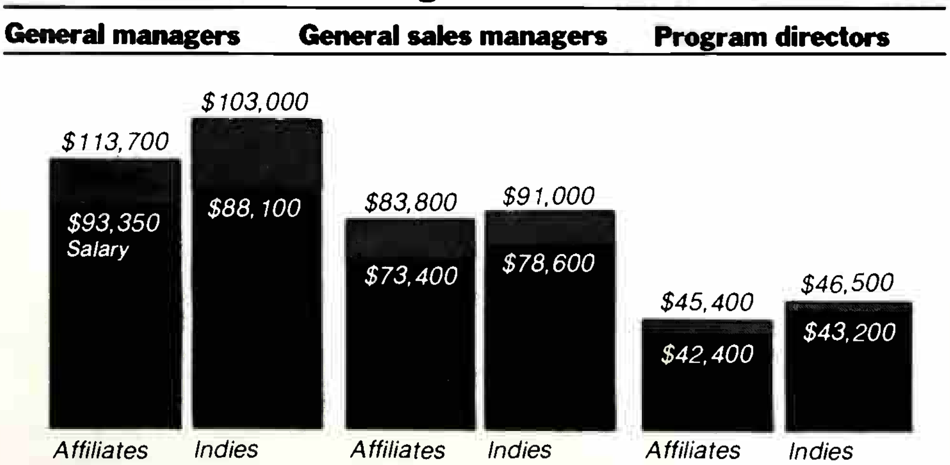
Station chiefs, according to the results of the survey, averaged 2.8 per cent more in "earnings," during 1986 than the year before. "Earnings" are defined as salary plus extras, the extras being the estimated value of bonuses, incentive compensation, profit-sharing and similar add-ons. The sales managers averaged another 4.6 per cent in earnings last year compared to '85, while program directors increased their earnings 4.2 per cent.

In addition to earnings data, the annual TV/RADIO AGE survey queried the execs on issues of the day, as per usual. Among the answers that emerged from GMs and GSMs (most of the answers from PDs will appear in the NATPE issue):

- Only a little over half of the stations have been affected by the slowdown in the ad business.
- Most of the stations that have been affected have sought to control costs by staff erosion, rather than staff layoffs. But there has been some paring of existing personnel.
- Where staff cuts have been made, whether via layoffs or erosion, the area most commonly affected is production. Next most likely to be affected are the engineering and administrative sectors. News and outside services are also among those particularly vulnerable, but sales is least likely to be affected.
- A query about the changing nature of the rep business and whether a revision was needed in the way reps are compensated brought a majority of answers to the effect that things are okay

Most of the stations affected by the slowdown in ad business have sought to control costs by staff erosion rather than by layoffs.

TV station executive earnings salaries—affiliates vs. indies



Source: TV/RADIO AGE survey, November 1986

"What are your annual earnings from your job, including 'extras'?"*

Percentage of TV station executives in each earnings bracket, plus earnings and salary averages

	Annual affiliate revenue					
	Below $5 million	$5–10 million	Over $10 million	All affiliates	All indies	All stations
General managers						
Below $50,000	12.3%	1.7%	—	5.0%	5.6%	5.7%
$50–75,000	35.4	16.9	—	18.3	24.0	19.4
$75–100,000	32.3	28.8	8.8%	23.8	31.5	25.1
$100–150,000	18.5	47.4	50.9	38.1	24.0	34.0
$150–200,000	1.5	1.7	24.5	8.8	11.1	9.7
Over $200,000	—	3.4	15.8	6.0	3.7	6.0
Avg. earnings	**$81,700**	**$106,500**	**$157,700**	**$113,700**	**$103,000**	**$111,900**
Avg. salary	**70,250**	**88,700**	**120,800**	**93,350**	**88,100**	**92,750**
General sales manager						
Below $50,000	31.1%	6.9%	—	11.0%	9.3%	10.6%
$50–75,000	50.8	51.3	1.2%	31.7	36.0	32.8
$75–100,000	13.1	34.7	47.0	33.5	18.7	29.7
$100–125,000	3.3	2.7	29.4	13.3	17.3	14.3
$125–150,000	1.6	1.3	18.8	9.2	12.0	9.9
Over $150,000	—	—	3.5	1.3	6.7	2.7
Avg. earnings	**$62,200**	**$74,500**	**$107,100**	**$83,800**	**$91,000**	**$85,600**
Avg. salary	**54,700**	**66,650**	**91,800**	**73,400**	**78,600**	**74,100**
Program directors						
Below $20,000	16.7%	4.8%	—	7.5%	13.2%	9.3%
$20–25,000	23.6	6.3	4.6%	12.0	4.4	9.6
$25–35,000	29.2	28.6	10.8	23.0	24.2	23.4
$35–50,000	19.4	36.5	23.0	26.0	27.5	26.5
$50–75,000	9.7	20.6	40.0	23.0	19.8	22.0
Over $75,000	1.3	3.2	21.5	8.5	11.0	9.3
Avg. earnings	**$32,600**	**$42,150**	**$62,800**	**$45,400**	**$46,500**	**$45,750**
Avg. salary	**39,900**	**39,650**	**56,900**	**42,400**	**43,200**	**43,700**

*Source: TV/Radio Age survey, November/December, 1986. * Extras are defined in questionnaire as estimated value of bonuses, incentive compensation, profit-sharing, etc. "All stations" totals include answers by respondents who did not indicate type of station or affiliate revenue.*

the way they are.

■ The question about the slowdown in spot directed to general sales managers asked the reasons. The most common reason cited was the state of the economy, but competition from the networks and barter syndication also was prominently mentioned.

■ Most GSMs feel that 15s have far from peaked with the shorties barely having a foothold on their stations.

■ Only one out of four stations has either a retail development specialist or department. The single most important factor in developing new retail business is still the cold sales call, but the larger stations don't quite go along with that. Most often mentioned by the larger stations was vendor support.

Average earnings of general managers of TV stations last year came to $111,900, according to the TV/Radio Age survey. This compared to an average of $108,900 in 1985, the increase amounting to a mere 2.8 per cent. In the previous survey, the GMs increased their '85 earnings over those of '84 by 6.8 per cent.

The small '86 increase, however, was held down by the drop in indie station managers' earnings. The earnings figure for last year was $103,000, while that of the year before came to $110,700. That's a drop of 7.0 per cent.

On the other hand, affiliate GMs showed an overall increase to $113,700, up from $108,300 in '85. That's an increase of 5.0 per cent. In addition, small station GMs (outlets with annual revenues of less than $5 million) reported earnings rises of 13.3 per cent, climbing to an average of $81,700, from $72,100 in '85.

As for the other two station revenue brackets—$5 to 10 million and over $10 million annually—the increases were more in line with the overall average for affiliate general managers.

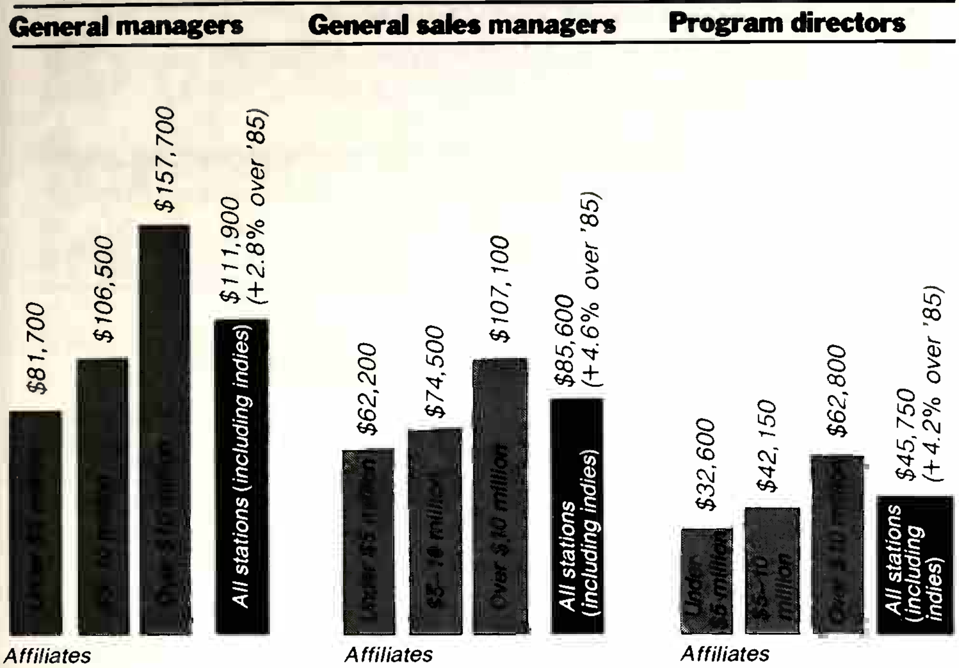
In the over-$10 million bracket, the average earnings for affiliate GMs came to $157,700, compared to $147,600 in 1985. And in the middle bracket, the increase was from $99,800 in 1985 to $106,500 in 1986.

The percentage of all affiliate general managers making over $200,000 a year in total earnings was 6.0 last year, compared with 5.6 per cent in '85. In the over-$10 million revenue bracket, 15.8 per cent of affiliate GMs topped $200,000 during 1986. The year before, the ratio came to 13.0 per cent.

Among indie general managers, only

TV station executive earnings

Average annual earnings "extras" by annual affiliate station revenue, with '85 vs. '84 comparisons for all stations, including independents



Source: TV/RADIO AGE survey, November 1985

3.7 per cent of those responding reported making over $200,000 a year. This is only about half the ratio that reported topping $200,000 in '85. In that year, 7.0 per cent of indie GMs said they made over $200,000, a slightly higher ratio than affiliate GMs.

While a breakdown of indie GM earnings is not shown by station revenue bracket—the sample sizes for each bracket were too small for reliable projections—it appears that there is a greater ratio of indie GMs in the $10 million-plus station revenue bracket making over $150,000 than affiliate GMs. In most other respects, the earnings ratios per revenue bracket for affiliate and indie GMs are fairly close.

As for the extras—the difference between basic salary and earnings—they amounted last year to 17.1 per cent of GM earnings, or 20.6 per cent over salary, however it is desired to figure it. In 1985, the extras amounted to a little more—18.5 per cent of earnings or 22.7 per cent over salary.

Affiliate general managers appear to do better in this department than indie GMs. Last year, network affiliate GMs got 21.8 per cent over salary (or 17.9 per cent of total earnings), while indies got 16.9 per cent over salary (or 14.5 per cent of total earnings).

Both groups of general managers did better in extras during '85 than '86. Affiliate GMs were awarded 23.9 per cent

Affiliate general managers appear to do better in non-salary compensation than their indie equivalents.

over salary (or 19.3 per cent of earnings), while indie bosses got 19.0 per cent over salary (or 16.0 per cent of earnings) in 1985.

General sales managers

The 4.6 per cent in increased earnings registered by general sales managers last year, when broken down by affiliate and indie sales chiefs showed the opposite picture than that of general managers.

In the case of GSMs, the indie group did a little better in terms of improved earnings. They were up 5.1 per cent over '85, while affiliate sales chiefs' earnings climbed 4.4 per cent.

The indie GSMs increased their earnings from $86,600 in '85 to $91,000 in '86, still remaining ahead in earnings compared to their opposite numbers on the affiliate side. The latter group increased their earnings from $80,300 in '85 to $83,800 last year. Indie salaries overall rose from an average of $70,750 to $78,600, while affiliate salaries increased from $66,300 to $73,400.

However, the largesse for affiliate sales chiefs was not evenly distributed. Those reporting working for stations in the under-$5 million and $5–10 million revenue groups, averaged practically the same earnings in '86 as in '85. But those in the over-$10 million category reported a relatively sizable jump in earnings.

The big station GSMs jumped from an average of $98,500 in '85 to $107,100 last year, an increase of 8.7 per cent. In the medium-size bracket, the increase was miniscule—from $74,250 to $74,500—and in the small station category, the rise was just as small, going from $62,000 in '85 to $62,200 in '86.

Since the questionnaires do not identify the respondent, it cannot be determined to what extent the changes represent the same executives or whether turnover was the predominant factor. It can be assumed, however, that a fair amount of turnover is involved.

Program directors earnings

Responses from program directors showed, as usual, a modest increase in year-to-year earnings to $45,750, up, as noted, 4.2 per cent. Again, as in the case of general managers, but not to the same degree, the increase was held down by a decline in PD earnings at independent stations. In the latter case, the dip was slight, earnings dropping from $47,000 in '85 to $46,500 in '86. On the other hand, the affiliate PDs reported a rise of 6.6 per cent to $45,400.

The increase among affiliate program directors was inversely related to the size of the station revenue group they fell into. That is, the bigger the station revenue, the smaller the increase in earnings.

Among PDs working at stations in the $10 million-and-over revenue category, the increase was 0.6 per cent to $62,800. Among respondents in the $5–10 million group, the rise came to 8.1 per cent and total earnings amounted to $42,150. At the bottom of the scale, among PDs at stations in the under-$5 million bracket, the increase was a hefty 22.6 per cent and total earnings averaged $32,600, probably reflecting turnover and, possibly, PDs at new indies.

Economic environment

Issue questions directed at general managers revolved around economic conditions and the effect on the station staffs. One of the questions asked: "Has your station been affected by the slowdown in ad business (particularly national), referred to as the 'new economic environment?' "

A little over half of the GMs (56.0 per cent) answered "yes." There was not too much difference between responses of affiliates and indies and among the three revenue brackets of affiliates, except that a little higher percentages of larger affiliates reported being impacted by an ad slowdown. The remaining respondents either said "no," or described the effect of the ad slowdown on their stations as slight.

Those answering "yes" were asked if they cut staff or allowed staff erosion. Only 8.4 per cent of all station managers indicated their primary reaction was to cut existing staff, while another 18.2 per cent combined staff cuts with erosion. But nearly 40 per cent didn't touch their staffs, at least for the reason given. And fully 34.3 per cent said they confined their staff reductions to erosion. The larger affiliates and indies were more apt to lay off staff than the others, though the differences were not striking. Another reflection of this is the ratio of affiliates who neither laid off staff or allowed erosion—45.5 per cent among the under-$5 million group, but 36.6 per cent among the $10 million-and-over group. Perhaps one explanation of this is that many of the smaller stations don't have much staff to cut.

The TV/RADIO AGE survey also asked those who cut staff or allowed erosion in what areas they did this. There were many similarities among the different affiliate revenue groups and between affiliates and indies, but there were a few marked, if not surprising, differences.

For example, 18.2 per cent of the larger affiliates trimmed their news staffs by one means or another, while the ratio for medium-size affiliates was only 8.3 per cent and the ratio for indies was only 7.7 per cent. Indies, of course, are less likely to have large news staffs than affiliates.

Another difference between the larger and medium-size affiliates was in their policy on cutting out outside services. Among stations in the $5–10 million category, the ratio of those cutting such services was 20.0 per cent, while among the larger stations, it was 4.5 per cent. Again, this might be easily explained in that the larger stations are more apt to have staff, rather than outside services, perform a specific function.

Only a small percentage of stations cut sales staffs. Among the $5–10 million affiliate group, the figure was only 1.7 per cent. It was 6.0 per cent among the $10 million-and-over group, a ratio which is three and a half times the 1.7 per cent, but still a small number.

Because of the changes going on in the broadcast business and discussions about the role of the rep, the general managers were asked if they feel there's a need for revision in the way reps are compensated. Fully 0.6 per cent said "no," but the affiliate GMs were more definite about it as a group than the indie managers. Among the former, the vote was 65–35 in favor of no change, but among indies it was almost the other way around—45–55. As for affiliates, the smaller outlets appeared more satisfied with the status quo vis-a-vis rep compensation than the other two groups, viz., 71.7 per cent for the under-$5 million outlets and just about 61 per cent for both larger revenue categories of stations (see tables).

Spot and the doldrums

In tackling the question of the spot

"Has your station been affected by the slowdown in ad business (particularly national), referred to as the 'new economic environment'?"

Percentage of TV station general managers responding

	Annual affiliate revenue: Below $5 million	$5–10 million	Over $10 million	All affiliates	All indies	All stations
Yes	50.8%	54.3%	62.0%	55.6%	60.4%	56.0%
No	25.4	22.0	19.0	22.2	14.6	20.9
Only slightly	23.8	23.7	19.0	22.2	25.0	23.1

"If 'yes,' have you cut staff or allowed staff erosion?"

Staff cuts	6.1%	3.0%	9.8%	6.5%	10.7%	8.4%
Allowed erosion	33.3	36.4	34.1	34.6	35.7	34.3
Cuts & erosion	15.2	18.2	19.5	17.8	17.9	18.2
Neither	45.5	42.4	36.6	41.1	35.7	39.2

"If you've made staff cuts and/or allowed erosion, in what areas?"

Sales	6.3%	1.7%	6.0%	4.6%	5.1%	5.2%
Programming (except news)	6.3	10.0	16.7	11.4	12.8	11.6
News	16.7	8.3	18.2	14.3	7.7	12.9
Production	20.8	21.7	19.7	20.6	25.6	20.7
Promotion, publicity, research	8.3	8.3	6.0	8.0	5.1	7.8
Engineering	12.5	15.0	13.7	13.7	15.4	13.8
Administrative	14.6	13.3	13.7	13.7	12.8	13.4
Outside services	12.5	20.0	4.5	12.0	12.8	12.1
Other	2.0	1.7	1.5	1.7	2.6	2.6

"Changes in the broadcast business have given rise to discussions about the role of the rep. Do you feel there's a need for revisions in the way reps are compensated?"

Yes	28.3%	38.5%	39.0%	35.0%	54.7%	39.4%
No	71.7	61.5	61.0	65.0	45.3	60.6

Source: TV/RADIO AGE survey of TV station general managers, November/December, 1986. "All stations" totals include answers by respondents who did not indicate type of station or affiliate revenue.

Major issue may be effort to repeal Copyright Act's compulsory licensing

Broadcasters gird for more action in regulatory arena

By HOWARD FIELDS

This may be the year that the broadcasting industry and some of its competitors such as the cable industry switch roles in the nation's capital.

In 1987, it is the broadcasters who expect to take initiatives to get laws and regulations changed, and the cable industry that will find itself in a defensive position.

For years, broadcasters have found themselves defending against attacks from others, either challenges to their control of the airwaves or challenges, again primarily from the cable industry, to their traditional method of doing business.

How the new scenario shakes out may depend to a large extent on how cable reacts in its new role as "king of the mountain." There are some indications, already expressed in its handling of the must-carry squabble, that it is not about to make the same mistakes broadcasters made when cable was the underdog.

Preston Padden, *president of INTV: In 1987 there will be "a continuing struggle to sort out a workable relationship between over-the-air broadcasting and cable television."*

Those perceived roles are expected to have a great impact on what may shape up to be the major issue of the year—a serious effort to repeal the compulsory license arrangement in the Copyright Act.

Emboldened by the perception of a change in how the industries are now being viewed, some efforts are going to be made that would have been considered impossible just a few years ago. As part of the overall effort to repeal the compulsory license, at least some broadcasters hope to restore syndicated exclusivity. Others see a chance for the first time in years to make headway towards getting rid of competing applications for licenses.

Several key issues

Aside from special interest initiatives, the Federal Communications Commission, which in recent years has altered its orientation from the broadcasting industry to the telephone industry, still has on its agenda several broadcast-cable items of vital interest, including piecemeal action on staff recommendations to make it easier for AM radio to survive.

A report is due to the commissioners January 15.

The repositioning of the industries has been so dramatic, in fact, that it already is creating some strange bedfellows. The main issue as the year began found two arch enemies—cable and broadcasting—joining in a filing in union against the FCC's must-carry solution.

As Preston Padden, president of the Association of Independent Television Stations (INTV) puts it, in 1987 there will be "a continuing struggle to sort out a workable relationship between over-the-air broadcasting and cable television."

While the two entities fight it out in other venues, they are united in attacking the FCC's must-carry arrangement, and probably will be fighting together in the judicial branch to have the agency's work overturned.

James McKinney, chief of the Mass Media Bureau, says 1987 "will be another big must-carry year. I don't see how in the world we can avoid that." The FCC already has been asked to stay the effective date of its new must-carry arrangement, and McKinney is anticipating a flood of petitions for reconsideration.

"The record on reconsideration is likely to be as lengthy as the original record," McKinney says, "so next year, it seems to me, is going to be as active as [1986] was as we re-look at what was adopted. We'll spend a lot of time on that."

