

SPOT  
TV/RA

# Television/Radio Age

## Rx FOR BIG AD \$\$

Prescription drugs  
promote subtly on TV;  
brand competition next?/35

## EARLY NEWS SURGE ON TV

Most top DMA  
affils program  
longform/39

## RADIO'S ENOUGH

Single-medium  
groups take on  
multimedia biggies/41

May 16, 1988 • \$3.50

Indiana University  
MAY 23 1988



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Celebrating  
100 Years*

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# Identify the famous relatives of these people



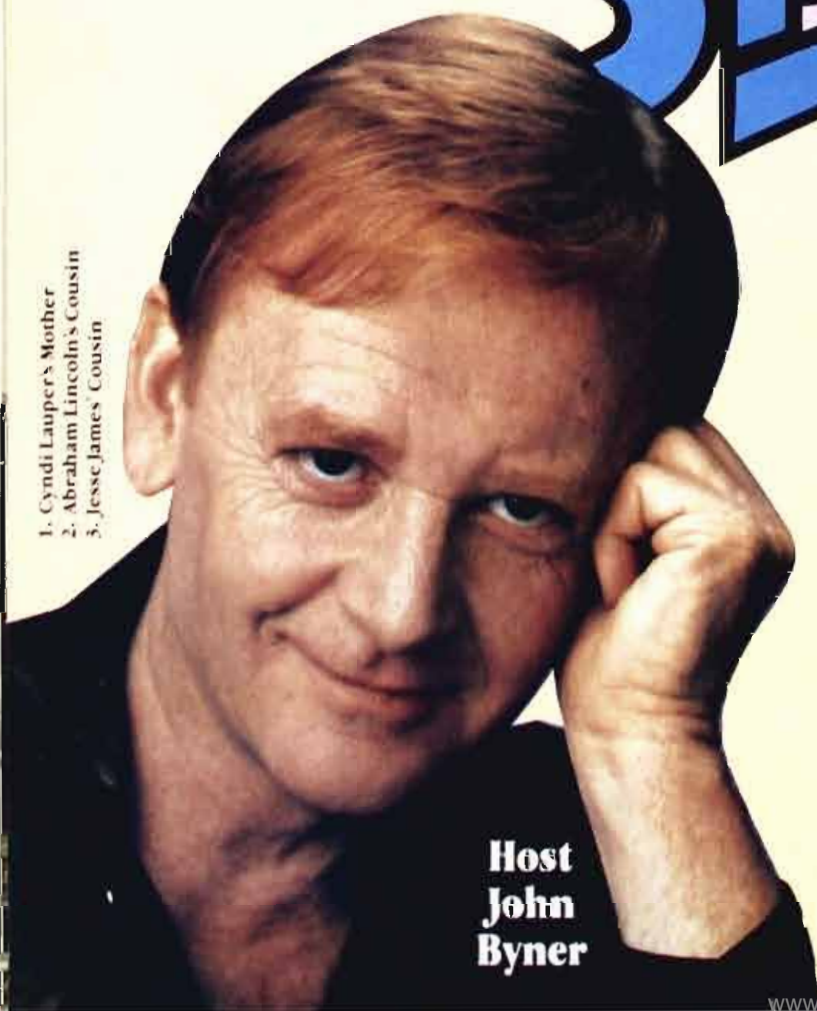
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## and you're playing...

# RELATIVELY SPEAKING

1. Cyndi Lauper's Mother
2. Abraham Lincoln's Cousin
3. Jesse James' Cousin



Host  
**John  
Byner**

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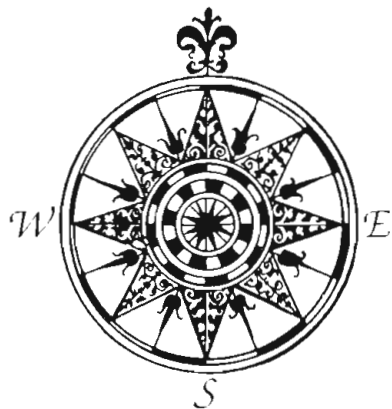
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B-2

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# Television/Radio Age

May 16, 1988

Volume XXXV, No. 21

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is brand-name competition the next development?

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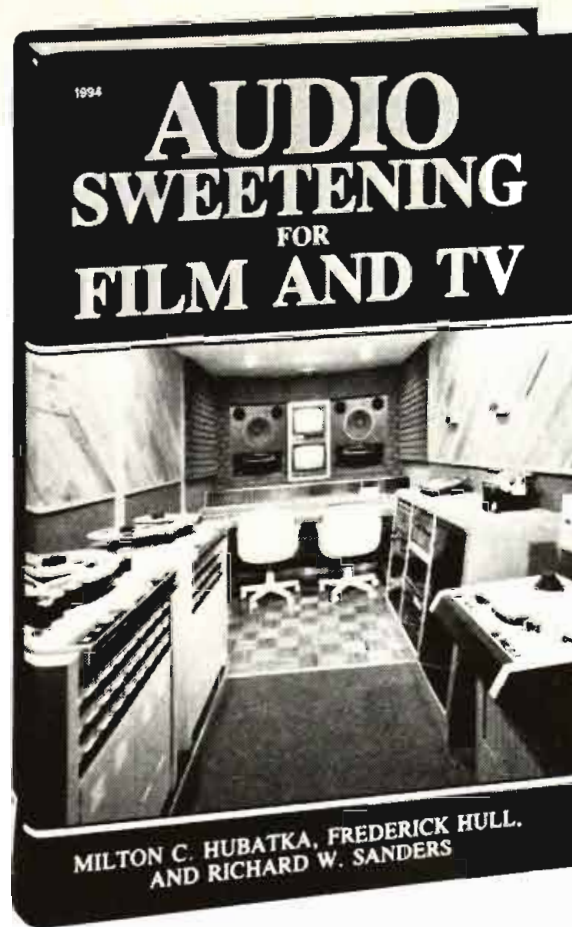
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# Publisher's Letter

## Second half of the year looks good; economy has been performing well

**W**ith the half-year mark approaching, broadcasters are trying to assess the upcoming six months of the year. All signs are pointing toward a bullish six months. The TV/RADIO AGE *Business Barometer* figures for March show national spot up 6.3% with local up 6.2%.

For the first quarter of the year, spot is up 10% while local is up 9.9%. And what is happening is that it is obvious to see that both national and local are very close, and the predictions have been made that local may outpace national in 1988.

NBC affiliates will, of course, benefit from the additional spot revenues around the Olympics. Additional revenues as a result of election expenditures have not been manifest as yet. However, heavy spending is anticipated for the September–October period.

It begins to appear that the forecasts that were made at the beginning of the year on economic activity indicate that the strength of the economy may have been underestimated. Forecasters polled by a newsletter on economic indicators agreed with a recent *Fortune* survey which found that two-thirds of the executives responding expect a recession-free 1988.

The level of confidence has been remarkably stale considering the dramatic recent events in this nation's five-and-a-half year expansion. "Surprisingly," observes *Fortune*, "last year's market crash, which many people figured would devastate confidence, barely made a dent." Several economists had predicted a GNP increase for the first quarter of 0.7%. GNP rose 2.3%, four times as much as was predicted.

**Foreign acquisitions.** There has been a great deal of publicity attached to the foreign acquisitions of U.S. companies in recent years and not much to the other way around, which may have some bearing on the health of the U.S. economy. A recent study made by economist Steven S. Roach of Morgan Stanley, points out some interesting facts about direct investments from abroad. These investments, according to Roach, were up 62% last year to a record \$40.6 billion. As he notes, \$19.1 billion, almost half of the total, came not from Japan but from a longtime U.S. investment leader: Britain.

As a matter of fact, of the cumulative \$250 billion invested in the U.S. from abroad, some 28% came from Britain, compared with just 12% from Japan. However, Roach also adds that U.S. investments overseas increased \$84.4 billion in book value between 1984 and 1987, practically the same amount invested by foreigners in U.S. hard assets over the same three years. Also, it might be noted that while the cumulative book value of U.S. direct investment overseas topped the foreign position by only 20%—or \$46 billion—Roach estimates that the current *market* value of such U.S. investments may be three times as large as the value of foreign investment in the U.S.

The *Fortune* management studies show that business confidence is well warranted, but there are concerns not only within the business community but within the broadcast industry as well. These concerns deal with what changes may take place politically in November and what the election results will bring in the way of government policies. In a regulated business, such as broadcast, this is a continuing concern, and any changes in Washington will be watched very carefully.



# STARTING from SCRATCH



## SCRATCH THESE MARKETS.

A clearance success story like this one says there's no stopping **STARTING FROM SCRATCH**, the hilarious new first-run comedy from Worldvision. **Cleared on 85 stations including 28 of the top 30 markets**, this fun-filled half-hour continues to attract stations from all over the country. Just take a look at the latest additions to the **SCRATCH** sheet:

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**WDCA/Washington, D.C.**  
**WCCO/Minneapolis**  
**KOVR/Sacramento**  
**WRTV/Indianapolis**  
**WTNH/Hartford-New Haven**  
**WTMJ/Milwaukee**  
**WIVB/Buffalo**  
**WPTY/Memphis**  
**KENS/San Antonio**

With over 80% of the country signed on including Tribune, Cox, Gaylord, Great American, McGraw-Hill, Midwest, TVX and Gillett, it's clear that **STARTING FROM SCRATCH** is the show stations have been itching for!