Lengthy delay

However, McKinney does not foresee a lengthy delay in putting new must-carry rules into effect, even if they are changed from the current proposal, and he fully expects them to be in effect by mid-year, barring various political decisions that could interfere. "The issues ought to be narrower in the form of reconsideration, and, therefore, people shouldn't require so long to plead their case.

"Also," he adds, "they've got to come up with information that we haven't already considered, because if it's just the same old information, the commission clearly would make the same old decision."

From the point of view of the cable

James McKinney, *chief, Mass media Bureau: Already drafting some recommendations dealing both with the syndicated exclusivity issue and the related issue of network non-duplication.*

industry, a major piece of information that could not, because of timing, be considered in the FCC's latest must-carry decision is a study by the National Cable Television Association (NCTA) that it says shows the A/B switch—a cornerstone of the FCC solution—to be unworkable. "I think that's clearly information that will be relevant in the reconsideration," McKinney says.

McKinney doesn't see how the rest of the agency's must-carry package can survive without the A/B switch solution. "It's crucial to the decision," he says. The switch is part of the carefully crafted package that makes the new must-carry constitutional, he says.

The switch is one of two parts of a solution the commission finds necessary to erase the perception that cable is a bottleneck to a choice of television viewing. "We have two fixes to that," McKinney says. "One is to educate the public about the need to maintain their off-the-air capability, and the second is, give them the pathway to do it," i.e., the A/B switch. "If you start taking those little pieces out, I think you start doing severe damage to the whole underpinning of the decision."

Industries on both sides of issues expect to drive some of the subjects that

Strange bedfellows

A new spirit of conciliation and compromise appears to exist between some elements of the cable and broadcast industries.

The NCTA, in addition to its willingness to compromise on a must-carry solution, has asked its membership to "cool it" on plans to reallocate channel positions in favor of cable programming to which cable operators have exclusive rights. The request came in a letter to NCTA membership sent just before the end of 1986.

There are indications the conciliatory move worked, at least temporarily. In response, INTV pulled back from efforts on two fronts to fight the cable industry. It was prepared to fight the operators on the local level when franchises are being sold and before the Justice Department, contending that it is about time the government check out the cable industry for possible antitrust activities.

"We did pull back a little bit" on INTV's two-pronged efforts, Preston Padden says, "sensing that the cable folks might be ready to be more reasonable on that. If they're not, we think it is a particularly useful issue to raise as simply an indication of the absence of a competitive marketplace and how unfairly things are skewed against us at the present time." □

Congress will take up this year, keeping in mind the fact that the makeup of the Senate has changed, having a dramatic impact on the way legislation is viewed.

John Summers, vice president for government relations for the National Association of Broadcasters (NAB) says that in view of the Democratic control of the Senate for the first time in six years, his organization is going to change its tactics from fighting for sweeping changes in broadcast regulation to concentration on the most important portions of previous packages.

Competing applications

To that end, he says a major initiative by the NAB this year will be "a move to get rid of competing applications." It is going to be presented not as a piece of deregulation, he says, but as an effort to patch a flaw in the Communications Act.

The effort always has been a part of an omnibus package to deregulate television, and has been included as part of a package that passed the previous Republican-controlled Senates, but failed in the House of Representatives. "We are not going to try to codify either radio or TV deregulation that has taken place," Summers says. "We feel the Democrats have no desire to roll that back."

He adds, "We're looking at a straight, simple two-sentence bill" with a good chance of passing. But not without a price, he says. Without stating what that price might be, he says, "The question is whether the price is too much. That's what we'll have to take a look at."

Any action that Congress takes on broadcast or cable issues this year won't be taken quickly, however. Actual reorganization of subcommittees that will take the first look at the various issues won't be completed until sometime in February. Until then, no agendas can be set. That is especially true in the Senate where different staffs will be taking over, serving new subcommittee and full committee chairmen.

The House Telecommunications Subcommittee has only slightly more continuity, in that it remains controlled by Democrats. Otherwise, the top subcommittee staffer, Tom Rogers, has left the panel to take a job with NBC in Washington. Rep. Tim Wirth (D-Colo.) is now Sen. Tim Wirth, and Rep. Edward Markey (D-Mass.) is expected to replace him. Undoubtedly he will attempt to make his own mark on the subcommittee, giving it his own particular emphasis.

But before leaving, Rogers made his own forecast of some of the issues his

John Summers, *v.p., NAB: Rather than fighting for sweeping changes, will concentrate on most important portions of previous packages.*

former panel and its Senate counterpart will be considering in 1987. He foresees one of the chief fights to be over efforts to allow the telephone companies to diversify into other types of business, such as the transmission of data now closed to them. Instead of that issue being concentrated in the House, where it has been since the court-ordered breakup of AT&T, Rogers expects the new Senate to play the major role this year.

He does not expect the NAB's Number 1 priority, elimination of comparative renewals, to get anywhere. It has been a partisan issue, he says, "and we've had more Democrats opposed [to] and Republicans for" elimination.

Backyard dishes

"If the market is not shaken out during the next six months" over the issue of the access of backyard dish owners to programming, Rogers sees that issue coming back again this year.

Steve Effros, president of the Community Antenna Television Association (CATA), agrees that the issue of whether to allow the scrambling of satellite-delivered programming will be back before Congress, but he doesn't expect to see anything passed. "I think enough movement and packaging has taken place that I don't think we're going to have a problem. I think it will be brought up, but I don't think anything injurious will pass."

Effros also believes that cable operators around the country are well-enough tuned to the public relations ramifications of the January 1 deregulation of cable rates to spread out their rate increases over an extended period

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ROAD TO NATPE-V

Key target is younger, affluent audience, difficult to reach in other dayparts

Late-night scene evolving into new revenue source

By ROBERT SOBEL

Late-night, once considered a "throwaway" time period, is becoming increasingly important to stations and is likely to get an unusually high share of interest during the upcoming NATPE International convention. Major reasons for the increased attention to the daypart center basically on economics, as do most programming decisions. But because these are financially soft times for several stations, late-fringe, almost by necessity, now represents an avenue for new and much-needed revenues and for attracting untapped younger viewers, who are a large part of the consumer-spending public. In addition, one major positive element that is sparking station interest and syndicators' attention is that the two major late-night entries for fall '86, *The Late Show Starring Joan Rivers*, and *Nightlife*, with David Brenner, are not doing badly. In fact, *Rivers* is considered successful by several sources.

For CBS affiliates, and for independent stations carrying it, CBS Late Night, consisting of five one-hour weekly checkerboard programs—of which three are first-run—plus a movie each night, is also encouraging evidence that late-fringe is a viable commodity for many stations. Also, doing consistently decent numbers in late-fringe are several off-network strips such as *M*A*S*H*, *The Honeymooners*, *The Jeffersons* and *WKRP in Cincinnati*, according to rep reports.

While it's true that the two ABC late-night programs introduced this past fall, *The Dick Cavett Show* and *Jimmy Breslin's People*, are being pulled, the fact that ABC was willing to introduce new programming into the daypart is another indication that late-fringe is becoming increasingly a relevant time period, the reps point out.

Interviews with stations, reps and other sources also indicate:

- The crop of new first-run late-night entries appears to be the largest in terms of numbers in some time, combining both strips and weekly shows. Interestingly, they represent a mixed bag collectively, with no stand-out genre trend.
- A number of stations carrying CBS Late Night are delaying running the block by a half hour. These stations are airing their own programs, mostly off-network fare, in the first 30 minutes, thus retaining inventory for themselves.

Smaller profit margins

Matt Shapiro, MMT Sales vice president, director of programming, says there are various reasons for the new attention being paid to late fringe. He notes that stations are operating on smaller profit margins than previously because TV revenues are not increasing in the same proportion as previous years, so stations look at all avenues of the day to generate revenues. "The dayparts other than access and early-fringe are becoming more important as

More than a half-dozen first-run programs aimed at late-night will be vying for a green light in September.

Bel-Air's "Comedy Court"

ITF's "Late Night Lotto"

"Adderly"

CBS' late-night checkerboard has been getting "encouraging" numbers.

revenue generators. Late-fringe has particular appeal because it is a highly desirable time period. For example, stations get more money for late news than any other time period."

Shapiro says the late-night viewers are desirable to advertisers. "There are a lot of ways to reach the housewife that is home during the day, but it's not easy to reach the younger, affluent viewers who can be reached in late-fringe. So if a station can carve a niche with programs that attract those viewers, a station can have some high-demand inventory." He adds that this is especially true for stations in the Central Time Zone, when 10:30 p.m. is considered primetime in the East.

Off-network scarcity

Also, he continues, the scarcity of off-network half hours created a situation "whereby affiliates in major markets don't bid against independents in the market because [they] cost too much for the programs to be used in late-fringe. On the other hand, the indies can play off the programs in access. In addition, some of the new off-network offerings have been basically younger-geared vehicles, such as *Gimme a Break* and *Facts of Life*, rather than *M*A*S*H* and *Barney Miller*. *Benson* is the last of the half hours that has the ability to play late-night."

John von Soosten, Katz Communications vice president, director of programming, notes that the importance of late-night to both affiliates and indies has been emerging over the past few years, but that the difference this year is that there are some late-night successes which have spurred an increase in activity. In past years, most of the first-run entries for late-fringe wound up as failures, says von Soosten.

Two mainline late-night strips, introduced this fall, *The Late Show Starring Joan Rivers*, and *Nightlife*, indicate to von Soosten that the time period "is do-able and that there is a ratings potential for late-night." In the case of *Rivers*, von Soosten calls the strip "successful," in that it has improved the ratings performance over what the stations were running previously in the time period. Fox has not reached its stated goal of 4 nationally, points out von Soosten, "but *Rivers* is in the 3-plus area and is well on its way. A show of this nature takes time to build and to be established. The show is good and getting better—and so is *Rivers*—and has a lot of potential."

According to Jack Fentress, Petry Television's vice president, director of programming, Rivers got a 2.8 average rating the week of November 30 on 99 stations covering 76 per cent of the country. He says the show has dropped off from its initial airings, but has remained relatively stable in recent weeks. Some stations may say the numbers on *Rivers* are not very high, he continues, "but what has to be recognized is that they may be much higher than the programs the stations carried pre-*Rivers*, presenting the stations with a salable number at this time."

On Fox Broadcasting's WNYW(TV) New York, Rivers racked up a 7.9/16 while on KTTV(TV) Los Angeles, it got a 4.9/14, both for the week of December 1. This was the show's highest weekly audience level since the premiere week on both outlets. In the same week, *Rivers* also built to highest levels in Chicago, on Fox's WFLD-TV, with a 7.8/13, and in Detroit, on Cox's WKBD-TV, with a 5.6/14 in the Nielsen report, according to Fox Broadcasting.

Von Soosten calls *Nightlife* a "borderline show," but feels it has a chance for improvement down the line. According to various sources, *Nightlife's* syndicator, King World, is expected to go into the upcoming NATPE seeking renewals for the next season. But Dean McCarthy, Harrington Righter Parsons vice president, director of program services, says the show has been a "vast disappointment" among the affiliates represented by HRP. "They felt it would turn around the performances of late-night programming, and, obviously, based on ratings reports, it hasn't done that."

McCarthy says many of HRP's stations have moved back *Nightlife* because of its ratings in November, and he is "certain that more stations will follow." Petry's Fentress says some stations moved *Nightlife* even before the November books, which accounts partly for *Nightlife*'s ratings showing. He says that in the week of November 30, *Nightlife* garnered about a 3 Nielsen rating nationally. "But if a number of stations decide to move the show to an early-morning time period, it could present problems for King World in terms of renewals and future."

KCCI-TV, CBS affiliate in Des Moines, is one station that pushed *Nightlife* into a poor time slot even before any ratings reports were obtained. According to John Pascuzzo, vice president, operations, *Nightlife* was moved from 10:30 p.m. (CTZ) to 1:30 a.m. on October 10. "We had a negative gut feeling about the show after we had it on the air for about a month or so. While the pilot was very good, the programs that followed were not of the same quality and didn't live up to our expectations. We were under the impression we would see a lot of guest stars on the show, which hasn't materialized.

"We got 4s and 5s on *Nightlife*, but in our market we need 10s and 11s to compete, because our market is very competitive. Also, we moved *Nightlife* because we got a lot of negative phone calls about the show."

New first-run candidates

As to first-run programs to be shown at NATPE which are geared to late-night or which can play in the late-time period, there are possibly a half-dozen strips and some weekly shows that will look to get a green light for September, as compared to only *Rivers* and *Nightlife* strips going into the past NATPE. *Ask Dr. Ruth*, a strip from King Features, will get a January start and, according to the series distributors, has a present lineup of 85 stations, of which the majority are affiliates.

Although *Ruth* is not a late-night series exclusively, most of the clearances are for late-fringe viewing. At CBS affiliate WNEV-TV Boston, Sy Yanoff, president & general manager, says *Ruth* will air in the 11:30 p.m. slot, prior to the half-hour delay of CBS Late Night, which, he says, is doing well. *Ruth* replaces the repeat run of *Entertainment Tonight* (the original airs in access on the station). Yanoff says that by dropping the *ET* repeat for *Ruth* the series "will help us and the CBS block at the same time."

Other possible new late-night entries for NATPE are *Comedy Court*, from Bel-Air Program Sales; *Late Night Lotto*, from ITF; *Salem's Children*, Group W Productions; The Program Source's *Parole Board* (for early fringe as well); and off-syndication, *Tales of the Darkside*, from LBS Communications. Weekly shows for September include Paramount Television's *Friday the 13th* and *Star Trek—The Next Generation*; and The Entertainment Network's *Tops of the Pops*.

This coming NATPE's future vehicles, in short, represent a mixed bag of product, points out Sharon Wolf, director of research and programming at Independent Television Sales. Two years ago, the small dose of hopefuls for late night represented comedy, including *Comedy Tonight*, *Comedy Break*, plus *Thicke of the Night*, while for the past NATPE the genre trend was talk, she points out. "But for this NATPE for late-night, genres range from game shows to music-formated product to court shows." Also, she continues, other genres which may wind up in late fringe include talk and game shows.

Comedy Court wins some advance points as far as Petry's Fentress is concerned. The rep executive calls the strip "a riot," based on the pilot he has seen. "Not everyone may get the humor, but it's a very funny show."

CBS success story

Meanwhile, the CBS Late Night block is getting good feedback from reps and compiling some decent numbers. Fentress says that the network's numbers on late-fringe checkerboarded programs have been encouraging, "although, obviously, not as good as *Johnny Carson*'s." Fentress believes that the CBS checkerboarding is an excellent idea. "It's being done in a time period where the revenue potential has not been spectacular because of the small-audience size, and at apparently low cost. Most of the CBS first-run shows are being produced in Canada, he points out, where, just on the currency difference, they cost about one-third less to produce than in the U.S.

Fentress reports that the CBS opening late-night hour did a 4.5/16 nationally for November 10–23, on 177 stations, which includes both affiliates and indies. "By and large, that's not a bad number," says Fentress. *Carson* tops the hour, garnering a 6.8/22 for the same period, according to Nielsen, on 102 stations, according to Fentress. Both *Cavett* and *Breslin*, ABC late-night occupants, were getting 1 ratings, and are scheduled to be canceled by the network by January 1.

But while *Carson* is doing better than the CBS checkerboard hour programs, CBS posts higher ratings in women 18–34 and 18–49. *Carson* is stronger with men, notes Fentress.

Not all the CBS affiliates are carrying the CBS late-night fare and, according to estimates, at least a dozen are going a different route for one reason or another—either for scheduling purposes or for their unwillingness to give up the potential revenue from inventory. One station affiliate executive, who preferred to remain anonymous, says the compensation, $2,000 per month, would hardly pay for the time of the programs' airing.

Indie clearances

Indies, on the other hand, appear to be welcoming the opportunity to air the CBS fare. These include KPHO-TV Phoenix, WVEU-TV Atlanta, KMSS-TV Shreveport-Texarkana and WCIX-TV Miami.

KPHO-TV began airing the CBS late-night checkerboard lineup and the network's movies the past fall, says Dick DeAngelis, general manager of the indie, with *M*A*S*H* and *Barney Miller* in the opening hour of late-night. The station was running *Soap* beginning at 11 p.m. last season, followed by movies. DeAngelis says that the CBS lineup is doing very well. According to Arbitron, the first hour got a 3 rating and 19 share average in the November report, doing better than when checkerboard shows were on the CBS affiliate, KTSP-TV, last season when they registered a 2/25. *Soap* last season on KPHO-TV got a 3/15, but the movie dropped to 1/17.

The CBS movies after the checkerboard lineup averaged a 1/15, beginning at midnight. DeAngelis explains that after midnight the HUT levels in Phoenix "are really, really very low." KTSP-TV runs *Nightlife* and, says DeAngelis, Arbitron shows it did a 2/9, on average, in November, somewhat down from last season's time period.

*M*A*S*H* and *Miller* also did well as lead-ins to the CBS fare, according to DeAngelis. Both, holdovers from the season before, registered an 8/17 and a 6/18, respectively, as compared to 6/14 and 5/17 for each show in the 1985–86 season.

WVEU-TV began its CBS checkerboarding in September, 1985, says Mary McKee, program director. She believes the CBS affiliate in the market, WAGA-TV, didn't pick up the CBS programs because the station needs more spot inventory to sell than WVEU-TV. "They air such programs as *Maude* or *Benson* that have six minutes per hour to sell. The compensation that we get is a drop in the bucket, compared with what the CBS affiliate can get

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King Features' "Ask Dr. Ruth" will get a January start on 85 stations.

Dr. Ruth Westheimer with Milton Berle

REP PROGRAMMING POWER

'Cosby' bidding situation demonstrates TV rep research, negotiation backup

Rep influence grows in station decisions on syndicated shows

By EDMOND M. ROSENTHAL

With the vast majority of stations yet to confront the matter of whether and how to bid on *The Cosby Show*, as the Viacom bandwagon slowly moves from market to market, the behind-the-scenes influence of rep programming departments has never been in greater evidence. The reams of programming statistics that reps now have at their fingertips, as well as individual competitive analyses of individual markets, are coming into play as the reps are called on to help their clients make a major decision.

But this is only one facet of the growing programming influence of reps. On a year-around basis, their programming departments are providing stations with a wide range of regular information on upcoming network schedules and past performance, new syndicated product being offered and competitive program positioning studies for specific markets.

Aside from that, stations are increasingly looking to their reps for individual attention, which can range from long-term program planning to specific advice on a show like *Cosby*. Whether a rep will actually sit in on negotiations or specify what a station should pay varies among the rep firms and with the stated needs of the stations.

Distributor attitudes

Syndicators apparently have learned to live with the rep influence. For example, Dennis Gillespie, senior vice president, marketing, at Viacom Enterprises, describes rep participation as "more a fact of life than anything else." He adds, "Since they represent an important part of a station's revenue stream, it's not surprising they're involved. On balance, they do a very good job. We make a point of keeping reps involved. There's no adversarial kind of relationship, even though they obviously have a different objective than we do."

He notes, though, that reps cannot be used as a substitute for direct relationships with stations: "We never try to reach a station through a rep, but we keep the reps informed." Where they're particularly helpful to the syndicator, he asserts, is in "innovative marketing schemes" like *Cosby* and *What A Country*: "They're a good source of information for station clients. They become an extension of our sales force."

While all of the reps tell TV/RADIO AGE they're not issuing any blanket recommendations on *Cosby*, any more than they would for any other show, Gillespie believes they have generally taken a competitive and encouraging posture on the program, but, "because of the dollars involved, they have to be responsible—and I think they are."

As for his feeling about rep involvement in negotiations, he says, "I don't think it's relevant whether we have an objection. We just have to know who the decision maker is."

Dick Robertson, member of the office of the president, Lorimar-Telepictures, thinks reps "are particularly influential in medium to smaller markets where they don't have access to as much information. They're very important in disseminating information on new projects and disseminating ratings information. With some reps, this is very complete, and with others it's not very complete. Some reps are very much on top of the latest news, and some are a week or two behind. Generally, they give clients a good sense of trends."

Reps, in Robertson's view, "can be more influential in killing a deal than in making a deal." He says this is true because "most programs are bought defensively"—not to gain a winner, but to make certain of not having to take the rap for a loser. "If the rep says it won't work, and the program director buys it—and it doesn't work, that's going to look bad for the program director. But if the rep says it will work, and the program director buys it—and it doesn't work, they can blame it on the rep."

"We give guidance on price but, for the most part, don't get involved in negotiation. We generally believe that pricing is between the syndicator and station.