24 half-hours starring  
Bill Daily and Connie Stevens  
Starting Fall 1988

Advertiser Supported Programming from



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# Letters

## Cooperation vs. bias

As chairman of the New York Television Stations' Research Committee, I read with great interest your recent article in the April 4 issue concerning the charges related to Arbitron's pre-metered tuner and Nielsen's hard-wired installation technique.

I was somewhat distressed to read of the 4A's Media Research Committee's focus on the impact of meter installation techniques on cooperation rates. Rather, the more serious issue is the existence of a potential bias affecting normative tuning behavior in a meter sample household.

While cooperation rates are of great significance, it seems to many of us that a smokescreen over the larger issue of potential distortion of tuning behavior and the influencing of cooperation levels by potentially altering station reception has occurred. Maximization of cooperation rates provides no benefit if a sample's behavior is compromised in any way.

I would hope that when the dust settles, all concerned realize that buying higher cooperation, by artificially altering tuning behavior, goes against every basic tenant of sound research practice.

FREDERIC J. GOLD

*Vice president, research services,  
WWOR-TV New York*

## Turning Sears around

I must take issue with Ben Varishone's criticism of Anthony Bucci of Marc & Company (Agencies bemoan limits on radio spots, *Final Edition*, Feb. 8).

Contrary to Mr. Varishone's interpretation, I welcome input from the likes of Mr. Bucci. It's that kind of input that shows me where our weaknesses are and how to find new money. Prior to that article, I "mentally" called Sears the most backward, hard to reach, hard to please, "living in the dark ages retailer" I've ever dealt with in the last 15 years.

Following that article, I told my local rep to call them and advise them of our willingness to accommodate. Then, I said "call back" to make sure they got clearance on all the spots they wanted to buy. In 1987, Sears spent a total of \$3,000 with us. In the first two months of 1988 they've spent \$2,000, and in the past eight weeks—no, the past two—they've spent \$6,000 at our prevailing rates. The last \$2,000 was budget meant for a competitor that didn't bother to call back.

Mr. Varishone, we have to learn that clients like Sears have been around twice as long as us radio people. Newspaper makes it real easy and Sears has built their business using newspaper. When their agency—familiar with radio's success stories—uses our trade publications to tell us how to help them and we publicly criticize them for doing so, my advice to you sir, "It's time to get out of the business".

Sears, like many other major primary print based retailers, owes us nothing.

Perhaps, instead of sending armies of salespeople in with another great promotion, or bombarding them with "radio funded" RAB "anti-newspaper" propaganda we should steadfastly accept the fact that for now we are the second choice.

Our biggest virtue is that we're accommodating, unlike their "media of choice," and with the results we deliver for their competitors, it's only a matter of time before we can show our stuff. Let's not continue to alienate them; let's constantly be on the ready to give them what they want.

Turning Sears is like turning the Queen Elizabeth II in the New York Harbor. You don't do it in a day, but I welcome the chance to be the little tug that did!

P.S. I'm a big FM in a medium size market with all the numbers, and I welcome the Sears "clutter."  
DENNIS C. LEMON  
*Vice president, general manager  
WLAV AM-FM, Grand Rapids, Mich.*

## Who dropped the ball?

As baseball is an annual event, so is the inaccurate information regarding the A's in the Baseball Preview article (March 21).

1. KPIX does not "farm out" games to KICU. The A's arrange and negotiated its television contracts separately. At no point did KPIX and KICU discuss the specifics of the agreements with each other.

2. The A's received *no* rights fees from either TV flagship or from KSFO radio. A barter arrangement exists in television, and the A's purchase and market the radio broadcasts in-house.

3. Where did you get information regarding A's revenues? I can assure you that no one with the A's discussed this information with your publication.

Every year, misinformation is published regarding rights fees and baseball teams. What is most appalling is that your so-called writers present this stuff as "fact." I can only question the

credibility of your other articles and publication in general on the heels of such shoddy and inaccurate information.

DAVID RUBINSTEIN

*Director of Broadcasting  
The Oakland Athletics Baseball Co.*

*Ed. note:* Regarding point No. 1, the information in the article came from the stations involved around the country. On your second point, the rights fee listed is the estimated value of the rights, regardless of who owns them or whether barter or not. As to point Number 3, the story made no reference to ad revenues of the club.

## Lev Pope anecdote

Your article on the history of WPIX(TV) was professionally and nostalgically of interest to me. But, I'd like to add an anecdote about Lev Pope. In 1971, I was asked by WPIX to appear as an "expert" witness for them before the FCC. I did and was reimbursed accordingly.

Five years later, I founded JS&A. I had a desk, a pencil, a pad of paper, a telephone, an empty file cabinet and no clients. During the first month in business, I received a call from Otis Freeman, who was vice president, engineering of WPIX, Inc. Otis told me that he was seeking to fill the position of chief engineer at WPIX and invited me to his office to discuss it. In my excitement to obtain my first piece of real business I blurted out that I would be there in five minutes with my total presentation. Otis said, "That won't be necessary. You've got the order. Lev told me to call."