John von Soosten
Vice president
Katz Television Group

Rep involvement

John von Soosten, vice president—director of programming, at Katz Television Group, notes that his firm has no syndication division and that "most of our clients have come to rely on us for impartial advice. We never give a blanket endorsement or pan a show but tailor the recommendation for a given market. We give guidance on price but, for the most part, don't get involved in negotiation. We generally believe that pricing is between the syndicator and station.

"We'll give the station an idea of what's being paid for a program in a similar market and give suggestions on how to utilize the show. On selected occasions, we've been asked to involve ourselves in negotiations, and we've done it—like if a station is new to the business."

As for the advice he's giving on *Cosby*, he notes, "We're saying it's an excellent show, but expensive. The question is, will it perform that much better than another sitcom to justify the price? If a station has very strong programming already, it may not benefit as much as one that needs it to be put on the map.

"Another question is whether it will hold up in syndication as well as it's performing now or whether it will just be another show. Will it be a disappointment like *Happy Days* and *Mary Tyler Moore*, or will it be another *M*A*S*H*? We're somewhat guarded in our recommendations because of the huge amount of money involved."

First-run flood

Broaching another area of caution, he points out, "This year, a huge number of first-run shows have been announced for NATPE. I count 99 for fall, 1987—about 51 first-run sitcoms alone, of which approximately 39 are new. This is in addition to 17 new shows that come on the air in January, 1987. Not all of these shows will make it into NATPE, and not all of them will get out of NATPE. This is a mixed blessing; it's nice to have all those shows to choose from, but also many stations are afraid of committing to shows that may not make it on the air."

He fears this could lead to stations' overcommitting in numbers of programs just to have enough to cover all time periods. He adds, "They've got to think about whether the syndicator has the ability to clear enough stations. Even going with a major syndicator doesn't guarantee you'll have a show."

Michael Levinton, vice president, director of programming at Blair Television, says that, although his department does not get deeply involved in negotiation, "We'll discuss specific programs and give our best analysis. We'll only get involved on a rare occasion, but we may give guidance on how to approach a syndicator—like going for a shorter contract."

Clients have been seeking advice on *Cosby* "probably not more than 10 or 12 times a day," Levinton reports. Some of the considerations discussed are whether they need it, whether they have companion programming to go with it, who the other likely bidders in the market will be and where they would be likely to run it."

He says the hottest topics currently being discussed with stations are *Cosby*, checkerboarding and "the new spate of talk shows coming out." As for the latter, he's discussing with stations how these talk shows would fit into their long-term game plan, noting that, for a sitcom station, they may not fit in. He's also looking at the age skew of both the program and the station.

Providing background

At Seltel, Janeen Bjork, vice president and director of programming, reports, "No one has asked us to carry on negotiations, but we're frequently asked to do leg work." This can involve providing the stations with information on what others have paid for a program, how creative financing has been used and how many players there have been in a market where the program

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Getting in 'over your head' can be fatal

A bit of advice more frequently being given by reps to their stations is, "Don't get in over your head." With a greater number of stations competing for the hottest syndicated product, often the newest or weakest station in the market is the most willing to pay a high price "to get on the map." Reps are becoming increasingly concerned that a disappointing ratings payoff can be the station's undoing—not to mention the syndicator's concern about being paid.

In the words of TeleRep's Jay Isabella, "There's an ever-growing question on the part of distributors whether the person they're doing business with is going to pay them the money—and whether they're going to be in business. The greater number of stations inflates the market price of the product [while deflating any given station's ratings], and then the station can't pay for the product, or wants to pay 50 cents on the dollar."

Says Viacom's Dennis Gillespie, "The hard reality is that there are stations that have made projections of what their revenues will be and that they've had a problem in projecting too high a rate of growth. We're highly conscious of a station's credit-worthiness in everything we sell."

"Another problem, "Gillespie points out, "is that there's no guarantee that what we're going through is a cycle, so stations can lose confidence in their future ability to generate revenue. Because of this, some stations are showing signs of becoming more conservative."

Taking this a step further Seltel's Janeen Bjork asserts, "A lot of stations are over their heads, and this is going to make it a buyer's market. Program costs have been going up about 20 per cent a year, but the marketplace has changed; and stations won't be paying the prices they used to."

Advertising softness

One major thing that's affecting stations and syndicators, MMT's Shapiro holds, "is the softness of television advertising. It's affecting barter and local stations, and a lot of stations are in financial difficulty. This is leading to a softness in prices for programming, but it doesn't mean there isn't going to be an occasional *Cosby*." He adds that, because syndicators are becoming more cautious about ability to pay, "this gives greater strength in negotiations to affiliates and stronger independents."

The no-pay situation is primarily true of UHF independents who are thinly capitalized, according to Dick Robertson of Lorimar-Telepictures. He contends, "They're too vulnerable to any downturn in the advertising business. Our attitude is to try to keep our customers alive so that they can pay their bills. We work with stations in helping them to spread their payments out and in creative financing. The alternative is to just watch your money fly away."

Petry's Jack Fentress has seen no problem among his company's stations, which are 25 per cent independents. He adds, "If sellers are so anxious to place a product in the marketplace that they don't look who they're selling to, that's their problem."

According to HRP's Jon Murray, the payment problem particularly concerns newly signed on independents: "Many of them aren't able to get enough revenues to pay for the programming, so often the syndicator will choose a strong independent or affiliate vs. a newer station that's willing to pay more for the show. Syndicators are starting to ask for letters of credit if they're unsure of the financial picture of a particular station. I've heard of this being done in the case of *Cosby*."

ITS, according to Sharon Wolf, is also taking a hard look at new stations before taking them on. She says ITS looks at them in terms of its "four P's," which it also uses as guidance to keep a station from overcommitting. These are: people—including financing, power—for parity in the marketplace, programming—what's available, what the station is going to purchase and how it will program it, and promotion—how the station will promote the schedule. □

Customized research stressed

The research that rep programming departments provide to clients has become an integral part of their service, and, while some periodic reports—such as those dealing with upcoming network and syndicated programming and certain ratings analyses of existing programming—have become standard across all rep firms, each of the firms is striving to offer something unique. Growing in importance are the customized research and analysis that reps provide to individual stations.

At Katz Television Group, which has 197 stations in its three divisions, there is a staff of seven persons consulting with stations on program matters. In addition, four persons are assigned to program research alone, to supplement some 50 in sales research.

A major feature of Katz's research backup is its COMTRAC service, which embraces two bound books issued after ratings periods. Following the October, November, February and May ratings periods, the first COMTRAC book utilizes Nielsen's Cassandra service to highlight dayparts in terms of program performance. This shows syndication performance in every market in the country, including name of the program, market, station (indicating whether it is affiliated or independent), day of telecast, time, the lead-in program and its share, household rating and share, and men's and women's 25–54 shares and children's shares. Also shown are how the program did in previous reports and shares of the two highest competing programs.

"We have three pages for *Hee Haw* alone," John von Soosten points out. There is also a section for network shows that either will be available for syndication in the future or that compete in syndication time periods.

The second COMTRAC book, issued for November, February and May, goes by station schedule vs. program performance for every commercial station in every market. A total of about 46 time periods are covered—key time periods for both Monday–Friday and weekends. Using the same demographic breaks as the other book, it includes footnoted information showing how the programs performed in three previous ratings periods. Advances on COMTRAC information are sent out to markets prior to publication of the book, von Soosten notes.

While some periodic reports coming out of television rep firms—such as those dealing with upcoming network and syndicated programming—have pretty much become standard across all of these companies, each of the firms is striving to offer something unique, including customized research.

Also part of the Katz service are regular reports on program performance in the overnight markets—weekly from mid-September through the November ratings period and biweekly afterward. This includes written analysis, giving an overview of what shows are working and why. For four sweeps, matrix reports are issued, giving information on what the affiliates of a given network are doing in every market. There is also a weekly summary and analysis on network performance, punched for looseleaf books.

In January, the Katz Syndicated Programming Guide is distributed to stations at NATPE during the Katz presentation. It lists new syndicated shows with terms and conditions, plus every older show of a recurring nature that's been on during the past 20 years. In June, the Katz Network and Syndicated Programming Information Guide includes network information as well—everything that will be on the regular schedule plus specials and miniseries.

The Katz Day at NATPE, which in the past included syndicator presentations to stations, has been revised this year, according to von Soosten. This year these presentations will be replaced by a video tape presentation of programming excerpts with a Katz analysis, fed by satellite the week before NATPE. He explains, "Bringing in the syndicators was getting cumbersome." At Katz Day, the video tape presentation will be discussed in detail.

Audience flow, promotion

Some additional research comes from the Katz management services department on a custom basis in the three-part management package. George Feldman, vice president, director of management services, says the first part is a graphic audience flow analysis. It takes Arbitron or Nielsen data for lead-in and lead-out programs to show where a particular program's audience came from and went. Feldman says this allows the station to determine how much of the audience a station has retained from its lead-in, numerically and by percentage, how many are switching from or to another show and how much is new tune-in.

A second part of the service is the on-air promotion optimizer: "This shows where on your air people who watch competitive programs in another time period view you. A station might find that early morning programming is the best place to promote its news." Finally, there is a service showing how to best use radio stations to promote the shows. It is comparable to the system for on-air promotion, except that it can't relate the radio listeners to viewing of the TV station's shows. It instead identifies audiences by demographics.

Blair's programming department has seven professionals, according to Michael Levinton, including separate research people "so we don't have to call on the services of sales research; I can't afford to have my stuff as second priority."

With Blair serving some 135 stations, one of the regular reports is the Weekly Network Primetime Calendar, which shows ratings performance for the past week and previous weeks based on Nielsen overnights and upcoming

(continued on page 120)

AYER-C&W MERGER
Broadcast billings said to total $572 million/101

BUYER'S OPINION
Continuing debate over VCR measurement/103

MEDIA PRO
A look at varying station conditions for taking 15s/105

TELEVISION/RADIO AGE Spot Report

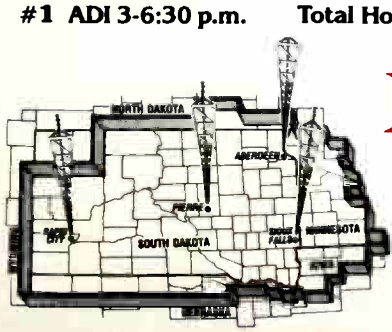
January 5, 1987

1st AGAIN!

Kelo-land TV SCOOPS the Nation in Newest Arbitron Sweeps!

ADI Winner In Every Category

#1	ADI S/O-S/O	Total Households, Mon.-Sun.	41 share
#1	ADI S/O-S/O	Women 25-54	44 share (tie)
#1	ADI Late News	Total Households, Mon.-Fri.	55 share
#1	ADI Late News	Women 25-54	61 share
#1	ADI CBS	Total Day	41 share
#1	ADI CBS	Late News	55 share
#1	ADI 3-6:30 p.m.	Total Households, Mon.-Fri.	40 share (tie)



kelo·land tv

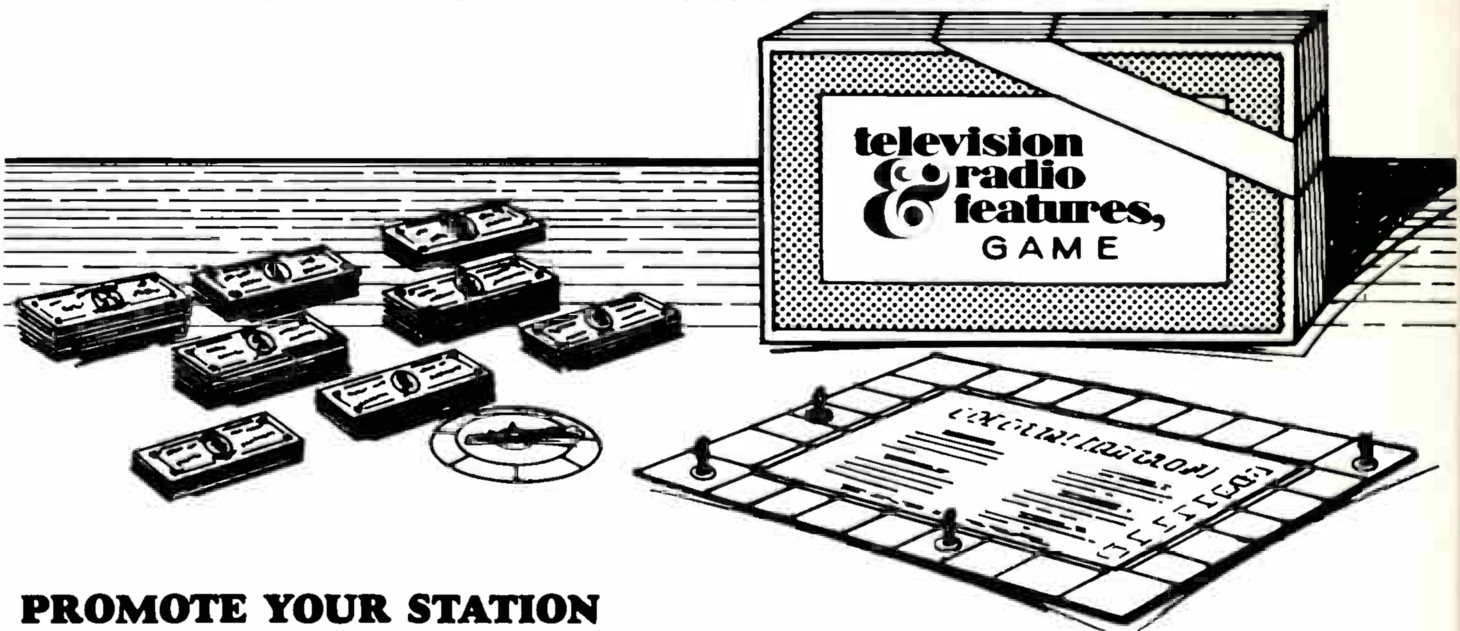
Kelo-tv Sioux Falls, S.D. and satellites
KDLO-TV, KPLO-TV

Source: Arbitron Sweeps, May 1986

Above estimates include time slots and demographic information in equal facilities markets as analyzed by TV Radio Age. Survey data estimates subject to usual qualifications.

Represented nationally by SELTEL In Minneapolis by WAYNE EVANS.

Television & Radio Features the only game in town that offers BRAND NAME PRIZES!!



PROMOTE YOUR STATION
- **Increase your audience**
- **Increase your ratings**
- **Increase your sales**
- **Increase your profit**

RUN YOUR OWN PROMOTION
• Bumper Sticker • Remotes • Write-Ins • Clubs • Trivia • Community Affairs

CLIENT TIE-IN
Tie in with an advertiser and sell a complete package!!!

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

SAMPLE CLIENT ROSTER
• DuPont • Textron • Coty • Sheaffer/Eaton
• Encyclopaedia Brittanica • Ames Garden Tools
• Teledyne-Water Pic • Longine-Wittnauer
• Carter Wallace, Inc. • General Electric
• Rand McNally • Corning Glass • Houbigant
• Syroco • General Mills

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And the best part is the merchandise itself. We supply top name-brand merchandise for on-air promotions of all kinds . . . radio or television, big market or small market. We're not a trade operation. We're not a barter house. We have a better way!

If this is your year to aggressively promote on the air, you need us. Call 312-446-2550, or fill in the coupon. Let our prize and professional experience and *your* promotion build some really big numbers for you.

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We are interested in your promotion and marketing service . . . especially the on-the-air station promotions.

Name ______________________ Phone __________

Title ______________________ Station __________

Address ______________________________________

City, State, Zip ______________________________

Spot Report

January 5, 1987

Ayer-C&W merger: nearly $600 million in broadcast

Some $572 million in U.S. broadcast billings are involved in the merger of N W Ayer and Cunningham and Walsh. Ayer has agreed to purchase C&W from Mickelberry Corp., less BBDM/Cunningham & Walsh, Chicago. That Chicago operation, says Ayer chairman Louis Hagopian, is the only C&W office whose clients would have posed serious category conflicts, so it remains under the Mickelberry wing.

Ayer billed $826 million worldwide in 1985, with $652 million of that from U.S. operations. Anthony Chevins, chairman of C&W, reports 1985 billings of approximately $275 million for those C&W units joining Ayer. That includes some $175 million in television billings and $15 million in radio, on top of Ayer's $337 million in television last year and some $45 million in radio.

Marketing seminar

TV station executives from non-sales backgrounds are the target audience for the Television Bureau of Advertising's sixth "Marketing Your Station For Success" seminar January 13–15 in New York. The attendees will hear from a number of top advertiser, agency, rep firm and station participants, including Steve Kubinski, director of media, Nestle; Lori Barnett, local market media director, J. C. Penney; Beth Gordon, senior vice president and group media director, N W Ayer; and Allen Brivic, vice president and group media director, N W Ayer, who will speak on the methods used to select media and markets.

A panel of rep managers will address the future of spot TV and the role of national sales managers at TV stations. Pat Gmiter, vice president/sales, Cox Broadcasting, will discuss pricing, rate card structuring, inventory control, and methods to uphold market integrity. Art DePasqua, national sales manager, WVIT(TV) Hartford-New Haven will speak on "packaging" a station to attract upscale and corporate accounts.

Conferences. Meanwhile, station account executives and sales managers can take advantage of TvB's all-day regional sales conferences, to be held in 12 cities from March 5 to April 23.

This year's seminar will take an "entrepreneurial approach" to sales, focusing on developing key strategies for three growing local ad categories: real estate, business-to-business and supermarkets. These examples, TvB says, will help participants "redefine their assignments as their own business, reevaluate current selling patterns, organize or remake marketing strategies and guidelines, and make presentations that are more effective because they are more comprehensive and tailored for each prospective client."

The conferences have been organized by Wallace Westphal, TvB's vice president/local sales manager, and will be led by Chuck Hanson, vice president, southwestern sales; Arthur Trudeau, vice president, Pacific sales; and Mary Ann Oklesson, marketing sales executive, TvB Detroit.

'Micro marketing' unveiled

Touting a concept called "micro marketing"—the ability to target within specific zip code areas—Arbitron veterans Robert Owens and Rip Ridgeway, now principals of Owens Cablemetrics, have unveiled a research methodology to measure audiences of individual cable television systems.

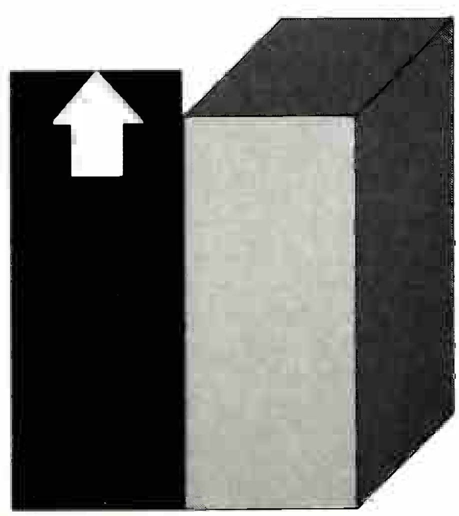
Called SCORE—Subscription Cable On-Line Research Estimates—the survey uses a diary backed up by an 18-minute instructional video tape aired four times a day for a week over the cable system's local programming channel. The video tape includes channel logos to minimize subscriber confusion.

By using SCORE, Ridgeway claims, cable systems will be able to receive data on viewing patterns, demos, product purchases and lifestyles.

November

National Spot Business

+15.5%



1986: $541.9 **1985: $469.2**

Complete TV Business Barometer details p. 56

Spot Report

Campaigns

BankAmerica Corp., RADIO
Grey Advertising/San Francisco
FINANCIAL SERVICES are being offered for 26 weeks that started in early January in a long lineup of California radio markets. Target demographic is adults 25-plus.

Jos. A. Bank Co., RADIO
Eisner & Associates, Inc./Baltimore
APPAREL CHAIN is using two weeks of radio during mid-January in larger markets from coast-to-coast. Negotiators set schedules to attract adults 25 and up.

Delta Air Lines, RADIO
BDA/BBDO/Atlanta
FLYING is being promoted for 20 to 24 weeks starting in mid-January in a long and coast-to-coast lineup of radio markets. Media placed messages to reach men 25 and up.

Home Box Office, RADIO
BBDO/New York
PAY CABLE TV ENTERTAINMENT will be promoted for two weeks starting in mid-January in a long and nationwide lineup of radio markets. Media target is adults 18 and up.