Lev Pope is one of the most loyal gentleman I have ever known and a credit to this industry

That distinguished gentleman on Page A-46, Robert Murch, vice president of engineering, celebrated his 10th anniversary with WPIX last September. He is the result of that first search assignment.

JOSEPH J. SULLIVAN, JR.

*President*

*Joe Sullivan & Associates  
New York*

## Barter boomers

I wanted to let you know I thought your article "Barter boomers focus in on TV syndication" (TV/RADIO AGE, April 18) was the best on this subject. It was fair, concise and well-written in its coverage of all the major barter companies included.

Thanks for your continued coverage of LBS and of the industry.

HENRY SIEGEL

*Chairman of the board and president,  
LBS Communications*



## NBC 'Guide' ad sells TDK tape, but what about audience for spots?

NBC-TV has just begun urging people to videotape such movies as *Mad Max: Beyond Thunderdome* and *The Taking of Flight 847* if they won't be home at the time of airing.

Inserted as a small-print footnote to the *TV Guide* tune-in ads for *Mad Max* in its network bow and in *Flight 847*, a new TV movie, the NBC copy said, "Not home tonight? Record this exciting movie on TDK video tape and enjoy it later!"

That highly unusual promotional push by a major commercial network raised some issues, such as whether advertisers and agencies might be fearful

mercials]." Therefore, he continued, NBC's tactic "increases the odds of seeing the commercials from none to some."

Schulman added that presently "VCR numbers count [in the ratings] but in the fall, they'll count only if a [taped] program is played back within seven days" after being recorded off the air.

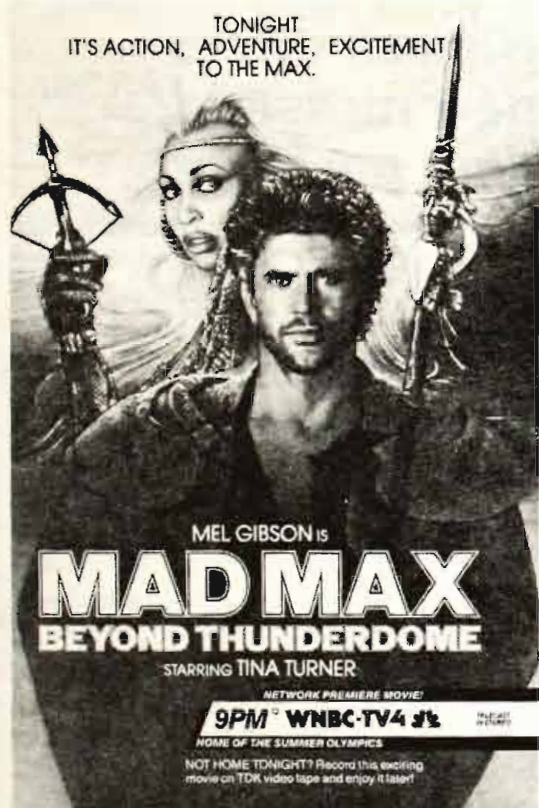
The NBC tune-in print ads, Schulman said, are "certainly different . . . I've never seen that before," meaning a network encouraging viewers to

tape its shows.

Earlier this month, NBC coincidentally ran another promotion effort that relates to the home video era. In its on-air promos for *Something Is Out There*, a four-hour miniseries that is the pilot for a possible fall series, the network announcer said, ". . . It's *not* in the movie theaters, it's *not* in the video stores. . ."

NBC's inclusion of the TDK name in its ads was in exchange for TDK Electronics agreement to insert NBC's fall primetime schedule card into the estimated 3 million videotape packages that TDK expects to sell during the summer.

NBC said the tie-in with the Port Washington, N.Y.-based TDK will continue to run in *TV Guide* through the May sweeps.—**Jim Forkan**



Ad promotes taping (small print)

that their commercials in NBC's movies could be "zapped," ignored by viewers fastforwarding their VCRs.

Initially at least, the ad community did not appear concerned about replay problems. Paul Schulman, president of Paul Schulman Co., the network TV buying subsidiary of Gardner Advertising, doubted that his clients or those at other agencies would be annoyed at NBC's tune-in promotion strategy, which he saw as praiseworthy.

While it is true that when playing back a videotaped program, "it's possible [viewers] could zip past the commercials," Schulman countered, "On the other hand, if they are indeed out when the movies are shown, then you have *no shot*" [at their seeing the com-

## Cincinnati stations start cashing in on year-long bicentennial festivities

Cincinnati's year-long bicentennial festivities have sparked pride and excitement among not only its citizens but the market's TV stations and advertisers.

The city's bicentennial committee has signed official broadcasters and sponsors for several events spanning from last January through next fall. These range from fireworks to events on the Ohio River. WCPO-TV, for instance, carried the opening fireworks-and-laser event as a January special.

Among those excited by all the 200th-year hoopla is Ned Paddock, director of sales, WLWT(TV), the market's NBC affiliate. This will be "very much a fun year," he said, culminating in the official bicentennial date Dec. 28. Local TV plans for that date are still unclear.

Among the nearly one dozen events still to come will be a regatta and the Olympics rowing team trials on the Ohio River, to be covered by WLWT on June 11. (NBC will carry the Seoul Summer Olympics as of mid-September.)

**Homecoming.** From July 4 through 11, the city will promote "homecoming week," welcoming native-born celebrities like Roy Rogers. On July 10, there will be a fireworks display from the tops of eight major buildings in downtown Cincinnati, to be sponsored by Skyline Chili. Because the Pepsi blimp will be on hand for ABC-TV's All-Star game coverage July 12, WLWT will use it to supply aerial shots of the fireworks, Paddock noted.

WLWT's bicentennial events coverage is "nearly sold out," Paddock said. Wendy's, Woeste and Pepsi-Cola Co. have bought one-quarter apiece of its regatta telecast, with Miller Brewing Co. eyeing that and the Skyline fireworks, which Woeste also is supporting. The Woeste dealership and Hudepohl Schoenling, a local brewer, each have one-quarter sponsorship of WLWT's Tall Stacks special, Paddock continued. When asked if WLWT might make a profit on its bicentennial coverage, Paddock said, "That remains to be seen. We don't know how much in the black we'll be but we hope to make a couple of dollars" beyond the rights and production costs. But he noted its coverage will be "very labor-intensive."

The celebration, he said, is "helping us get exciting local events." But there is a downside. With each of the official bicentennial sponsors paying Cincinnati an estimated \$200,000 out of their ad budgets, Paddock says, the local broadcasters are in effect losing more than \$1 million in 1988 ad funds. So financially, he says, "I think it's a wash."

At WKRC-TV, Cincinnati's ABC affiliate, Craig Millar, general sales manager, said, "We will make a pretty good amount of money" on the "four or five" specials due. One is a live, one-hour special from the Reds' home stadium, site of the July 12 All-Star game. Due at 7 p.m., it will lead into ABC's coverage.

Less profitable, given the production and talent costs, will be WKRC's two-hour July 3 parade telecast.

## Buena Vista rolls out 'Golden Girls'; marketing plan calls for 1990 debut

Buena Vista Television's sales force begins soliciting stations for *Golden Girls* May 16. There are 130 guaranteed episodes in the cash-only package for fall 1990.

"We intend to go out and offer the program on a market-by-market basis. Nothing will be concluded before the end of the month," says Robert Jacquemin, Buena Vista's senior vice president, domestic syndication.

He and Rich Frank, president of the Walt Disney Studios, announced the marketing plan in New York, but neither would reveal what the cost per episode would be. "We intend to set a minimum price that would not preclude any potential buyer," Jacquemin said. The level of interest will obviously affect how high the cost goes per market.

Jacquemin said the company hired the Audience Survey Institute of Los Angeles to research the best time periods in which the program could run. Based on data from 10 cities, the show would play well in prime access and late fringe for independents and for affiliates below the top 50 markets. Affiliates in the top 50 markets could also slot it as a news lead-in.

"This being a major investment" for buyers, Jacquemin affirms that stations need this lengthy lead time in order to set their schedules for this off-

network series. And by releasing it two or three years from now, it provides a "rest," as Jacquemin calls it, which stations need in order to get the maximum viewer value when it airs in its renewal cycle.

The 130 episodes are considered ample for stripping in either 1990 or 1991, depending on the station's option.

---

*"We intend to set a minimum price that would not preclude any buyer."*

---

**Behind the pitch.** Buena Vista's sales pitch is based on several factors: The show is a dominant ratings performer, currently doing a 22.5 rating, 39 share; it rates third among all programs; and is ranked best among women, the primary demographic, with a 57-62 share of all viewers and a 45-50 share of male viewers. It achieves this performance on Saturday night, the "toughest night for television," in Jacquemin's words.

Other salient points in the marketing campaign:

- The show represents "appointment TV," an ability to increase audience

over its lead-in. The show, according to Buena Vista, is currently averaging a 9 share point increase over 227, its lead-in.

- The program has earned its share of Emmys and Golden Globes in the best comedy show, best acting and directing categories.

- Few shows in syndication have the high ratings and critical acclaim factors the way this program has.

- Stations are looking for a program with a syndicated life of four years or more after its played five years on a network. This show will have a healthy life in syndication.

Jacquemin says Buena Vista began meeting with station officials six to eight months ago to ascertain marketplace conditions and questions about the program before deciding on going cash rather than barter, and developing its formal sales/marketing presentation.