Geo. A. Hormel & Co., RADIO
BBDO/Minneapolis
HASH is being advertised for 10 weeks starting in early January in a fair lineup of eastern, midwestern and southeastern radio markets. Negotiators set schedules to appeal to women.

Hands-on access

WMTW-TV Portland-Poland Spring is offering local clients "hands-on access to computer research" that allows them to collect and compare data on television, radio and newspaper advertising, "on their own, using our new computer," says sales manager Mary Jo Snyder. She adds that such analysis of media buys on the MMP Generation III allows advertisers to compare individual dayparts and rates and run pre- and post-buy analyses. Still another feature available is production of pie, bar and line graphs, with direct access to an eight-color computerized graphics system. Snyder reports that she's received "a barrage of calls" from advertisers inquiring about the new service, and is arranging appointments for training sessions on the system.

Jack in the Box, RADIO
Gardner Advertising/St. Louis
FAST FOOD RESTAURANT CHAIN is using 11 weeks of spot advertising that started in mid-December in a good many western radio markets. Buyers worked with schedules designed to attract adults 18 and up.

Owens Country Sausage, Inc., RADIO
The Bloom Agency/Dallas
SAUSAGE is being advertised for four weeks during January in a select list of markets in Texas, Oklahoma, Arkansas and Louisiana. Demographic preference includes both men and women 18-plus.

Pennzoil Co., RADIO
Eisaman, Johns & Laws/Houston
MOTOR OIL is being pitched for 12 to 20 weeks starting on various January air dates in a long and nationwide list of radio markets. Media set schedules to impress both men and women 18 and up.

Perdue, Inc., RADIO
CHICKENS will be advertised for 26 weeks throughout 1987 in a long lineup of eastern and southeastern radio markets. Negotiators worked to reach women 18 and up.

Procter & Gamble, TV
Leo Burnett Co./Chicago
SELECTED BRANDS will share 26 weeks of first half spot appearances starting in early January in a long and coast-to-coast lineup of television markets. Media team arranged for a full range of daytime inventory to reach women in various age brackets, depending on brand.

United Airlines, RADIO
Leo Burnett Co./Chicago
AIR TRAVEL will be featured for four weeks starting in mid-January in a nationwide spread of flight destinations. Media selected schedules to reach adults 25 and up.

U.S. West Direct, RADIO
Grey Direct/Minneapolis/St. Paul
YELLOW PAGES ADVERTISING will be advertised for 12 weeks starting in mid-January in a long list of western and midwestern radio markets. Target audience is men 25-plus.

Volume Shoe Corp., TV
Foote, Cone & Belding/Chicago
SPORT SHOES are using two to four weeks of spot advertising during January in a long and nationwide list of television markets. Media worked with day-time, fringe and primetime inventory to appeal to young adults.

Appointments

Agencies

Robert W. Wigdor has joined FCB/Leber Katz Partners as vice president, associate research director. He moves in from DFS Dorland where he had been senior vice president, senior associate research director.

Susan H. Royer has been elected a senior vice president of Young & Rubicam/New York. She came to the agency in 1980 as a research account executive and is currently manager of consumer planning in Research Services.

Richard Baty has been appointed a senior vice president of Saatchi & Saatchi Compton. He joined the agency in 1971 as data processing manager and is now director of information systems. He was elected a vice president in 1977.

Daniel Martin Green has been promoted to vice president at Tracy-Locke,

New buyer

It will be Roslin Radio Sales acquiring Weiss & Powell from Interep, and not Shelly Katz as originally announced. Shelly Katz had agreed to open offices in more cities to service the eastern stations from the Weiss & Powell list, but then asked to be released from the contract because he couldn't open the additional offices. At that point Weiss & Powell decided to seek another buyer for its eastern list.

Roslin plans to retain its own name without the addition of Weiss & Powell. Roslin operates sales offices in New York, Chicago, Los Angeles, Boston, Dallas and Atlanta, and plans to open Detroit and Philadelphia offices in 1987. Meanwhile, Daren McGavren's purchase of Weiss & Powell's western station list has been completed and his new rep firm, Radio West, will sell for these Weiss & Powell represented stations west of the Rocky Mountains.

Inc. in Dallas. He came to the agency in 1978 as an assistant media planner and is currently an associate media director supervising media activities for the agency's Pepsi-Cola business.

John Melamed has joined McDonald Davis & Associates in Milwaukee as vice president-marketing/planning. He was formerly a senior vice president with Milwaukee-based Hoffman York & Compton.

Jean Freelove has been promoted to broadcast relations supervisor in the Department of Media Resources at DDB Needham Worldwide/Chicago. She joined the agency in 1983 as a broadcast relations coordinator, moving in from Kenyon & Eckhardt where she had been an office manager and broadcast business affairs manager.

Gay MacLeod has joined N W Ayer as a media supervisor in New York. She was previously a media planner with Ted Bates Advertising.

Cheryl Barnes has been advanced to assistant media planner at BBDO/Chicago. She steps up from estimator and reports to associate media director **Debra Nevin.**

Mary Ann Kohan has stepped up to media supervisor at W. B. Doner and Co. in Baltimore. She joined Doner in 1981 and has held posts as an assistant planner, media research supervisor and senior planner.

Media Services

Marilyn Reiter and **Susan Vance** have been elected vice presidents of Cash Plus, Inc., Minneapolis. Reiter is director of buying operations and Vance is director of buyer training.

Hyla Solganick has joined Bohbot & Cohn Advertising in New York as a broadcast supervisor. She comes to the media service from similar responsibilities at Lord, Geller, Federico Einstein, Inc.

One Buyer's Opinion

Singer

Controversy dogs VCR measurement: bonus or lost client dollars?

A controversy over videocassette recorders has evolved as a result of the inability of current data collection techniques to identify viewing when it actually occurs. As a result, some people in the industry feel that viewing of VCR recordings represent potential bonus exposures for the advertiser. Others believe it represents lost advertising dollars.

Back in 1978 the first NTI household bought a VCR. At that time, Nielsen made an administrative decision to count recordings as part of the audience, even if the television set was off or tuned to a different channel. If someone in a household is watching one station while the VCR is recording a different one, the same household is counted in both audiences simultaneously. The assumption is that all tapes will ultimately be played back.

However, if a tape is never played back, or if it's played back but commercials are fast-forwarded [or zipped], viewing is being overstated, and advertiser dollars are lost. The current system cannot account for viewing when tapes are played back. If a tape is played back more than once, this represents bonus exposures to an advertiser. Conditions of understatement and overstatement must be accounted for.

Commercials that are zapped at the time of recording must be watched in order to be deleted. Accordingly, it's appropriate to credit exposure at that time. However, no audience should be credited during playback because there is no opportunity for advertising exposure. The program—without commercials—is no longer an advertising vehicle. With regard to zipping, the industry must reach a consensus on whether a commercial that is fast-forwarded has advertising value.

But the issues of zipping and zapping as they relate to VCRs are merely the tip of the iceberg. The real issue is commercial avoidance. The impact of people leaving the room during commercials, and of people using remote controls to switch channels during commercial breaks, is far greater than zapping that's done with VCRs.

Meanwhile, technological progress in the form of people meters and people meters with heat sensors are driving us toward the next level of evaluating media—advertising exposure. In moving toward commercial-within-program ratings, it is absolutely essential that program ratings are also maintained. It would be unfair and unacceptable to penalize the television medium by forcing intermedia comparisons on the basis of advertising exposure versus vehicle exposure measurements for other media.

The inherent characteristics of television and its demonstrated selling power for advertisers does not change with the availability of commercial-within-program ratings. The absolute amount of advertising dollars allocated to television versus other media also should not change. On the other hand, it would be unconscionable not to move toward a superior measurement system when the potential to do so exists. Supply and demand within television, and therefore pricing for specific dayparts and shows, will be affected. However, once again, total revenues for television will not.—**Steven Singer,** *vice president, director of media research services, BBDO, in remarks before the Advertising Research Foundation*

Representatives

John Bitting has been named executive vice president/Central Division for McGavren Guild Radio in Chicago. He has been sales manager in the Chicago office since 1980 and regional manager based there for the past three years.

Eric Perry has been appointed sales manager in the new Philadelphia office of Durpetti & Associates. He had been with the sales staff of WIP/WMMR(FM) Philadelphia.

William Denton and **Hunter Meadows** have been elected vice presidents of Christal Radio. Meadows heads the Atlanta sales office and Denton is manager in Los Angeles. Both executives joined Christal in 1979.

Tom Barrett has transferred from his management post in Atlanta to head the new Tampa office being opened by the Katz Television Group as sales manager. He joined the company in 1967 as a sales executive.

Joanna Hemleb and **Jill Novorro** have been elected divisional vice presidents of Katz Independent Television in New York. Novorro came to Katz in 1982 and is manager of the Sabers. Hemleb came aboard in 1983 as manager of Katz Independent's Lancers.

Jeff Cena, Blair Radio's Los Angeles sales manager, has been promoted to manager of that office to replace **David Adams,** who recently moved to Select Radio. **Eric Ronning,** Los Angeles account executive, will assist Cena in day-to-day management operations.

Stu Olds has been promoted to vice president, general manager of the Katz Radio Group Network. Olds joined Katz Radio in Chicago in 1977, moving in from Leo Burnett. He now steps up from vice president, manager of Katz Radio Group Network.

Stations

Edward T. Reilly has been appointed president of McGraw-Hill Broadcasting Co., Inc. He joined the company's broadcasting division in February 1985 as senior vice president and now moves up from executive vice president and chief operating officer.

Dennis P. Thatcher has been named general manager of Malrite Communications' WOIO(TV) Cleveland. He joined Malrite in 1979 as a sales executive for WHK Cleveland and now moves up from station manager at WOIO, which Malrite acquired in October.

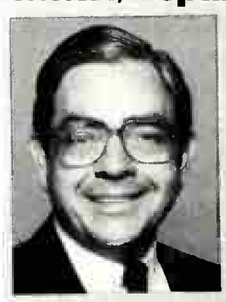
Mark Driscoli has joined WLWT(TV) Cincinnati as national sales manager. He moves to the Multimedia station from Gaylord's KSTW-TV Seattle-Tacoma, where he had also been national sales manager.

Kathy Fleenor has been named local sales manager of KTXL-TV Sacramento-Stockton. She steps up from account executive and is a former account executive for Harrington, Righter & Parsons in both Los Angeles and New York.

Alvin G. Flanagan, retired president of Gannett Broadcasting, has been elected to the Board of Directors of United Broadcasting Corp. of Little Rock. United owns and operates television stations in Arkansas, Texas and Mississippi.

Arthur D. Tek has joined SunGroup, Inc. as vice president/finance and chief financial officer, based in Nashville. He had been chief financial officer/ business manager of Viacom's KMOV-TV St. Louis. SunGroup owns and operates eight radio stations in the Southeast and Southwest, has an acquisition agreement pending to purchase two more, and has options or first rights of refusal to acquire five additional stations.

MMR/Espanol



Major Market Radio Sales has formed an Hispanic radio rep division, Major Market Radio/Espanol, to be headed by Julio A. Omana as general manager. Omana was formerly manager of Spanish-language WNJU-TV New York and a vice president of the NetSpan Spanish television network, and before that he had been a producer and director of television programs for Radio Caracas Television in Venezuela, and promotions director and general sales manager of RCTV. In New York, he had also been associated with Spanish-language WADO.

Charter client stations of the new MMR division are WKDM New York, KALI Los Angeles and WCMQ AM-FM Miami.

Media Professionals

Conditions for station acceptance of 15s vary

Jack Caplan

Senior vice president/ Planning
Time Buying Services, Inc.
New York

Jack Caplan, who heads planning at Time Buying Services, Inc., reports tracking acceptance by local stations of 15-second commercials and finding that, "Roughly 75 per cent of the stations will take them, but there are plenty of ifs." He notes that the conditions under which stations will agree to carry 15-second messages "vary all over the lot, from which dayparts they'll let them in to pricing."

Caplan recalls that, "Initially, many buyers' thinking ran along the same lines they did back when the industry first began to move from minutes to 30s: that a 30 should come in at half the price of a 60 back then, and again, today, that a 15 should be half the price of a 30. But the reality is that the asking price for 15s can run from 60 per cent to 80 per cent of the rate for a 30, depending on how tight or how soft the station's market happens to be at the time, and whether the station is a network affiliate or an independent. Independents will usually settle for less."

As for dayparts, Caplan notes that some stations will run 15s only early in the morning or in late night slots, and that, as expected, primetime is toughest and that's where buyers meet the stiffest resistance.

At this point, he observes, "The stations dictate the schedule to a great degree, and advertisers don't have the flexibility of daypart in placing a schedule of 15s that they have with 30s. If you order a schedule that includes 15s, you can expect that about half of those 15s are likely to wind up in time periods other than the ones requested. It's similar to the problems that buyers run into with direct response campaigns looking for two-minute commercial availabilities. On the other hand, the cable networks, and more individual cable systems locally, are making both short-form 15-second and long form two-minute commercial periods available."

Caplan adds that, "Of course not all advertisers are convinced that 15 seconds gives them sufficient time to tell their story. But of those who are confident that 15 seconds are enough to do the job, some seem to be willing to pay the premium that the stations are asking."

Buyer's Checklist

New Representatives

Blair Radio has been named national sales representative for Scripps Howard's KUPL AM-FM Portland, Ore. The stations offer adult contemporary country music, with KUPL featuring country oldies and its FM sister airing a "continuous hit country" sound.

Christal Radio is now national sales representative for KLZI(FM) Phoenix and KMGX(FM) Fresno, Calif. KMGX programs a contemporary hit/top 40 format and KLZI airs adult contemporary music.

Hillier, Newmark, Wechsler & Howard have assumed national sales representation of WGAR AM-FM Cleveland. Both stations program a modern/contemporary country music format.

Katz Radio is the new national sales representative for WLDS/WYMG(FM) Springfield, Ill. WLDS carries farm information, adult contemporary music and news, and WYMG has a classic and current rock mix format.

Masla Radio has been appointed national sales representative for KQXL(FM) Baton Rouge and WMGZ AM-FM Sharon, Pa. (Youngstown, Ohio). The Youngstown stations carry a CHR format, and KQXL airs an urban contemporary format.

MMT Marketing Division has been named national sales representative for KPLC-TV Lake Charles, La. The NBC affiliate was recently acquired from Channel Communications by Cosmos Broadcasting.

Petry National Television has been appointed national sales representative for KOAA-TV Colorado Springs-Pueblo and for WKAB-TV Montgomery. The ABC affiliate is owned by US Media Group, Inc. KOAA-TV is an NBC affiliate owned by Sangre de Cristo.

Seltel, Inc. is now national sales representative for WSYT-TV Syracuse, N.Y. The independent station broadcasts via Channel 68.

Transactions

Lin Broadcasting Corp. has agreed to sell its radio stations in Houston and Philadelphia. KILT AM-FM Houston is being sold to **Legacy Broadcasting, Inc.** for $36.75 million. WUSL(FM) Philadelphia goes to **Tak Communications, Inc.** for $32 million and WFIL Philadelphia is being sold to **WEAZ-FM Radio, Inc.** for $4.5 million.

Newbarnstable Corp. is purchasing WHOM(FM) Mt. Washington, N.H. from **Newengco, Inc.** for $7 million. Albert J. Kaneb is president of Newbarnstable and the principals of Newengco are Fred Godley and Mason Starring. Broker is Americom Radio Brokers, Washington, D.C.

Financial Capital Broadcasting Co. of Miami has contracted to buy KOCM(FM) Newport Beach, Calif. from **Donrey of Nevada, Inc.** for $2.95 million. Sam Rosenblatt is president of Financial Capital Broadcasting. The purchase is first in a series of station acquisitions planned by Rosenblatt.

Viewpoints

Dr. Stephan Buck

Chief executive officer, AGB Television Research, Inc., in recent speech before the Advertising Research Foundation's Electronic Media Workshop in New York

People meters' greatest additional value will lie in providing data continuity

In the world of media, 1987 will be the year of the people meter in the U.S., ushering in a new era in television audience measurement. What will this mean to an industry where for three decades there has been little, if any, change in audience research methodology?

People meters will provide greater accuracy, larger sample sizes and faster reporting of audience viewing. However, it is in the area of data continuity that their main additional value exists. People meters will provide more accurate information relating to the size of audiences for both programs and commercials as well as measuring the flow during and between programs.

Continuity at the household and individual level means continuous information over time and not for just one week in three as is the case with the current diary system. This means that it will be possible, for the first time, to analyze real reach and frequency and to investigate audience loyalty to program series. Cume audiences to programs and, in the case of cable, to individual channels will be available; and a people meter panel approach is the only efficient method for dealing with VCR recording and playback.

The need for people meters reflects the changes that have taken place and are still continuing in the market for television audience information.

Stiffer competition

The three broadcast networks, advertising agencies and major advertisers have long been users of audience research. Now, added to these are the advertiser-supported cable networks, barter syndicators and a fourth network. This greater competition in the TV marketplace increases the need for research information. If we also take into account the expanded program options available to viewers, we come to the conclusion that more accurate and relevant research is required. This will be achieved in 1987 through the use of people meters.

To fulfill research needs in the short term, say by 1990, a number of basic requirements must be satisfied. First, the research must be based on much larger samples than currently exist. Second, the information should be produced from a single integrated system of people meters and not by the current conformed technique that waters down many of the advantages of a people meter approach.

It is also becoming increasingly obvious that good sample representation is essential. Research standards will have to be high, e.g., an in-tab rate greater than currently obtained.

The growing penetration of VCRs means that a VCR meter which measures both recording and playback must be incorporated with a total measurement system. It is also likely that the industry will require reports which specify ratings for individual commercial breaks. Lastly, it is essential in the short term that the large amounts of detailed data be available on a user-friendly basis through an on-line system.

What of the longer term? Here, a number of exciting possibilities exist. However, before we get carried away with that excitement, we must consider the practicality of these possibilities in the real commercial world.

Passive systems

An area of possible change over the longer term relates to a passive sensing people meter where the recognition of an individual viewing television is done without any effort by the individuals themselves. There is no shortage of solutions for a *partially* passive system. One approach utilizes technology that is designed to sense the movement of people in the room, but not specific individuals, while another requires viewers to wear an object that the system automatically identifies. None have yet been shown to be accurate in the vast majority of homes.

Unless these issues can be satisfactorily resolved, we believe a partially passive system offers no advantage over the current people meter technology. In fact, these partial systems may be worse than no system at all.

The longer term should also see improved methods for verifying program lineups particularly in view of the growth of barter syndication.

Thus far, we have been discussing people meters as a solution to measuring *national* audiences. People meters are also adaptable for *individual* markets in the U.S. In larger markets like New York, Los Angeles, Chicago, etc., systems that parallel the national methodology are likely to emerge. However, the costs are currently too great for most medium and smaller television markets. The longer term solution for the measurement of television audiences should deal with the need for economically acceptable people meters in these markets.

After years of reliance on only one system for measuring national television audiences, there are now a number of players on the ratings research scene. We believe that in the long run, competitive forces will produce more effective and efficient audience data at reasonable prices.

Home shopping in spree at NATPE

Home shopping may become one of NATPE's hot syndication trends. LBS Communications and MCA TV have already followed Lorimar-Telepictures into the field, the quality of the programming is improving, and syndicators are now scouting the crowded field for properties. Also, a number of home shopping services will exhibit at the convention.

LBS is expected to clear broadcast stations for the three-month-old *Shopping Line*, now that it and Golden West Television Productions/Telstar Corp. plan to form a joint venture with the service's founding partners, Shopping Channels Inc. and Consolidated Stores Corp. Portions of the 24-hour service are already airing on TV stations in 12 markets, including New York and Los Angeles. Stations receive 6 per cent of all sales revenues from their markets, along with five minutes an hour for local ad sales.

Two of the principals in Shopping Channels and prime forces behind *Shopping Line* are Ward Sylvester, producer/consultant, and Reese Schonfeld, founder of the Independent Television News Association and founding president of Cable News Network.

Others. The half-hour *Home Shopping Game Show* strip is only the beginning of MCA's partnership with Home Shopping Network and Kragen & Co., according to Shelly Schwab, president, MCA TV Enterprises. Another MCA/HSN/Kragen show is expected to be announced soon, Schwab says, and he promises "some other forms of programming as well."