## Nielsen offers new message, data package

A new data facility and service has been launched by Nielsen Media Research for Nielsen Syndication Service clients. It's called the NSS Electronic Bulletin Board and is accessible to clients—and others in some circumstances—with an IBM PC or clone, a modem and a communications software package. A password and special telephone number are supplied by Nielsen.

The Bulletin Board gives users four types of services.

- *Electronic mail:* Expected to be the most widely used, this allows users to send messages to other users (including Nielsen) or groups of users. Responses can be read as they are available.

- *Bulletins and announcements:* This includes general Nielsen type information of current value—viewing data and trends as well as information on Nielsen developments and data usage.

- *Files:* This enables the user to download large data files on basic viewing data, rankings, etc.

- *Conferencing:* "Allows several users to exchange ideas and comments on specific topics of mutual interest."

The only cost of the service is a telephone call. At this point there is a data base available only in New York. However, because one of the factors that led to the new service were complaints from West Coast clients about calling on New York time, Nielsen may install a DunsNet line to permit a local call to New York from the Coast.

**(Final Edition  
continued on page 12)**

## FNN doubts NBC's cable chances

While Financial News Network is looking at its options in the wake of NBC's plans to field a competitive service, FNN president David Meister said that, at this juncture, nothing seems necessary.

It was announced at the National Cable Television Assn. convention in Los Angeles that NBC will acquire from Tele-Communications Inc. the Tempo Television program service, spun off from Tempo Enterprises, which TCI acquired for cash and stock in a deal valued at \$46 million. The price for Tempo Television is reported to be about \$21 million. NBC plans to scrap the existing Tempo programming and replace it with not only financial news but sports coverage also.

Meister doubts that NBC can make a success of a financial news service, implying that there was only room for one of its kind. "I don't think the cable industry is served by a duplicate or clone of what's on the air." He also doubts the reported numbers of Tempo subscribers, which range as high as 12 million. "We heard," he said, "that the number of fulltime subscribers is only two million." As for the eight million subs which TCI says are available for Tempo, Meister says they are likely to be phased in over a period of years, on a system-by-system basis.

Meanwhile, FNN is going ahead with its partner Starstream Communications Group preparing to launch a radio network business service. This will consist of one-minute business news inserts hourly to which would be attached a one-minute commercial.

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## BROADCASTING AWARDS

**ABC Radio News**, New York, NY  
for "Earnest Will: Americans in  
the Gulf."

**WSM Radio**, Nashville, TN for  
"Of Violence and Victims."

**K-PAL Radio**, N. Little Rock, AR  
For Overall Programming.

**Mutual Broadcasting System**,  
Arlington, VA for "Charities  
That Give and Take."

**National Public Radio**,  
Washington, DC for "Ryan  
Martin" as presented on  
"Weekend Edition."

**WCPO-TV**, Cincinnati, OH for  
"Drake Hospital Investigation."

**KNBC-TV**, Los Angeles, CA for  
"Some Place Like Home."

**MacNeil/Lehrer NewsHour**,  
New York, NY for "Japan  
Series."

**WRC-TV**, Washington, DC for  
"Deadly Mistakes."

**WCVB-TV**, Boston, MA for  
"Inside Bridgewater."

**Cable News Network**, Atlanta,  
GA for live coverage of breaking  
news stories as evidenced by  
coverage of the October 1987  
stock market crash.

**Hallmark Hall of Fame and  
CBS-TV** for "Foxfire" and  
"Pack of Lies."

**"LBJ: The Early Years"**  
produced by Louis Rudolph  
Films and Brice Productions  
in association with Fries  
Entertainment and NBC-TV.

**"Corridos! Tales of Passion  
and Revolution"** produced by  
KQED, San Francisco, CA in  
association with El Teatro  
Campesino.

**"Mandela"** produced by Titus  
Productions in association with  
Polymuse, Inc. and Home Box  
Office, New York, NY.

**"L.A. Law"** produced by 20th  
Century Fox Television in  
association with NBC-TV,  
New York, NY.

**"Star Trek: The Next Generation  
- The Big Good-Bye"** produced  
by Paramount Pictures  
Corporation, Los Angeles, CA.

**WNET/Thirteen**, New York, NY  
for "NATURE: 'A Season in  
the Sun.'"

**CKVU-TV**, Vancouver, BC,  
Canada for "AIDS and You."

**WXXI-TV**, Rochester, NY for  
"Safe Haven."

**Blackside, Inc.**, Boston, MA  
for "Eyes on the Prize:  
America's Civil Rights Years."

**WGBH-TV**, Boston, MA and  
KCET, Los Angeles for "NOVA:  
'Spy Machines.'"

**"America Undercover: Drunk  
and Deadly"** produced by  
Niemack Hassett Productions  
Inc. in association with  
Home Box Office, New York.

**The Center For New American  
Media, Inc.**, New York, NY  
for "American Tongues."

**"Small Happiness: Women of a  
Chinese Village"** a part of  
"One Village in China"  
produced by Long Bow Group  
Inc., New York, NY in  
association with PBS.