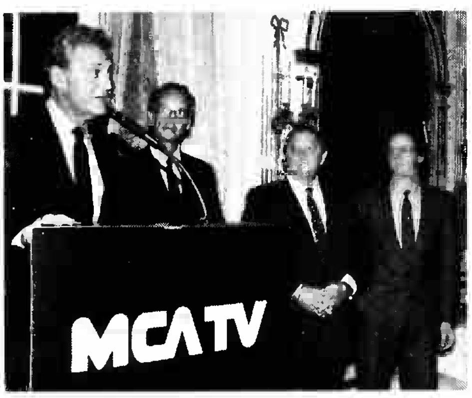
Although HSN has purchased 10 fledgling major market UFH stations, *The Home Shopping Game Show* is aimed at a higher level; it will not run on HSN itself. The merchandise will also be exclusive to syndication, Schwab points out, and will include products from Spencer Gifts and other MCA divisions. Also, the program will have the game show expertise of veteran *Hollywood Squares* director, Jerry Shaw.

"We'd love it in access," says Schwab, who will, nonetheless, settle for early-fringe. "It's in the station's benefit to run it in higher HUT periods," he explains, because of revenue-sharing. Schwab says he can't reveal what percentage stations will receive—or the number of national or local ad minutes—until the second series is firmed, but adds, "A percentage of IBM is worth more than a higher percentage of a smaller company that will make less money."

Clearances. Lorimar-Telepictures is doing well in station clearances for *ValueTelevision*, its one-hour daytime strip co-venture with Fox TV Stations and Horn & Hardart (the show offers 5 per cent revenue-sharing and 12 minutes of local avails, but the initial cash nature of the program has alienated some stations), and has sold well enough for L-T executives to start touting a separate four-hour overnight shopping service. And *VTV* has a "major station look;" it's produced by *Good Morning America/CBS Morning News* veteran Susan Winston and hosted by *Jeopardy's* Alex Trebek.

In fact, the success of *VTV* in attracting major stations changed the entire marketing philosophy of Michael Rosen, chairman and president of Shop Television Network. "It gave credibility to shopping on better VHF stations," he explains. "I had underestimated the industry's maturity."

Better Shopping By STN, hosted by Pat Boone, premiered in October over KSCI-TV Los Angeles, a UHF station, but Rosen took it off when he saw "we were not getting the responses we wanted." He had actually planned on cable as the focal point of the program's coverage but is now targeting "a higher class of independent stations" and affiliates.



At party *announcing MCA TV partnership with the Home Shopping Network and Kragen & Co. on "Home Shopping Network Game Show" are, from l., Al Rush, chairman, MCA TV Group; Bud Paxson, HSN president; Roy Speer, chairman of HSN; and Ken Kragen, president of Kragen & Co.*

Rosen says he's been talking to syndicators about distributing the show, which features upscale products, executive production by Gary Smith of Smith-Hemion Productions, with fulfillment by J. C. Penney Telemarketing Network.

STN offers 5 per cent revenue sharing and six local ad minutes an hour. Rosen would like stations to take three one-hour programs a day—one at 9 a.m. or later in the morning, another at 6 p.m., and a third at 11 p.m. (except for affiliates). He also expects to bring in some of his product suppliers as national advertisers and notes he'll be at NATPE, "possibly as part of an existing exhibit."

Sweepstakes. *The Sweepstakes Channel*—consisting of interviews with authors and editors, along with direct marketing of magazines and books—had planned to launch on cable this month but is now testing a two-hour pilot on TV stations in a dozen markets instead. A spokesperson says the program may yet end up on cable, but "the test makes more sense on broadcast, because of the reach." There have been several inquiries from syndicators, he adds.

A number of home shopping services have become late NATPE exhibitors:

- The Crazy Eddie World of Home Entertainment Shopping Network, with 6 per cent revenue sharing but no spot avails, plans to offer a three-hour modular program spotlighting electronics items.
- Entertainment Marketing, Inc., whose *Consumer Discount Auction* runs in half-hour and 60-minute versions on 77 stations, is now offering its long-form cable-based *Consumer Discount Network 1* in segments for broadcasters. And Elias Zinn, president and CEO of Entertainment Marketing, promises a couple of other "surprises" at the show. Zinn has talked about a *VTV*-type show, to run live from 6–8 p.m.; like *CDN*, it would include 8 per cent revenue sharing and local ad time.
- Video Shopping Productions, in a joint venture with Video Shopping Mall, plans to offer five half-hour shows—including *Wheel and Deal*, a game show with an innovative computer-generated electronic set composited into the finished program, and four magazine-style programs. At present, Video Shopping Productions plans to do its own distribution, but president Steven Cohen says, "We're talking to a couple of syndicators."

Other NATPE exhibitors will include *Telephone Auction*, which was the first and only home shopping show on broadcast TV a mere two years ago; Financial News Network, which is expected to offer a version of its *TelShop* service to broadcast stations; and, of course, HSN, whose goal is to sign up over 100 broadcast affiliates in addition to its owned stations.

Some of the other home shopping purveyors that may end up as part of NATPE exhibits include Playboy, which is looking to expand its cable shopping show into broadcast, and Tempo Enterprises, parent of cable's Tempo Television network, which already produces *Jewelry Showcase* and plans to offer other "boutique" half-hours as well.

Interactive TV gains

Interactive kids' programming is accelerating. World Events Productions may soon join Mattel's MTS Entertainment in the emerging field of interactive kids' programming, reveals Bob Cook, vice president of marketing for World Events.

Unlike MTS' *Captain Power and The Soldiers of the Future*, a live action program that will use a computer-animated light beam to activate its toy line, World Events plans to use an audio signal in *Saber Rider and The Star Sheriffs* and *Vytor, The Starfire Champion*, two upcoming animated series. *Captain Power* and *Saber Rider* are scheduled to launch in syndication next fall, with *Vytor* coming on board a year later.

Cook says World Events is still negotiating with toy companies before finalizing its plans. Mattel, on the other hand, will introduce its Captain Power toy line at New York's upcoming Toy Fair.

Put simply, the light beam during *Captain Power* will activate the toy so that a child can score points by shooting at objects on the TV screen with his "power jets;" conversely, the TV screen can shoot the toy and take points away from the child.

Both Cook and Betty Alofsin, director of MTS' east coast offices, say the interactivity will be handled in such a way that viewers without the related toys won't notice anything out of the ordinary. "When we do our presentations," notes Alofsin, "we don't even discuss the toy line."

Captain Power is produced by Landmark Entertainment, with computer animation by Canada's Omnibus. World Events has teamed with Calico for the two new series.

John Claster, president of Claster Television Productions, says he has no current plans to enter the interactive TV syndication scene. He cautions stations to "make sure the story being sold is excellent. If that's excellent, then the show should do fine. If not, there's no amount of gimmickry that could save it."

Syndication shorts

Orbis Communications has cleared 136 markets, representing more than 80 per cent of the U.S. TV households, on *Distant Replay*, one-hour special based on the popular book. Most of the signed stations will air the program over the Super Bowl weekend, many adjacent to the game. The special is sold via a barter split of five minutes national, five minutes local.

Production has begun on *Groucho and Me*, half-hour comedy series project, which stars Lewis J. Stadlin. The series is from **Mar-X Productions** in association with **Gaylord Productions.**

Atlantis Television International has licensed 11 half-hour dramas to A.R.D. NetWork, West Germany. Titles include *Boys and Girls*, *A Good Tree*, and *One's a Heifer*. The sale is the second ATI has made to A.R.D. Last year the network licensed the six episodes of *Ray Bradbury Theater*.

Fries Distribution Co. has begun offering *Sixguns & Saddles*, first-run half-hour series. The 26 episodes are condensed versions of classical western features, presented as filmed, in black-and-white and cut into a storybook format. Pilot episode features Hopalong Cassidy. Series is available for cash for airing beginning in June.

Blair Entertainment's *The Lollipop Dragon in the Great Christmas Race* has been sold to 155 stations, including all of the top 10 markets. Among the new stations are KTZZ-TV Seattle, WNDS-TV Derry, N.H., WVIR-TV Charlottesville, WNTL-TV Natchez and WPTZ(TV) Burlington-Plattsburgh. Also, Blair's one-hour special, *Road to the Super Bowl '87*, has been set in 180 markets, with all top 25 markets cleared. New stations are KRIV-TV Houston, WPTY-TV Memphis, WTVF-TV Nashville and WAAY-TV Huntsville-Decatur.

Multimedia Entertainment has cleared *The Statlers' Christmas Present* in 158 markets. The special is part of the America Comes Alive 3 series, and will air throughout this month. Barter split is nine minutes local, eight national. Also at Multimedia, *Charlie's Christmas Secret*, December installment of Young People's Specials, has cleared 51 markets, representing 93 per cent of the country.

MGM/UA Television is reviving two early network shows, *Sea Hunt* and *Rat Patrol*, via new episodes of each. Both will be available to international markets as well. Set to star in *Sea Hunt* is Ron Ely, and Robert Forster will star in *Rat Patrol*. *Patrol* was first produced for NBC in the early 1960s. *Sea Hunt* averaged a 41 share in the top 30 markets in 1960, says MGM/UA.

Harmony Gold and **Trudeau/Cummings Productions** will produce *Vidiots*, a half-hour comedy strip, starring Chuck McCann and Pat McCormick as hosts.

Joel Cohen Production & Distribution Inc. has acquired 52 additional Serendipity Singers half-hour shows for the overseas market. The company had bought 52 Serendipity programs previously. Also, Cohen has acquired 50 episodes of *Boomerang*, children's series, for the foreign market, on an exclusive basis.

Tribune Entertainment will syndicate the *First Annual Soul Train Music Awards 1986*, to be videotaped before an audience at KTLA-TV Los Angeles, in March for broadcast in April. The two-hour program, which will be sold on a 12/12 barter split, will be co-hosted by Dionne Warwick and Luther Vandross.

Seeing Things, first-run mystery/comedy series which previewed in New York, Chicago and Washington this summer, increasing the lead-in share in all three markets, is being offered via 26 one-hour weekly episodes on a two-run cash basis. Distributor is **Hagen-Menk Entertainment,** a division of All American Television. *Seeing Things* ran on the Canadian national network for five years.

'Heaven' to New World

New World Television has acquired the domestic distribution rights to *Highway to Heaven*, under an agreement with Michael Landon Productions, producer of the series. The one-hour family drama is in its third season on NBC, and will be sold for syndication at the upcoming NATPE convention for station airing in the fall.

Zooming in on people

Jim Korris has been named vice president of the **MCA Television Group**. Korris joined Universal Television in February, 1982. He has been vice president of current programming for the past two years. Before joining Univer-


Jim Korris

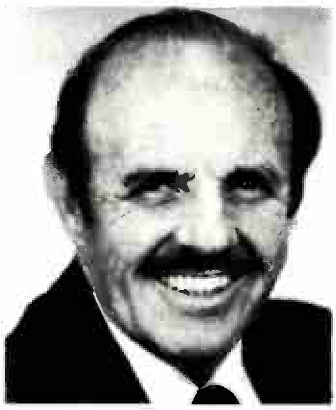
sal, Korris headed a company which produced TV commercials, and earlier was involved in making of documentaries for the news departments of the

Programming/Production

(continued)

three networks. The MCA TV Group is composed of Universal TV, MCA TV, MCA TV International and MCA TV Enterprises.

Manolo Vidal has been named director of Latin American sales for **Coral Pictures.** Vidal comes to Coral after a total of 24 years in Latin American TV, first as executive vice president at Television Interamerica, and then as vice president of Viacom Latinoamericana, both based in Miami.



Manolo Vidal

Marlene Rochman has been promoted to account executive at Blair Entertainment's barter syndication division. Rochman had been station clearance rep since October, 1985. She joined the company in 1984 as administrative assistant.

Murray Schwartz has resigned as president and chief operating officer at Merv Griffin Enterprises to form his own production company, Murray Schwartz Productions. The new company will develop and produce TV programming for Coca-Cola Television in a continuation of Schwartz's existing five-year agreement. Schwartz, a show business veteran, has been a threatrical agent, producer and packager.

Beverly Weinstein has joined **Syndicast Services** as an advertising sales executive. She joins SS after a one-year stint with MTV Networks Inc., where she was director of ad sales. Before that, Weinstein was director of sales at Nickelodean for a year.

Vallery Kountz has been named vice president, marketing at **Republic Pictures Corp.** Kountz had been vice president, marketing at RCA/Columbia Pictures Home Video.

Paul Wischmeyer has joined **Harmony Gold** as vice president, domestic television. He most recently was vice president of sales for the West and Midwest for Turner Program Services. Prior to joining Turner, Wischmeyer was vice president and general manager at KTVI-TV St. Louis.

Paul Wischmeyer

Jay Bacal has been promoted to senior vice president, creative, **Sunbow Productions**. Prior to his promotion, Bacal was vice president, creative director, for Sunbow's *G.I. Joe*, *The Transformers*, *JEM*, and other animated shows.

Susan J. Stager has been appointed to the new post of director of business affairs at **Lionheart Television.** She joins Lionheart from Paramount Pictures, where she was an attorney from 1983–86 for network TV production and domestic and international TV distribution.

Select Media inserts

Insert programming is growing briskly at Select Media Communications. The company not only has three shorties on the air with coverages of between 85–90 per cent for each but is also planning to introduce four more, to be presented for the upcoming NATPE. According to Mitch Gutkowski, president of the company, which has grown from two persons to more than a dozen over the past year, the new fillers will comprise comedy, a new direction for Select Media, fashion tips, a music quiz and bits of clips from classic moments.

In addition, Select Media will offer for syndication at least two "longform" programs—a series of half-hours on top women sports performers, *World Championship Women*, and a one-hour music series, which at this point is still in negotiation.

As for the new inserts, the comedy show is called *Quick Shtick*, 15-second comedy routines from name comics, which, according to Gutkowski, are designed to bust zapping by viewers and accommodate the growing number of advertisers buying 15-second spots. Select Media has sent out promotional material using the terms Zap Busters, points out Gutkowski. The insert is available for the second quarter of 1987 on a barter basis.

The music quiz insert is called just that—*Music Quiz*, and is a spinoff of the company's successful *Today in Music History*, which has 365 vignettes with each day marking an event in music history. The third and fourth new vignettes are *Classic Moments* and *Fashion Flash*, the latter offering being beauty tips.

The two other shows currently on the air are *Intermission*, which made its debut in October, with 85 per cent coverage, a movie trivia quiz, and *Whodunit*, a sports trivia quiz, shown in New York on WNBC-TV.

Health specials

Bristol-Myers, Group W Productions and the Group W Television Stations have combined efforts on a series of quarterly primetime one-hour health specials. Called *Lifequest*, the series will be launched in March. Each special will focus on a timely subject in health and medicine:

The Hidden Addict reveals that one of four Americans is hooked on a life-destroying habit. *Minutes to Live* airs in June, focusing on the growth of trauma units, and will go th leading facilities and explore breakthroughs in trauma medicine and emergency treatment. *Ageless America*, in August, will explore the implications of longer life, explaining the latest medical progress in cancer, health and nutritional research. *The Best Defense*, for December, searches for answers in the treatment of cancer, AIDS and organ transplants.

Each special is assigned to a Group W station: *Addict* to WBZ-TV Boston, *Minutes to Live* to WJZ-TV Baltimore, *Ageless America* to KYW-TV Philadelphia, and *Defense* to KDKA-TV Pittsburgh. Fifty-five stations have committed to the series, according to Kevin Tannehill, vice president of sales and marketing for Group W Productions

King World earnings

King World Productions had record revenues and income for the fiscal year ended August 31. Revenues totaled \$145,717,405, and 81 per cent increase over last year's \$80,631,184. Net income grew to \$19,845,616, for a gain of 102 per cent over \$9,841,713 in the prior year.

Martindale/Gilden set

Wink Martindale, game show host and TV/radio personality, has joined with Jerry Gilden to form Martindale/Gilden Productions, which will produce shows for syndication, network television and cable. Martindale was one of the producers, along with Merv Griffin Enterprises, of last year's *Headline Chasers*. King World was distributor. The team is currently in development with CBS on *Eavesdroppers*, comedy/game show.

The new production company is at The Production Group, 1330 North Vine Street, Hollywood, Calif.

ITC Purchase

ITC Entertainment has acquired the exclusive TV distribution rights in the U.S. and Canada of all theatrical motion pictures of Kings Road Entertainment in a longterm, multimillion dollar agreement. The agreement, which expands the tie between both parties, now includes *Renta-A-Cop*, *Home Front*, *Touch and Go*, *The Big Easy*, *I Was a Teenage Vampire* and *The Night Before*.

ITC is distributing KRE's *All of Me*, starring Steven Martin and Lily Tomlin, in the U.S. and Canada, under a previous arrangement.

RADIO

Radio syndication

The Satellite Music Network has added 24 stations to four of its seven formats. Joining its Country Coast-to-Coast format are KBIT Billings; WHLB-FM Virginia, Minn.; WSWN-FM, Bellglade, Fla.; WONT-FM Ontonagon, Minn.; KRSV-FM Afton, N.Y.; WBBK Blakely, Ga.; WELZ Belzoni, Miss.; KRAM Las Vegas and WAUK Milwaukee/Waukesha. The Stardust nostalgia format added WIXI-FM Naples, KXIC Iowa City, KDON Monterey, WILL Roanoke and WEAC Gaffney, S.C. Pure Gold: WIXC Hazelgreen, Ala.; KNNT Kennett, Mo. and KLUE Longview Tex., among others. Starstation: KGHR Austin, Minn., and KQXL-FM Lisbon, N.D.

Jameson Broadcast, Washington, is producer and syndicator of a new sports/fitness feature, *Working Out*, from *American Health* magazine. The new series is sponsored by Myoflex Analgesic Cream. The daily 90-second features cover all sports and are being offered in the top 200 ADI markets. The series is available on a barter basis and has been cleared in 60 markets.

Narwood Productions has again been selected to produce special radio programming to mark the observance of Martin Luther King's birthday as a national holiday on January 19. Narwood will produce the *Martin Luther King Contemporary Issues in Society* series, three-hour programs. Each will consist of a panel discussion involving leaders in various fields. Also, Narwood will produce a series of PSAs.

Mary Catherine Sneed, program consultant, has joined **DKN Broadcasting** as vice president/operations, based at the company's Atlanta headquarters.

Jon Levin, Frank Bell and **Scott Gilreath** have joined **The Programming Consultants** as regional managers. Gilreath was director of sales and marketing at Resort Broadcasting.

Also at The Programming Consultants, the company has begun marketing *The Presley Years*, 13-hour special planned to air twice in 1987: in January, to mark Presley's birthday, and in August, to mark the 10th anniversary of the singer's death. It has an average of 10 minutes of commercial time per hour available for local advertisers.

Dave Sholin will host *Countdown USA*, four-hour music countdown show beginning the weekend of January 10–11. Before joining Countdown USA, the company, Sholin was national music director at the RKO Radio chain.

Steve Jenkins has been promoted to director of station sales at the **Westwood One Radio Networks**. He was national station sales manager. He came to Westwood in February 1983, as a regional station sales manager.

Burkhart/Abrams/Douglas/Elliot and Associates has signed a consulting agreement with WGTR Miami, Cox Enterprises' AOR station.

Satellite Music Network has promoted **Dave Marsett**, a member of the SMN news department for five years, to news director. Marsett is a 20-year broadcast news veteran, including stints at WYSL Buffalo, for six years, and WBNS Columbia, for five years. He joins SMN from KLIK/KTXY Jefferson City.

Jon McHugh has been appointed affiliate relations representative at **DIR Broadcasting**. His experience includes positions at London Wavelength and, more recently, at Radio International, where he was director of affiliate relations.

The Transtar Radio Network has introduced AM Only, satellite-delivered 24-hour program format. The format is designed specifically for the 35-54 demos and features favorites such as Frank Sinatra, Nat "King" Cole and Andy Williams. No big-band music is involved.

Format, staff shifts

Kurt Witt has been named account executive at the **Concert Music Broadcast Sales,** national rep firm for classical radio stations and will be responsible for national spot sales in the midwest. Before joining CMBS, he was an account executive at Sawyer Ferguson Walker in Chicago, rep firm for newspapers.

KGO San Francisco has acquired the radio rights to the San Francisco Forty-Niners games beginning with the 1987 season. The contract, which runs for three years, includes all pre-season games and any post-season games available. In addition to the schedule, KGO will develop a program featuring Bill Walsh, the head coach, and other programming on the team.

CABLE

'9 to 5' previsited

A daily dose of Ann Sothern at 9:30 p.m. is the latest addition to Nick at Nite's lineup of vintage shows for the "TV generation." Twentieth Century-Fox has unearthed 198 half-hours of *Private Secretary* and its successor, *The Ann Sothern Show*, which ran on CBS for eight seasons beginning in 1953.

Nick at Nite executive vice president and general manager Geraldine Laybourne boasts that the shows have run only in a "few spot markets" since their initial plays. Sothern, she says, plays

Programming/Production

(*continued*)

essentially the same role in both series: "an independent woman of the '80s, in the 50s."

'Butterfly' on CBN

CBN has begun airing 22 weekly half-hour episodes of *Butterfly Island*, based on the recent miniseries of the same name. The Australian-produced adventure show, airing concurrently on the BBC, features several American guest stars, including Ann B. Davis, Cameron Mitchell and Susan Strasberg. *Butterfly Island*, now running Saturdays at 7:30 p.m., will also air Fridays at 8 p.m. beginning January 23. It is produced by Independent Productions Pty., Sydney.

On another front, CBN has picked up reruns of all 58 episodes of Twentieth Century-Fox's *The Paper Chase*, which ran originally on CBS and Showtime. This marks the first time all the episodes will be seen on one service, and the series is expected to upgrade CBN's demographic identity with the advertising community. The shows will start running next fall; CBN has exclusive rights for two years of its three-year deal.

Discovery strips

The Discovery Channel, which just expanded to an 18-hour schedule, now strips different program genres at the same time each weekday: history, 7 p.m.; science and technology, 8 p.m.; world exploration/human adventure, 8:30 p.m.; and nature, 10 p.m.

New shows in each genre, all making their American TV premieres, include: *Wildlife Chronicles* (nature), 13 half-hours from Britain's Anglia Television; *Space: Last or Lost Frontier?* (science/technology), a one-hour co-production of Discovery and the National Space Society; *The Amazing Years of Cinema* (history), 13 half-hours on the silent era hosted by Douglas Fairbanks Jr., produced by France's Polymedia in 1975; *Survive!* (human adventure), three hour-long documentaries from N. Lee Lacy Ltd. in association with Britain's Channel 4; and *The New Pacific* (world exploration), eight one-hour shows, co-produced by the BBC and RM Arts.

Kraft joins Silent Net

The Silent Network, in its fifth season of programming for the deaf and hearing-impaired, has added Kraft to its advertiser roster and *Musign* to its program schedule. *Musign*, a half-hour musical-variety series, stars a hearing-impaired dance troupe of the same name. Other new programming includes weekly reports from the National Association of the Deaf and specials from the National Technical Institute for the Deaf and Washington's Gallaudet University.

Kraft joins Hallmark, Mattel and Kal Kan as sponsors on the network, which transmits Saturdays from 9:30–11:30 a.m.

'Attitudes' to continue

Attitudes, Lifetime's first in-house production, has been renewed for a new cycle of shows starting February 2. The hour-long "style and image" program for women premiered last October. The series is now seen weekdays at 9 a.m. in addition to 1 p.m. There is also a new Saturday morning airing at 11 a.m.

"While not perfect, *Attitudes* has shown improvement, at least in terms of ratings, to encourage us to go on with additional production" says Charles Gingold, Lifetime's vice president, programming.

HOME VIDEO

Republic's millionth

Republic Pictures Home Video has produced its one-millionth videocassette at its in-house manufacturing facility. The facility operates 500 video recording machines on a 24-hour-a-day basis. RPHV produces and distributes a wide variety of videocassettes including classic motion pictures such as *High Noon* and *The Quiet Man*.

RCA/Columbia staff

Jamie Cruver, formerly western division sales manager, has been named national accounts manager at RCA/Columbia Pictures Home Video. Lynn Temenski will take over Cruver's old job. Cruver was East Coast rep for MusicVision. Also, the company has moved its offices to 3500 W. Olive Ave., Burbank, 91505. Phone is (818) 953-7900.

MTV awards video

The MTV Video Music Awards has become a videocassette via Warner Reprise Video. The 41-minute tape, *The MTV Video Music Awards Collection*, is a co-production of Ohlmeyer Communications and MTV and features the highlights of the 1986 awards as seen on MTV in September. The awards collection is the third home video venture for the music network, following the release of *MTV's Closet Classics*.

Bornstein at Lorimar

Steve Bornstein has been named senior vice president of programming at Karl/Lorimar Home Video. Bornstein comes to Lorimar from Lion's Gate Studios where he was CEO. He has also served as an independent consultant to film and video companies and as a consultant in business planning and strategy.

Steve Bornstein

Disney films

Four Disney films are being released this month by Walt Disney Home Video: *Five Mile Creek*, Volume 15 (1984); *Mosby's Marauders* (1966); *Johnny Shiloh* (1963); and *Child of Glass* (1978). Also, Disney is releasing *Return to Treasure Island*, in five volumes, and *Flight of the Navigator*, 1986 release.

Wood Knapp formed

Wood Knapp & Co. has been formed in Los Angeles to acquire and develop programming for the video market. Betsy Wood Knapp is chairman and president of the new company. Knapp is director of Knapp Communications. The new firm will be a separate entity with its own management and financing. The new organization will produce and acquire not only new properties but also adapt material from Knapp's publications, including *Bon Appetit*, *Home* and *Architectural Digest*.

John Reitnouer, who joined Knapp Communications in 1981, has been named vice president of marketing for Wood Knapp.

Cine Magnetics installs

Cine Magnetics Video has installed the Macrovision video cassette anti-piracy encoding system. It has equipped all of its VHS dubbing bays with the system, which, when integrated into the VHS dub, "blinds" the copying videocassette recorder, confusing the automatic gain control and rendering the illegal copy unviewable.

Commercials

Sneak attack spots

When commercials are dropped into short entertainment or informational segments, viewers are less likely to drop out. That's not only the philosophy of Media Drop-In Productions, based in Dallas, but it's the company's entire business. Since last February, the company has been creating series of one-minute segments in which 30 seconds are devoted to a commercial. According to Steve Saferin, president, research has generally shown a 300 per cent higher recall for such spots than for typical 30s.

Saferin is a former national director of program acquisitions for ESPN, which has attracted advertising of this

Steve Saferin, *president, Media Drop-In Productions, combats zapping by integrating 30-second commercials into one-minute vignettes.*

type for some time. Working with him is Barry Jagoda, formerly media advisor to President Jimmy Carter, former CBS News producer and currently director of public information for George Washington University.

Formulation and terms of these spots vary. For example, Wrangler jeans was national sponsor for "Willie Nelson's True Tales of Texas," which ran throughout 1986 in Texas for the Texas Sesquicentennial. With the commercial directly following Nelson's story in each of 45 vignettes, Wrangler didn't directly pay for time on the stations but offered market exclusivity and made co-op money available to distributors to buy additional runs. There was no guarantee stations would get co-op revenue out of the proposition, Saferin notes, "but in almost every instance, co-op came in." There was also the incentive of the exclusive vignettes from Nelson, who is something of an institution in his home state. A national radio version of the vignettes also has

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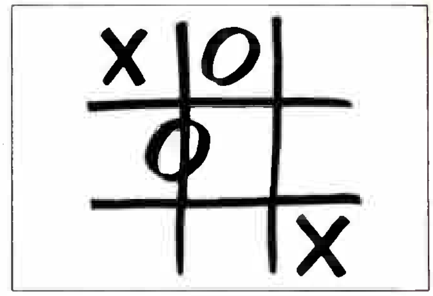
NYNEX — Tic, Tac, Toe • HHC&C

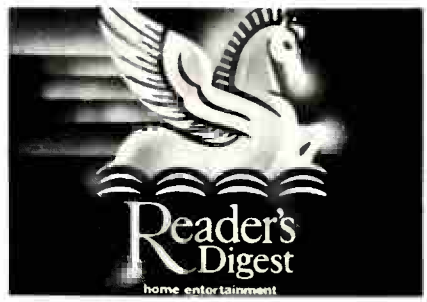


GIFFORD ANIMATION, INC. Harwichport, MA

Florida Tel. • Gilpin, Peyton & Pierce

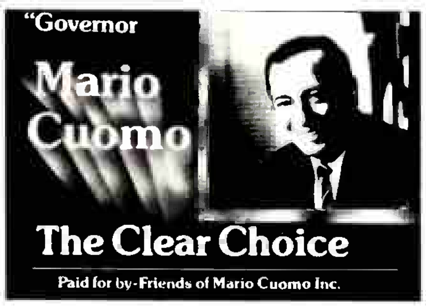
BANDELIER, INC., Albuquerque, NM

Reader's Digest



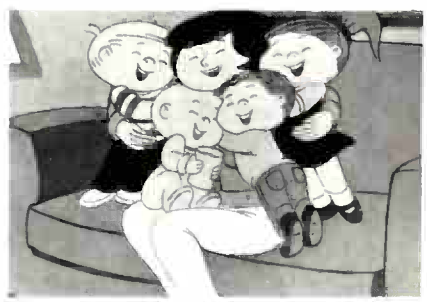
DOLPHIN PRODS, NY, COMPUTER ANIMATION

Friends of Mario Cuomo



DOLPHIN PRODS., NY, COMPUTER ANIMATION

Sears Roebuck & Co. • Elkman Adv.



KCMP PRODUCTIONS, LTD., New York

Irving Trust • Brouillard Comm.

KCMP PRODUCTIONS, LTD., New York

XTRA • Venet Adv.

KCMP PRODUCTIONS, LTD., New York

Commercials *(continued)*

run on some 110 stations.

Another Texas venture, for Anheuser-Busch, is "Darrell Royal's Playbook," featuring the former University of Texas football coach. Here the 30-second commercial is placed in the middle of the one-minute vignette and the advertiser pays a 30-second rate for the entire minute. The 45 vignettes were placed by D'Arcy Masius Benton & Bowles, and Saferin says they typically ran during early and late night news, with stations commenting that the vignettes have helped to boost ratings.

Outright sale. Drop-In has also taken the outright sale route. For the Statue of Liberty 100th Anniversary, it sold "Liberty Tribute" to some 180 radio stations, Saferin reports. Paying anything from $200 to $5,000 to use the 75 vignettes until the end of 1986, stations sought their own local sponsors. In the vignettes, 75 Americans of foreign birth spoke of what America meant to them.

Saferin notes that others produce sponsored vignette programming, which is especially heavy in sports, but he says he doesn't know of anyone else doing this exclusively. "What's different about our approach," he adds "is that we use someone with star quality, which makes placement much easier.

He prefers to do nationally sponsored vignettes and let the sponsor's agency handle placement, although Drop-In handled placement for the Willie Nelson TV package. His operation recently completed "Roger Miller's Country Music Storybook" for radio, starting after the beginning of the new year, and sponsor Decker Meats' agency, Ogilvy & Mather, is handling placement. He adds that 45 vignettes appears to be the most workable number, allowing for one segment each weekday for nine weeks.

He notes the concept is generally sold first to the advertiser and then, more often than not, he works with both the advertiser and agency on execution. The vignettes have been produced and marketed so far by Horwitz & Shoup of Austin, Texas.

Drop-In recently firmed up three new productions. Saferin reports that Coors beer has asked him to develop a series of baseball vignettes based on the Baseball Hall of Shame books. He will be doing some tax tips for the Internal Revenue Service, which essentially will run as PSAs. And an agreement has been firmed with Elvis Presley Enterprises to do a series related to the 10th anniversary of the performer's death, with national sponsorship.

Celebrity spokesmen

Ed Marinaro, former NFL football player and *Hill Street Blues* cast member, will be a spokesman for Miller beer in a new TV campaign, while singer/actor Kenny Rogers has signed with Castle & Cooke to launch Dole's new national all-product campaign, "Pure Pleasure from Dole.

Marinaro will talk about Miller's quality ingredients and brewing process in a series of commercials scheduled to air in late January. Most of the scenes were shot in Miller's Milwaukee brewery, with actual brewery employees as the supporting cast.

The long-term agreement between Dole and Kenny Rogers will total $17 million over the course of the multiyear association. In his first endorsement of a product, he will be featured in Dole TV and print advertising and will be the center of many consumer promotional events. This is part of a $100 million marketing program covering the entire line of products, including introduction of Dole frozen and chilled 100 per cent juices.

Timex goes inside

In keeping with its growing emphasis on internal creativity, Timex chose to produce its own commercial for Ironman, a new watch. At the same time, it called on Real Productions, New York, to handle scripting, storyboards and editing as well as selection of music—which was "Ironman," a song made famous by the heavy metal rock group, Black Sabbath.

Real Productions employed multidimensional, computer generated graphics to announce each attribute of the watch. After the words appear on the screen, they explode and tumble toward the viewer. In the final shot, a fist wearing the Ironman punches through what seems to be a sheet of iron with the embossed logo while the voiceover pronounces, "In the duel against time, nobody beats Ironman. All brawn and brains from Timex."

Two 15s and two 30s were produced—one of each for direct response advertising. They will run on programs ranging from Joan Rivers' syndicated late night show to MTV.

Through kids' eyes

Children's perceptions of toy performance, based on TV commercials, again came into question, with Tonka Corp. discontinuing a commercial and Lewis Galoob Toys agreeing to modification. Both were the result of inquiries by the Children's Advertising Review Unit of the National Advertising Division of the Council of Better Business Bureaus. Inquiries came as a result of letters from young purchasers of the toys.

Stop action animation was at issue in Tonka's two commercials for Rock Lords Action Figures, out of Jordan, Manning, Case, Taylor & McGrath. In the fantasy environment, according to CARU, the toys appeared to transform themselves and move independently in the first commercial. The second commercial featured small animal push toys, in which several stop action segments reportedly made the toys appear to be self-propelled.

The advertiser stated both commercials clearly established the methods of oeration by showing children changing figures from one form to another and using a voiceover stating, "You control . . . " But CARU maintained the stop action, in particular, endowed the products with imaginary but believable characteristics of independent movement.

Meanwhile, a TV campaign for Galoob's Power Machines, created by Berenter, Greenhouse & Webster, featured various battery operated toy vehicles climbing over obstacles and rocky terrain. After examining several of the vehicles, CARU questioned whether the visual presentations exaggerated the actual capabilities of the products.

Seeing more light

Eastman Kodak Co., through J. Walter Thompson/New York, is following up previous work for the advertiser's Supralife alkaline batteries in a humorous vein, featuring two flashlight beams on a completely black background as the voice of an English-accented woman chides her father for using batteries that don't last as long as her Supralife's.

This is demonstrated by the lasting Supralife beam as the father's (a Duracell) fades away, culminating in falling noises. The new spot will build on network TV in the first quarter.

Wall Street Report

Broadcast performance *(from page 54)*

the previous two years. The five year annual compounding rate was 12.8 per cent, roughly the same as the revenue rate.

Operating income margin was rock steady in '85, showing up at 17.9 per cent, the identical rate as that of '84. In fact, over the five years, the margin has displayed, in the words of the report, "exceptional consistency, never varying more that 0.6 of a percentage point from the average of 17.5 per cent. "Similarly," said the report, "the cash flow margin moved from 20.7 per cent in 1984 to 21.2 per cent in 1985. The operating income margin improved 0.2 of a percentage point, the cash flow margin 1.3 points over five years."

Pretax operating income of the broadcast segment of the 60 companies studied (two companies were left out of the totals for lack of certain specific data) was $1,413.5 million in '81, $1,533.8 million in '82, $1,763.0 million in '83, $2,12.8 million in '84 and $2,289.7 million in '85. That's annual growth of, respectively, 8.5, 14.9, 25.5, 3.5 and 12.8 per cent, while the pretax operating income margins were, by the same years, 17.7. 16.9, 17.2, 17.9 and , again, 17.9 per cent.

Cash flow data. Likewise, pro forma operating cash flow during the five years (cash flow is calculated on a pro forma basis by adding depreciation and amortization to operating income "to approximate actual cash flow") came to $1,593.4 million in '81, $1,751.2 million in '82, $2,021.9 million in '83, $2,552.9 million in '84 and $2,719.0 million in '85. Annual growth of operating cash flow was respectively, 9.9, 15.5, 26.3, 6.5 and 14.3 per cent. Operating cash flow margins were, respectively, 19.9, 19.3, 19.7, 20.7, and 21.2 per cent.

VS&A singled out the top five growth and performance leaders among the 60 companies in the broadcast realm. The revenue growth leaders in '85 were, along with their percentage growth: International Broadcasting, up 725.0 per cent; Olympic Broadcasting, 516.7 per cent; Jacor Communications, 320.6; Satellite Music Network, 108.5, and Price Communications, 93.4. These are, of course, small companies, with Price being the biggest, its '85 revenue being $26.5 million.

However, Price paid a total of $167 million for broadcast properties in '85. As for the others, International Broadcasting had been a developer of entertainment properties but acquired a TV station in August, '85. Olympic began operation in '84, with the acquisition of four radio stations in the third and fourth quarters.

Jacor announced last year the acquisition of Republic Broadcasting for $34 million. Satellite Music Network began operation in January, '81, as a network syndicator of radio programming.

Top 10 growth. If the revenue growth leaders in '85 were confined to firms with at least $50 million in revenues, the top 10 are shown to be: Taft, up 49.5 per cent; Global Communications, 28.3; SFN Cos., 21.0; Viacom, 18.7; Tribune, 17.5; Lin, 15.4; Scripps-Howard, 15.0; Chris Craft, 14.7; Metromedia, 14.7; and tied at 14.1 per cent are Gannett and New York Times.

It's obvious at a glance that several developments have occurred since '85 that will change the '86 rankings, not to mention the fortunes, of several of these companies. Among those developments were the sale of Metromedia's TV and radio stations, Taft's sale of its TV stations to TVX and some of its radio stations to CBS, the fact that SFN was taken private early in '85, while Global went the same route in August of that year. It will be interesting, given these changes, to compare the '86 report on the broadcast segment by VS&A.

Another growth listing by VS&A was the top five firms in five-year compounded annual growth of pretax operating income for their broadcast properties. The five were, with their growth rates: Westwood One, 100.8 per cent; RCA(NBC), 62.2; John Blair & Co., 57.9; Clear Channel Communications, 50.1, and American Family, 40.9.

Profit leaders. Again, if the leaders were confined to companies with $50 million of revenues and over, the top 10 would be—eliminating Westwood One, Clear Channel and American Family—RCA(NBC), Blair, Malrite Communications Group, 35.8; Chris Craft and New York Times tied at 33.1; Washington Post, 28.9; Viacom, 26.2; A. G. Belo, 25.8; Lin, 24.3, and Global, 21.5.

Growth/performance measures, TV/radio broadcasting, 1981–'85

Quantity used in measure

	Revenues	Pretax operating income	Pro forma operating cash flow	Assets
1981–85 compound annual growth	12.5% (5)	12.8% (7)	14.3% (6)	24.4% (2)
1985 growth	3.7% (10)	3.5% (8)	6.5% (7)	29.0% (4)
1985 operating margin		17.9% (2)	21.2% (4)	
1981 v. 1985 margin change (points)		0.2 (7)	1.3 (8)	
1985 return on average assets		17.8% (5)	21.2% (5)	
1985 asset turnover				1.0 (7)

Source: VS&A "Communications Industry Report." Segment rank in communications industry in parenthesis.

Rep influence *(from page 97)*

has been sold.

Adds Jack Fentress, vice president, director of programming at Petry National Television, "We're involved as deeply as they would like us to be. Recently a station asked if I could intercede and help with the price a bit, and I did. But even if we help them, the station general manager is responsible for how he spends his money. We help out reasonably frequently, though, and it's a trend that's slowly increasing. And I don't see market size having much to do with it.

It isn't designed to circumvent any personnel at the stations when we do this; it's just a matter of bringing in an additional voice to bring order out of chaos." He adds that where stations need the most help is in future planning for one to three years down the road—getting an idea of the direction the station wants to go in various dayparts. "The stations don't ask for advice on barter," Fentress interjects, "but we sure as hell give it to them."

"We'll discuss specific programming and give our best analysis. We'll only get involved on rare occasion, but we may give guidance on how to approach a syndicator —like going for a shorter contract."

Michael Levinton
Vice president
Blair Television

Off-net or first-run?

What he sees as most unique in the Viacom approach to selling *Cosby* is that "they're taking an off-network program and selling it like a first-run show. As much as I'd like to, I can't say they're doing something evil here. What we're doing with each individual market is running a formula on the show. We're looking at such things as time period, what the competition is likely to be and general syndication costs in the marketplace. We're not making any blanket recommendations."