**"Shoah,"** a Claude Lanzmann  
film presented by  
WNET/Thirteen, New York, NY,  
in association with PBS.

**WSMV-TV**, Nashville, TN  
for the "4 The Family"  
project.

**Kevin Brownlow and David  
Gill** as evidenced by  
"Hollywood," "Unknown  
Chaplin," and "Buster Keaton:  
A Hard Act To Follow"  
produced in association with  
Thames Television and D.L.  
Taffner, Ltd.

**Karl Haas**, Cleveland, OH for  
"Adventures in Good Music."

## Zimmerman looking for alliances as new head of Group W Productions

After a two-month courtship, Group W finally got its man. Derk Zimmerman has successfully negotiated himself out of a contract with Twentieth Fox and in as president and chief executive of Group W Productions.

Speaking from his home in Los Angeles, Zimmerman, who will remain on

*"We have to determine how we fit into a marketplace that's become more competitive."*

the west coast, outlined some of his priorities.

- To establish a broad-based syndication and production business.
- To use the strong Group W lineup of owned-stations as a springboard to launch new programs, a-la *PM Magazine*.
- To form alliances with other station groups and production companies.
- To move more aggressively into cable television production and homevideo.
- To expand and develop Group W's animation division.
- To take better advantage of the increased demand for programming in the international marketplace.



**Derk Zimmerman**

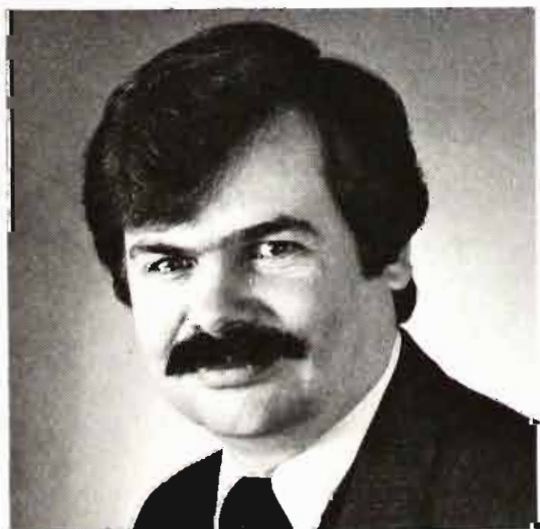
"I know these are very broad concepts," said Zimmerman, but we have to determine how we fit into a marketplace that's become much more competitive... But we can build a business plan based on the foundation that Group W already has in stations, cable and programming."

**Good to be back.** His first day on the new job was May 12, "and I'm glad to be back," said Zimmerman who spent

## Byrne expands on ASTA's role

A program to expand advertiser syndication and increase the influence of the Advertiser Syndicated Television Association was outlined by ASTA's newly-elected president Brian Byrne.

Byrne, president of International Advertiser Sales, cited such goals as establishing ASTA's role in the develop-



**Brian Byrne**

ment of barter syndication outside the U.S., developing ways to incorporate promotion/merchandising plans into barter syndication and exploring non-network venues for ad-supported programs, such as home video, theaters and pay-cable.

The new ASTA president noted that ASTA members account for over 95% of barter syndication revenues, estimated to reach \$875 million this year.

Besides Byrne, the new slate of ASTA officers consists of George Back of All American Television, vice president; Joe Cifarelli of Spectrum, treasurer; David Brenner of MCA TV, secretary; Steve Hirsch of Camelot Entertainment Sales, advertising; Karl Kuechenmeister of Lorimar-Telepictures, membership; Howard Levy of Blair Entertainment, station relations; Clark Morehouse of Teletrib, trade practices, and Dan Cosgrove of Group W Productions, regulatory affairs.

Byrne succeeded Cosgrove, who served as president for two years.

eight years in the Group W organization. He succeeds Ed Vane who retired late last year.

Group W's chairman and chief executive Burt Staniar had been courting Zimmerman for some time, but Fox was reluctant to let go of Zimmerman, the president and chief operating officer of the Fox TV stations. That's probably one of the most profitable businesses owned by Fox. It's the money machine that keeps the Fox Television Network alive.

Staniar, to whom Zimmerman will report, was bullish about Group W Productions forming alliances in an attempt to rekindle the company's production prestige.

"These kinds of alliances make sense," said Staniar, referring to Group W's barter linkup with MGM/UA and Taffner. "And we'll be looking for others," he added.

Before joining Fox, Zimmerman was vice president and general manager of Group W's WFLD-TV Chicago for seven years and was senior vice president for programming, research and development for Group W Satellite communications.

Also, Zimmerman is on the TV board of the NAB and a board member of the Assn. of Independent TV Stations (INTV).

## Teletrib barter for Republic

Republic Pictures has signed with Teletrib to handle national ad sales for its eight colorized films for the next two years.