He notes the Viacom approach to *Cosby* relates to two significant trends in the marketplace—the growth of cash plus barter and "the tendency of distributors to try to get more of their money upfront." The closed bidding process for *Cosby* provides for special consideration for stations willing to pay more upfront. Also, Viacom is

"No one has asked us to carry on negotiations, but we're frequently asked to do leg work." This can include information on what others have paid for a program and how creative financing has been used.

Janeen Bjork
Vice president
Seltel

withholding two 30s for national sales and Fentress sees this becoming a trend in replacing full barter. He comments, "This is taking a lot of money from the stations in taking away the ability to sell that time."

Matt Shapiro, vice president, director of programming at MMT Sales, reports having actually handled negotiations and purchase of product as negotiating agent for the station. He says this has been done for approximately half of his firm's station list at one time or another.

MMT has already been behind the scenes in negotiations for *Cosby*, which has been bought by client KPHO-TV Phoenix. In San Francisco, though, the program did not go to MMT's client but to KPIX(TV) for an estimated $2.2 million for the 3½-year package, or about $120,000 a week for the strip.

Figuring into the advice MMT gives in bidding for a program like *Cosby* is its APPLE (Analyzing Program Profit/Loss Elements) system. It is not a computerized system, but Shapiro says one of the groups his firm works with has put it into its mainframe system. He describes this system as "analyzing a product in terms of bottom line potential. We can look at times when it doesn't pay to be Number 1 in the time period."

No bid trend seen

Jay Isabella, program director at TeleRep, reports occasionally being involved in negotiations at the station's request. He adds, "They tend to consult us more on a major series vs. renewal of a movie package." He says that with *Cosby* only having been sold in several markets so far, he expects to be involved in a great number of discussions about it in the future.

Isabella contends that the fact that *Cosby* is a bid situation is not indicative of a trend. He points out that *Magnum P.I.* was also a bid situation but that it did not set a pattern. More significant about *Cosby*, he says, is that Viacom, distributing it by satellite, will be controlling which episode runs on which day.

Wait and see

Sharon Wolf, vice president of programming and research at Independent Television Sales (ITV), says the general practice at her company is to look at a station's inventory and discuss potential product, but generally not to get involved in negotiations: "It's their money and their commitment."

Wolf says there have been discussions about *Cosby* with stations, "and in most instances, they're waiting to see who's getting the show and for how much. It won't get to many of our markets before NATPE."

Meanwhile, Harrington Righter & Parsons has tailored its research capability toward helping clients make a decision on *Cosby*. Jon Murray, assistant director, program services, reports the rep has made projections of ratings and shares for the show for specific stations in specific time periods, and he expects that the stations will base their bids on this research.

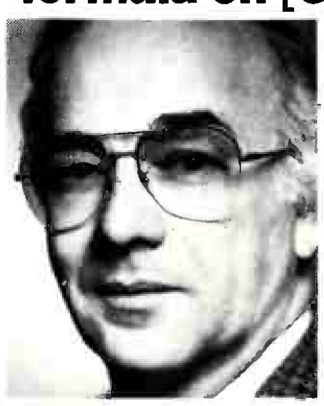
'Cosby' considerations

Murray says, "Most stations, when they're going to make a significant purchase, will at least call us to discuss it with us. Sometimes these can be $2 million or $3 million contracts." As for *Cosby*, which involved a reported $43 million contract in New York for a 3½-year run on WOR-TV, Murray says the good part about the syndication approach is that "they're not using it to package it with other products. But also it's a very expensive show and represents a big risk. We've told some markets that they shouldn't make a play for *Cosby*, based on the rating and share they could get. Some of them could do better with something else from a cost standpoint.

"And WOR [because of its superstation status] can be a factor in the heavily cabled markets that carry it on their cable systems, especially because episodes are running on a same-day basis." He believes prices for the show will moderate in relation to other product as the show goes into negotiation in the smaller markets.

One concern that Murray is expressing is that syndicated programs are being sold earlier every year: "Most of the shows that are going to be available for fall, '87 have already been shown to us. How can stations make decisions when they haven't even seen the October ratings books, let alone November, to get a sense of their own programming to know if they're going to have holes to fill?" □

"What we're doing with each individual market is running a formula on [*Cosby*]. We're looking at such things as time period, what the competition is likely to be and general syndication costs . . ."



Jack Fentress
Vice president
Petry National Television

Customized *(from page 98)*

schedules for 12 weeks ahead. The Syndicated Program Summary, coming out with each of four sweeps, utilizes Cassandra data for the top 100 markets and about 60 syndicated programs, emphasizing the most current ones—including an evaluation of what the numbers mean.

The Network Sports Calendar projects up to nine months in the future. It is revised monthly or as needed, with a full report issued each quarter. Program bulletins vary in frequency from every two weeks to the current intense level of everyday. These are based on contacts with syndicators on new product.

Levinton also points to historical material, usually twice a year, such as an audience summary of all network primetime movies and for all primetime specials by category. He notes these help stations to evaluate those going into syndication and can also be used to evaluate similar shows coming up in terms of competitive positioning.

The Early Fringe Perspective is a competitive schedule layout for all stations in the top 100 markets and all markets below 100 where Blair has a client station. This shows, by station, audience performance of programs in early fringe through access.

On a custom basis, Levinton points out, his department can do AID (Arbitron Information on Demand) runs, flow studies, coverage studies and studies on unduplicated news viewing. It can do an Arbitron Cluster-Plus analysis to develop a lifestyle profile for each market and to match program profiles to the market.

"Most of what we do is one-on-one with the stations," Levinton asserts. "I've been to many stations where I've seem reams of research books getting dusty."

The APPLE (Analyzing Program Profit/Loss) system analyzes a product "in terms of bottom line potential. We can look at times when it doesn't pay to be Number 1 in the time period."

Matt Shapiro
Vice president
MMT Sales

A similar range of periodic reports is offered by Seltel, which serves 96 stations with a programming staff of five, aided by the 22 people in the research department. Among the regular reports issued by Seltel are a network movies and specials calendar, a primetime comparagraph in grid form giving ratings and shares of programs that ran during a given week, an annual network review by category, a twice-a-year sports calendar, Cassandra tracking reports that show five-book trends on major syndicated shows for every market in the country from 3–8 p.m. including what changes as the programming changes, primetime movie reports for the top 100 markets and any Seltel market below 100, and a weekly fall syndication report. The latter shows how syndicated programs do in metered markets, including how they relate to their lead-in and how they did against specific competition.

Janeen Bjork also points to off-network program indices for all Seltel markets that show how the programs perform in a given market vs. nationally. As for program advisories, these include a book on what will be shown at NATPE and syndicated program releases "every time a new one is presented to us."

Renewal assistance

Bjork adds, "We generally do custom reports when a station asks us for something like how a specific program is holding up in terms of ratings and clearances—to help the station decide whether to renew it."

At Petry, where 80 stations in the two divisions are served by three former station program directors and two program research specialists, Jack Fentress says, "There are some reps that believe in tonnage vs. quality of material. Our work is broken down into weekly, monthly and bimonthly reports that are easy to read—based on what the stations tell us that they want to see. We don't just do neutral reports. We do take stands."

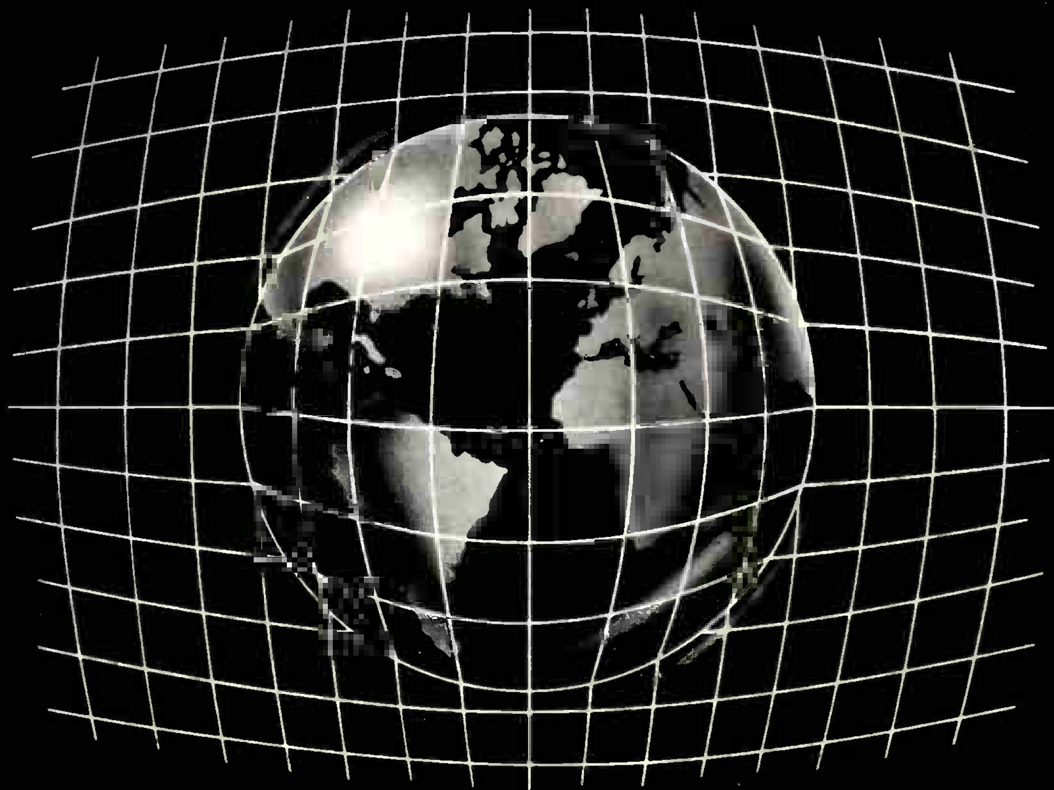
The biweekly Petry Programmer includes network schedule changes, descriptions of upcoming movies and specials, sports schedules and a six-week advance of network schedules. A weekly NTI report gives a current overview of network performance, including reviews of individual nights and programs, daytime reviews, late news lead-ins and network news performance along with a six-week trend.

Overnight data

On a weekly basis from the beginning of the season until the first ratings books are published, Petry provides overnight data on syndicated shows, including weekly and average ratings and shares to date in comparison with lead-in and competitive programming in individual markets. For competitive planning, it issues program availability

The fact that Cosby is a bid situation is not indicative of a trend. Magnum P.I. was also a bid situation, but it did not set a pattern.

Jay Isabella
Program director
TeleRep



reports showing which station owns what product, who has what for futures and what movie packages are in use or available.

Individual program indexes and demo tracks are provided for all new-to-syndication off-network programming, showing how the programs perform in individual markets against the national average and against the primetime performance of that market. Recommendations as to the pluses or minuses of acquisition by the individual station are included.

Issued after each of four Nielsen rating periods, a market syndication program performance report from Petry covers 60 to 70 of the most active syndicated shows, including how they are performing, where they are played and what their competition is. For each fall, an overall guide to network schedules and syndicated properties is published, and a special guide and advisory is produced for NATPE.

For MMT Sales, with 44 stations, and MMT Marketing, with 22, there are a total of eight nonclerical people in programming and program research. "One thing we do extensively," says Matt Shapiro, "is customize special ratings analyses for individual stations, using AID and Nielsen-Plus. We don't just order their information and send it to the stations." He notes this includes flow studies, frequency of viewing analyses and cable analyses off the major books. He adds, "Some stations do a major flow study off of every sweep.

"We do all the generic stuff on a regular basis, but where we excel is in the customized stuff." Along with the typical calendar, availability and ratings data, MMT also offers news content and news presentation analysis, intent to view analysis and mini-documentary concept and scheduling studies.

Customized service

At TeleRep, Jay Isabella says the firm serves its 47 stations with 30–40 periodic handouts, ranging from twice a year to weekly, but, "The key is not so much the data but the ability to understand station needs and work with them."

Isabella is assisted by two associate program directors but also involves sales management and the company's five research professionals. A centerpiece of the regularly issued research is a weekly mailing with 12 separate sections. Among the data included are network schedules for the next 12 weeks, a recap of what's happened in the past 10 weeks in ratings, a six-week performance track for regular shows and descriptions of upcoming movies and specials.

Isabella points out that such information is helpful to the stations both in selling adjacencies for affiliates, and in counterprogramming the networks for independents. More than 1,200 copies of these weekly reports are printed, he notes, because stations disseminate them liberally to agencies in their markets, which typically are more reliant on such data than major agencies in locations like New York.

As do other reps, TeleRep provides reports on new syndicated shows the programming staff has seen, but Isabella notes that the programs are analyzed only for individual stations: "We do the stations a disservice if we present a show as all good or all bad." Special reports also may be done from the firm's continuous track of NTI information as well as TVQ information.

For individual markets, the rep uses a comparagraph to lay out program data for the market with ratings from the last ratings period. This is mailed to the station in advance of visits. TeleRep also analyzes results on syndicated primetime movies across the country.

The general practice at ITV is to look at a station's inventory and discuss potential product, but generally not to get involved in negotiations: "It's their money and their commitment."

Sharon Wolf
Vice president
Independent Television Sales

ITS serves its 40 independent stations with four programming specialists, who are assisted by the company's research staff of 12. Sharon Wolf notes that ITS sends out such usual materials as comparagraphs, ranking reports, competitive program schedules, releases on new syndicated product, weekly tracking reports on syndicated product and network ratings information.

But the company also focuses on research that is of particular use to independents. This includes reports on how indies are performing around the country in primetime movies—who's running what, ratings, lead-ins and leadouts. ITS also does reports on what happens when new indies sign on, including how they do themselves and how they affect the market. This is kept track of on a regular basis, with reports sent out once or twice a year.

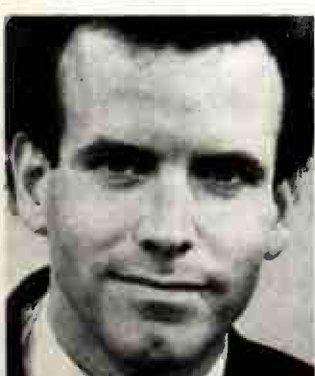
Wolf adds, "We help stations—whether it's a new or existing station—in researching everything that's happening in the market for them and what's happening around the country. We look at audience flow and do a complete analysis for them. When it's a new independent, we look for similar situations in other markets."

Advice on news

At HRP, the two programming experts both have had television news experience. Dean McCarthy, vice president and director of program services, has been a news director and Jon Murray has been a producer and news manager. They both provide assistance in news, which even gets down to going over stories with reporters to "show how they can improve the telling of those stories," Murray says. He points out, "News is more important when you represent all affiliates."

Serving 35 stations, the two programming executives get research backup from a department of some 25 professionals. The combined effort results in such output as screening of all new syndicated programs and evaluation of off-network shows, and program bulletins including cost, description

"How can stations make decisions when they haven't even seen the October ratings books, let alone November, to get a sense of their own programming to know if they're going to have holes to fill?"



Jon Murray
Assistant director, program services
Harrington Righter & Parsons

and analysis of where a show would work. Off-network shows are covered with ratings tracks of how they did on network.

Murray adds, "We follow up with individual stations before NATPE and discuss what they might be interested in. The smaller stations require more service. The larger ones are more likely to have their own people to analyze data, although sometimes they will want another opinion. We also look at the programs in terms of how they will sell to national advertisers.

"We're doing more toward making stations aware of syndicated specials this year. These give them the opportunity to tap revenue they have not been able to tap before. Advertisers who won't normally go into spot might go into a documentary or special project like Group W's *For Kids' Sake* or its medical documentaries.

"We also give regular information on things like specific checkerboard situations on various stations and how the programs perform in relation to such things as lead-ins and lead-outs. On a monthly basis since the end of September, we've been giving out information on what will be shown at NATPE.

In smaller markets, where syndicators visit less, the rep is often the first source of new program info.

"A lot of what we do is discussions with stations on how they might put their schedule together—how to improve a specific demographic, how to compete with *Wheel of Fortune*. We send out daily information on prime-time network ratings. The stations are either hooked up by Minipak or get the information by standard TWX.

"For the first 11 or 12 weeks of the new season, we send out once a week a summary of new syndicated shows on ratings performance in the overnight markets, including our interpretations. And if a station wants to do a flow study on how a program is working, we'll order data from the ratings service and interpret it for them."

He emphasizes the importance of program information: "When a station is in a small market, not every syndicator will come and show the station its programming before NATPE. Our program bulletin may be the first thing they've seen on a show." □

Broadcasters *(from page 92)*

in order to avoid a large outcry from disgruntled customers. "So long as it happens over a period of time, I don't think it's going to be a problem," he says.

If the cable operators fail to do that, Rogers warns, "Look for consumer dissatisfaction with cable deregulation. We saw how dish owners reacted. What if 40 million cable customers are disgruntled with cable? That is a major issue to look out for."

In fact, Rogers says, such wholesale dissatisfaction leading to grass roots bitterness against cable, "could play out [in Congress] on cable-telco, copyright or scrambling" issues.

In an overall sense, Rogers says, the change of the Senate to Democratic control may have its greatest impact on how the FCC continues to operate. "It will be harder for [Chairman Mark] Fowler or the FCC to hide behind one house or the other, because they would not be united. The difference in the election means that the primary activity of [the relevant congressional subcommittees] will be oversight, oversight, oversight. The biggest change will be in the oversight of the FCC."

Compulsory license fight

Jim Mooney, NCTA president, already had begun gearing the cable industry up at the end of 1986 to defend itself against what he sees as the major onslaught on his industry this year—the effort to do away with the compulsory license.

He views the major adversary over the issue to be the Motion Picture Association of America (MPAA) and its president, Jack Valenti. And he expects the chief argument to be that the cable industry is fast becoming a group of heavily concentrated monopolies that no longer need any favors from government regulation.

Mooney dismisses the MPAA effort as "beginning to beat the drum for regulatory restraints on cable which will keep in place its own semi-compulsory cartel."

The cable industry fought successfully over the past several years to gain its now lofty position. Now, Effros acknowledges, "the job of the Washington lobbyist at this point is just going to be trying to keep everybody at bay so that we can go about our business without government interference." Thus, 1987 will be a defense year for cable, he says.

The broadcasting industry also will be on the defensive on some issues, Summers says. He expects the furor over last fall's negative political advertising to continue to fester on Capitol Hill, coupled with the overall twin issues of the cost of campaigning and the influence of independent political action committees.

The NAB already has made its own study and distributed its results widely in an effort to diffuse some of the expected efforts to clamp down on the limited freedom broadcasters now have in handling campaign material. The study showed that when candidates were offered free air time by stations, a large percentage rejected the offer.

The same offensive also laid out broadcaster objections to the way candidates were using the law to air negative camapign commercials and to fleeting appearances by candidates usually at the tag end of the commercials.

One of the NAB's efforts, Summers says, will be to get Congress to send a letter to the FCC stating its desire that the regulations be changed to require any candidate who is given a right to uncensored commercials at the lowest unit price to make a "substantial appearance" in the commercial. That, Summers contends, would go a long way towards doing away with negative advertising, since the candidate would be more easily identified with the mudslinging.

On the defensive side, he expects the broadcasters to have to make a major effort to stave off the impact of a bill expected to be reintroduced in this Congress by Sen. Paul Simon (D-Ill.) dealing with the depiction of violence on television.

Although the thrust of the Simon bill is to give the broadcasting industry an exemption from antitrust laws so they can draw up a code of ethics regarding the treatment of violence, Summers says broadcasters would have problems because of concomitant pressure that would follow and the impact of damage to someone else's First Amendment rights, such as those of the programmers whom the broadcasters would be censoring.

Voluntary response

A voluntary response could help the industry ward off such legislation, however, just as the voluntary response in launching drunk driving public service announcements during the last congressional term helped kill major opening efforts to limit the beer and wine advertising on radio and television. Efforts followed on restricting the advertising of other products, but those also were unsuccessful. Summer doesn't see that issue returning in the 100th Congress.

As a fallback position against possi-

(continued on page 126)

In the Picture

Josephine Cummings

Now executive vice president/chief creative officer at Tracy-Locke, Cummings talks about building the right environment for her writers and art directors. And she credits many researchers with higher marks for humility than some creative types grant them.

Creative chief believes industry could and should do better job with radio

Josephine "Joey" Cummings says her new position at Tracy-Locke as executive vice president/chief creative officer, is "newer in title than in actual position." She explains that the title that had gone with the top creative post at Tracy-Locke had always been executive creative director, adding, "We've had such tremendous growth, from $139 million in billings in 1981 to around $300 million today, that we needed a couple more people at that executive director level to help handle it all. We have 100 people in our creative department. So the new title keeps me at the head of the department."

Cummings says that she's already hired Patrick Derby as one of her new executive creative directors and is still looking for the other. Derby had been a consultant in Los Angeles and before that had been with Foote, Cone & Belding in Chicago.

She says, "As an industry, this business has rarely done as well as we could have and should have with radio. Too many people settle for doing radio the lazy way. They just say, 'Pull it out of the TV track and stick it on the air.' And a writer shouldn't try to do a radio commercial alone any more than he'd try to do a magazine ad or a television commercial without an art director. The opportunity radio hands us on a platter is the chance to create pictures in listeners' heads that we never could afford to do on television. And I think that, as an industry, the whole advertising business should celebrate radio more. We should recognize great radio advertising with industry awards, the way we do great television work and great print advertising."

Demanding environment

Cummings believes that, besides the financial rewards, "which are always important," creative people "want to know that they're working on accounts that give them the opportunity to do great work. And we have to make sure that we've built an environment at the agency that demands the best they have to give."

She adds that, in her opinion, "Part of that environment is making sure that they know that we're always very honest with them: honest in letting them know if we have a problem with their work and honest in telling them why, and in our suggestions about how they might straighten it out. After that, I think it's best to leave the rest to them and let them run with it."

Cummings says that most of the cases in which she finds herself defending a piece of creative work, either internally or to a client "involve matters of style—not communication of the basic message. If I didn't think the viewer or reader would grasp the point that the advertising is making, almost at a glance, it wouldn't get past me in the first place.

"But a problem can come up, for instance, if we've developed a humorous approach for a client who's never used humor before. I may have to explain why we think it's the best way to go in this particular set of circumstances."

Information up front

Asked about the relationship between her creative people and the agency's research arm, Cummings replies, "Even our newest people want all the information research can give them about the product and who uses it before they start work on a campaign. We consider the researchers key members of the account team."

But she does concede, "A problem can come up if and when research is positioned as the decision maker between *this* execution versus *that* one. But the best of the researchers will admit that trying to use their input this way can be dangerous. Most of them have had as much experience as we've had in seeing the many commercials that might have been killed by copy testing that have turned out instead to be among the most effective advertising we've ever seen. Experienced researchers know as well as we do that there are those very emotional intangibles that are almost impossible to articulate by most consumers. Researchers are usually the first to admit that they can sometimes be wrong and that there are times when the rules can be broken to advantage."

Cummings describes her people as "constantly at work on projects to attract additional business from our current clients as well as from prospective clients we don't have yet." Most of the new product work the agency does, she says, is for current clients and runs from a new snack chip from Frito-Lay to a new gasoline being introduced by Phillips Petroleum.

She credits computerized new product simulation models with the ability to "provide direction," and to "help us improve on our first ideas, which may not always have been as good as we thought they were."

Asked about focus groups, Cummings says, "Even those of us who have been in the business for a while should sit in on focus group sessions, at least occasionally, so we don't lose touch with reality. You may come away from some sessions feeling that you've heard it all before, but you may also hear an interesting idea or two in the next one."

Broadcasters *(from page 124)*

ble action by the FCC in resolving the must-carry issue, the broadcasters and cable operators plan to keep Congress abreast of their joint filings with the agency just in case the members of Congress are asked for a response or pressure. But no legislation in the area is foreseen.

Otherwise, the remaining major issue Summers expects the NAB to be involved in on Capitol Hill this year is the question of whether to allow common carrier satellite operations to carry network affiliates as superstations or to market superstations directly to backyard dish owners.

For his part, Padden, whose INTV members have in the past been the superstations carried—not necessarily with their consent—believes the threat to network affiliates brings new players into the game and increases the chances for greater activity in Congress this year. Time ran out in the last Congress before legislation dealing with the issue could pass.

Otherwise, Padden sees the big issues affecting his sector of broadcasting this year as being "must-carry, channel positioning, compulsory license, superstations, syndicated exclusivity—all those related issues are going to continue to be on our front burner."

At an INTV-sponsored event stressing the major copyright issues affecting broadcasting and cable, FCC Commissioner Dennis Patrick began a major effort to get the commission to review its decision of long ago to drop the syndicated exclusivity that stations had enjoyed. The independent stations now claim that the picture has changed, that with cable in the picture, they need the protection of exclusivity for syndicated programs.

With Commissioner James Quello joining with Patrick in favoring a return to syndciated exclusivity, McKinney says his bureau already is drafting some recommendations dealing both with the syndicated exclusivity issue and the related issue of network nonduplication. But he provides no indication what the recommendations might be.

Also related to those issues is the matter of the compulsory license, over which the FCC has no jurisdiction, but which will suffer an impact from the commission's changes in the must-carry issue. "We recognize we can't change the compulsory license," McKinney says. "That is a matter that is statutory and is the responsibility of the Congress. But since we've done something that will affect it one way or the other, we feel it's our duty to determine what that effect is and to furnish that information to Congress."

Minority issue

Looking ahead, McKinney sees some final outcome by the end of this year on the matter that got the FCC in hot water with Congress near the end of the last term—its position opposing preferences for minorities and women in granting broadcast licenses. One of the agency's final acts in 1986 was to instigate a lengthy rulemaking procedure to look at the issue.

And one of the major issues of 1986 at the FCC, the survival of AM radio, gets off to an early start this year with a staff study expected to lay the foundation for a series of actions the FCC is expected to take throughout the year to make it easier for AM to compete in the radio marketplace.

Some of the possible solutions include changes in synchronous transmitters; elimination of the duopoly ownership rule as it applies to AMers, and multiple ownership rules in general for radio; and elimination of some of the technical rules, such as interference limitations, that are viewed as restraints on the ability of AM stations to compete.

The FCC may have a piece of the major squabble expected this year over the concentration of ownership in the cable industry. It already has been petitioned to take a look at the matter in one case, but McKinney says he wouldn't even predict whether the commission would even begin rulemaking procedures on the issue. He does expect it to be addressed by the commission sometime in the first half of this year, he says.

And the FCC expects to be involved in another issue that is not within its purview, but on which it will advise Congress. That is the scrambling issue, which is the subject of a study being fashioned by the agency's Policy and Rules Division. □

Late-night *(from page 95)*

through its own sales on off-network programs it carries. The compensation is so small it is not an incentive for anyone to carry the CBS programs if it could sell its own inventory."

The checkerboard airs 11:30 p.m.–12:40 a.m., followed by a CBS movie, which runs until 2 or 2:30 a.m., according to McKee. As to the performance of the checkerboard programs, McKee notes that they average a 1 rating and as high as a 9 share in the Atlanta November Nielsen. She says she is "satisfied with the numbers. We are a small independent and it's good programming for us to carry, although the numbers don't come anywhere near the affiliates in the market. However, occasionally, it will match or beat whatever is on the other independents."

Wrestling lead-in

WVEV-TV runs wrestling in the 11–11:30 p.m. time period as lead-in to the CBS checkerboard. It has been delivering higher ratings than the CBS block, according to McKee. The station's Friday night wrestling show, *The Gorgeous Ladies of Wrestling*, does even better than other wrestling fare, averaging a 3 or close to a 4 at times, against the 2 rating of the Monday–Thursday programs. The Friday wrestling program draws a large number of male viewers, says McKee.

At KMSS-TV, which began operation in October, 1985, the checkerboard ratings have been "very satisfactory," notes Ben McLaughlin, a consultant and acting general manager at the station. The block got a 2/6 in the November Nielsen against the 1/3 from programs in the same time period a year earlier.

McLaughlin says that the present ratings "are not bad in this marketplace. We are building our audience, and we can now go out and do business with advertisers. Also, there are two other advantages in carrying the CBS late-night programs, adds McLaughlin: "We don't have to go out to buy shows, which can be expensive, and we are recipients of the network's promotion of the programs. Also, we get compensation and are, in effect, a secondary affiliate, although we have to give up half the inventory in the shows."

Previous to its checkerboard lineup in late-fringe, the station carried a potpourri of programs consisting of specials, sports, etc. The CBS shows are preceded by the *Rivers* Show, notes McLaughlin, which is racking up 6s in shares. *Rivers* replaced *Comedy Tonight* and other programs, which did a 1 share or less, according to McLaughlin.

On the other hand, the late-fringe block on KSLA-TV, the CBS affiliate, which has always been strong in the marketplace, has been getting very high numbers with its off-network strips. McLaughlin says the affiliate averaged a 14/33 for *The Jeffersons* at 10:30, and an 8/34 for *Quincy*, from 11–midnight. *Quincy* was triggered the past September, he says.

To make room for *Rivers*, which is aired live-on-tape, KMSS-TV delayed the CBS block a half hour. McLaughlin believes that the network "looks unkindly at this, but they have little choice when you have an hour program such as *Rivers*."

Day-delay basis

A few indie stations which run *Rivers* from 11 p.m. to midnight, carry the CBS block on a day-delay basis. In one case, it's also shown a half hour later than the network feed. WCIX-TV, Taft indie being sold to the TVX Corp., holds the CBS checkerboard shows until midnight to accommodate its *Rivers* run the preceding hour, according to Stefanie Campbell, program manager. The reason, she notes, is to avoid the risk of accidents during the station's taping of the block. "We have to tape it and to delay it by only a half hour and we're running the risk of something going wrong. By delaying it a day, it gives us a chance to make certain we have the entire tape, and if there is any problem we can get another tape from a CBS affiliate. We can check the format for timing, and it makes it easier to air the shows properly."

The CBS checkerboard was introduced in September by WCIX-TV, says Campbell, after the CBS affiliate in the market, WTVJ decided to double-run *Magnum P.I.* in the 11:30 p.m. slot after its local news, giving up the CBS show. "CBS policy is not to allow a delay of their late-night programs more than a half hour," says Campbell.

Campbell says the CBS late-fringe block is "doing fine. It's not setting the world on fire, but we feel the numbers are nice and we feel it's a classy vehicle for us as well as being a good lead-out from *Rivers*." The two-and-a-half hour block, including the CBS movies, did a 2/7 in the November Arbitron, says Campbell, against last season's *Policy Story's* 2/8 in the 11:30 p.m. to 12:30 a.m. slot, while the average for the entire time period, involving the movie ratings as well, dropped considerably.

Obviously, one of the major reasons for stations to tape-delay the CBS block, points out Petry's Fentress, is that it allows them to retain the half-hour for their inventory and potential local sales. "The stations can capture 100 per cent of their inventory from 11:30 to 12, rather than running a network show and getting only a percentage of it. It's called economics."

Keeping inventory

Keeping the half hour for its own inventory is one of the factors behind the decision by CBS affiliate KCCI-TV to tape-delay the CBS block, says Pascuzzo. Another reason is that it allows KCCI-TV to air a half-hour program before the 11 p.m. time period, when HUT levels drop considerably in the market, says Pascuzzo. "If we ran the CBS block without a half-hour tape delay, the second half of the hour programs would experience a huge viewer decline."

The present 10:30 p.m. occupant is *The Jeffersons*, which Pascuzzo calls highly competitive with *M*A*S*H*, which runs on ABC affiliate WOI-TV, and with *The Tonight Show* on WHO-TV. McCarthy at HRP says that off-network sitcoms such as *Jeffersons*, *M*A*S*H* and *Taxi*, which may have played well in earlier time periods, are also doing well as late-night vehicles on affiliates. While there are several new first-run late-fringe shows going into NATPE, he doesn't see affiliates as heavy buyers for them.

"I think affiliates will ask themselves why buy new shows for late-fringe—unless the pilot is outstanding—when existing programs aren't working out to expectations; and perhaps they will look at a program they already own or stay with the network. Granted, the ABC affiliates had a rough time this season in late-night, but NBC is doing well with *Carson* and CBS appears to be performing well in ratings, share and demographics. CBS Late Night is up over a year ago, says McCarthy, which he believes is the result of CBS putting in new shows in the opening hour, designed to skew a little younger.

The CBS checkerboard schedule at present is *Simon and Simon*, *Hot Shots*, a first-run series, as is *Adderly* and *Night Heat*, and *T.J. Hooker*, from Monday–Friday, respectively, beginning at 11:30 p.m. (EST). Beginning January 9, however, CBS is planning some changes. *Shots* will be dropped, with *Hooker* moved as its replacement. *Keep on Cruisin'*, a new half-hour show, goes into the old *Hooker* spot on Fridays, along with *McGarrett*, reruns of *Hawaii Five-O* under a different name. *Cruisin'* features Stephen Bishop, and is skewed to a younger audience than *Rivers* or *Carson*, according to CBS sources. Both *Adderly* and *Night Heat* are renewals from last season. *Adderly* has been doing exceptionally well, averaging a 4.9 rating, says CBS. □

Inside the FCC

Edward O. Fritts

President, National Association of Broadcasters, in recent speech before the High Definition Television Policy Forum in Washington, D.C.

FCC stance on UHF frequencies use imperils HDTV future in the U.S.

HDTV is a vital development on the global television scene. It is a new technology that right now is poised to move from the experimental stage into commercial realization.

High definition television's impact could probably be greater in the United States than anywhere else on earth. Our country now possesses the world's best-developed system of broadcast television. Our household penetration is among the highest in the world.

We all know that implementation of broadcast HDTV will require more spectrum. Where will that spectrum come from? We propose that it be drawn from the existing UHF broadcast allocation.

But there is a problem. The Federal Communications Commission appears predisposed to give land mobile users the available UHF-TV frequencies that we need to transmit HDTV to all the American public.

If the commission does that, its action will have two serious consequences:

■ First, it would cause land mobile to interfere with existing UHF broadcast television stations and degrade their signals.

■ Second, it would preclude America's broadcasters from developing HDTV as a free over-the-air service to the nation.

That would be a strange action for regulators responsible for efficient management of the spectrum.

The FCC must understand that we are not talking about engineers' pipedreams about better TV pictures and sounds but today's reality. The FCC must act without erroneous preconceptions.

Technology is here

Broadcast high definition television is here. Right now, engineers for the NAB, the Association of Maximum Service Telecasters and NHK are broadcasting HDTV over the air in Washington. This first UHF terrestrial broadcast of HDTV anywhere in the world began on December 5, using American and Japanese technology and beaming from the tower of WUSA-TV on channels 58 and 59.

So, it is a fact that consumers will be able to enjoy this improved broadcast technology in the near future. The question is whether the FCC will let them.

No one can realistically project that cable television will ever reach into every American household—or ever be universally available like free over-the-air broadcast television. Yet, if the FCC yields to the voracious appetite of spectrum-inefficient land mobile radio users to encroach further into UHF-TV frequencies, HDTV will forever be relegated to pay status.

The broadcasters' problem is, as you know, that every one of the several proposed high definition television systems requires more spectrum space than is now available in the current TV channel bandwidth. If it is to be broadcast, each station will require wider channels that are only available on the UHF band.

No one challenges the fact that valuable spectrum space is scarce. We acknowledge that there are conflicting demands on that spectrum. But we do think the FCC is in danger of ignoring one inescapable fact.

That is, this valuable spectrum space should be used to serve all the public. It should not be handed over to a few hundred business users per market who make inefficient use of the frequencies they now have. For example, land mobile radio could more than quadruple the number of stations within its present frequency allocations if they switched from FM to single-sideband.

The FCC knows this but has failed to act. The commission has already approved viable new technologies for more efficient spectrum use by land mobile radio, but it has not mandated their use.

Regulatory 'lip service'

This amounts to little more than regulatory "lip service" to attaining true spectrum efficiency. Perhaps this is driven by the commission's "marketplace philosophy"—where industry is expected to make its own choices to use technologies as their benefits become attractive, economically or otherwise.

However, the land mobile industry has repeatedly opposed mandatory spectrum efficient technologies not because it's a good idea, but because it's more expensive than the status quo. Their "marketplace forces" are transparently one-sided. Consequently, we are witnessing a concerted "spectrum grab" which could only serve the status quo—solving land mobile's alleged problems with a reallocation of more frequencies. This approach will provide temporary relief at best, and if past history is any indicator, we can expect this scenario to be repeated again and again.

The dire spectrum shortfall predicted by land mobile and the FCC staff has been based on the theoretical assumption of continued inefficient use of old technology. These guesses further ignore the new spectrum-efficient medium of cellular radio which is sweeping the country. Many businesses now using land mobile are likely to switch to cellular telephones. This switch has already begun in some industries. It is a fact.

The only way of knowing the truth about land mobile's spectrum situation is to conduct an independent study of the situation. The few studies now available show only light-to-moderate use of the current land mobile frequencies.

If the FCC is to decide the best use of this spectrum based on facts—rather than the special pleadings of the land mobile industry and that industry's allies on the FCC staff—the commission needs an independent study of current land mobile frequency usage. To rush to judgment without these facts would be irresponsible and a betrayal of the commission's public trust.

The commission might start by rereading Section 303G of the Communications Act. It charges them to study new uses for radio, to provide for experimental uses of frequencies, and to generally encourage the larger and more effective use of radio in the public interest.

We have heard that some at the commission feel broadcasters are crying wolf on the spectrum issue—that we want to guard space for a service that might not actually materialize. Any suspicion that we are now crying wolf is just plain wrong. It is true that several technologies are being developed for HDTV.

These technologies are not compatible. And, there remains the question of which one will be adopted for use in this country.

But the fact remains, experimental HDTV station WWHD-TV is broadcasting now in this city. Public demonstrations of these broadcasts will take place throughout the month of January and into February. Special demonstrations will occur at the FCC, on Capitol Hill, at a downtown department store and at the NAB.

How fast can we move from these experimental broadcasts to commercial broadcasts? The answer is: very fast—if we are not blocked by special-interest regulation.

VCRs' rapid growth

Home videocassette recorders have achieved surprising penetration of the American market in the past five years. Nearly 40 per cent of American homes have a VCR.

This consumer video explosion has been driven by affordable prices of equipment manufactured offshore and marketed here brilliantly. Compact disc technology, also, has moved out of the laboratories and into American homes with great speed.

The same electronics industry that achieved this market penetration is poised to do the same with HDTV. Back in 1974, a study by the FCC's Office of Chief Engineer predicted that HDTV would become a reality.

Hollywood film producers are experimenting with HDTV to develop and distribute new and old material in this new medium to theaters and homes.

When the technology is marketed here, the program product will be ready. And cable television will be able to adapt quickly. When that happens, America's over-the-air broadcasters must be able to compete.

If we cannot compete by broadcasting HDTV, our ability to serve the public will be seriously compromised.

And where will that leave American television viewers? It will leave them without strong local news and public affairs, without strong local community and public service programming. It will leave them without the strong community catalyst that America's free over-the-air broadcasting system has provided for 65 years.

If the FCC allows this to happen, how could they possibly call that good spectrum management? How could they possibly say they acted in the public interest? How can the FCC preach about a fair, open and robust marketplace, on the one hand, and then deny broadcasters the right to compete in such a marketplace?

Why is the FCC in such a rush to make a big mistake? Is it because the Private Radio Bureau is so closely allied with the land mobile industry that—according to press reports—it has actually advised that industry how best to lobby? We question the propriety of that.

Lest anyone think I am advocating a narrow business interest in raising these questions, let it be remembered that implementing over-the-air HDTV will be enormously expensive for broadcasters and consumers. Where the broadcasters lead, the consumers will follow.

We recognize that building a land mobile radio system using up-to-date technology would also be very costly. Whichever decision the FCC makes will have a profound economic effect in addition to its far-reaching social impact.

We recognize, also, that this is no easy decision. There are competing interests, and the task of sifting through the hard facts and deciding what is the best use of the UHF-TV spectrum places a heavy burden on the regulators.

Around the world, other countries are poised to go ahead with HDTV, often without the weighty spectrum-allocation issues faced by the FCC. At stake here is the determination whether Americans will have free access to this new television technology as it becomes available to citizens of other nations.

Or, will HDTV be available only to Americans who pay a monthly cable fee or a daily video tape rental charge?

Hasty action by the commission may very well lay waste to a broadcasting system that has served our nation very well and has the potential to continue that service to all American households well into the future.

All we ask is that the FCC decide on the basis of sound, firm, impartially arrived-at facts, that it consider the long-term consequences of its decision, and that it reach its decision when, and only when, it is sure it has an adequate record for such an important decision.

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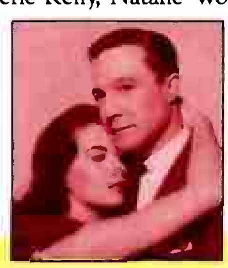

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