There are four John Wayne titles within the package; *Rio Grande*, *Flying Tigers*, *The Fighting Kentuckian* and *Wake of the Red Witch*. The remaining films in the package are: *Mr. Peabody and the Mermaid*, *Magic Town*, *Invasion of the Body Snatchers* and *The Miracle of the Bells*.

Among the stations representing 78% of the nation which have cleared the films are WPIX-TV New York, KCOP-TV Los Angeles and WFLD-TV Chicago.

## Bernstein's back!

Bob Bernstein is back. The affable head of the March 5 P.R. firm had been hospitalized for a while but now reports he's back at the job and well on his way to recovery.

Bernstein's clients include Kodak, the Broadcast Promotion and Marketing Executives, the new Low-Power Television Association, Post-Newsweek Stations and Christian Science Monitor International.

## Agencies mystified at NBC tailspin; Brokaw news has promises to keep

NBC-TV, strutting like a peacock at No. 1 in most other dayparts, is having its feathers plucked in the dinnertime news daypart, thanks to an unusual ratings slump by Tom Brokaw's newscast.

Even as ABC's *World News Tonight* has been enjoying a Nielsen ratings spurt this year (see separate story, page 16), NBC's *Nightly News* has been suffering through a ratings slide. Having languished in the evening news ratings cellar for 23 weeks since September, Brokaw will cost NBC millions of dollars in makegoods to sponsors.

NBC has disputed published make-good estimates in the \$7 million to \$15 million range but declined to offer estimates of its own. Some agencies felt the figure probably is somewhere in the neighborhood of \$7 million.

Several admen anticipated that NBC News might make changes in its newscast, which NBC has denied, and increase its promotional support in an effort to regain audience.

Others, like Tom Winner, senior vice president-director of broadcast media

*"I don't know if the answer is a cohost or a new set."*

operations, at William Esty Co., were just mystified. "You got me. It's the same broadcast" that was No. 1 last year," he said. "It does seem strange that as soon as [Nielsen's] people meters kicked in, NBC's news dropped."

**It all began.** *Nightly News* had been leading his rivals until the people meter changeover occurred in September. After averaging a 10.5 household rating in the fourth quarter, tying ABC and

*Say it ain't  
so, Tom!  
Makegood woes  
trouble NBC*

trailing CBS' Dan Rather by 1.3 points, NBC's *Nightly News* found itself mired in No. 3 for the month of April 1988 with an average 8.6 rating, 1.3 points behind runnerup ABC and 1.5 behind leader CBS.

Interestingly, last year CBS had feared that it would be hurt most by people meters.

Last summer Esty decided against buying Brokaw for its clients since NBC was charging top dollar based on its newscast being No. 1 in the diary data. Instead of buying the most expensive newscast, the agency concentrated on ABC and CBS.

Paul Schulman, president of Paul Schulman Co., network TV buying arm of Gardner Advertising, also was puzzled by Brokaw's situation. "The [station] lineup is there," he said. "I don't know if the answer is a cohost or a new set . . . I can't believe there is not some spilloff" from NBC primetime.

## Local news on upswing

The surge in longer early fringe local news among affiliates is continuing, according to the latest analysis of news programming by TV/RADIO AGE.

The analysis showed that in the top 100 markets 25 affiliates increased and 12 decreased their news between May 1987 and February 1988. As a result, for the first time there are more affiliates in the top 25 markets with longform news. For details see page 39.

## Viacom's 'Cosby' benefits from writers' strike

An unusual scenario is developing over *The Cosby Show* because of the writers' strike.

If the walkout continues through summer, the off-network shows may benefit in two ways. One, it would mean that the Viacom-distributed series would be competing in the time period (mostly access) against first-run rerun fare on the affiliates; and two, advertisers going on the syndicated *Cosby* bandwagon will probably be getting a better price than for NBC's *Cosby* rerun episodes.

This assumes that by the time the writers' strike settles it will be too late to churn out new productions of such shows as *Wheel of Fortune* and *Jeopardy*, as well as *Cosby*.

Joseph Zaleski, president of domestic syndication at Viacom, notes that

*Group W  
may also  
luck out.*

"while everyone gets hurt" in a writers' strike, the walkout could be advantageous to the *Cosby* reruns. "We're not trying to look at it that way" but, he notes, "the competition would also be in a rerun state. This would be the first time that we would have the opportunity of running something such as *Cosby* without going against first-run product shown on the networks."

Another twist that may develop if NBC chooses to run *Cosby* reruns in the fall until the strike is ended and new episodes can be produced. In this case, it's conceivable that the syndicated *Cosby* reruns which run in access may become the lead-in on Thursdays to the NBC reruns. In fact, the same episode may run only a half-hour apart.

If both the syndicated and NBC reruns air in the fall, Group W, which bought about 30% of the barter inventory, may reap the benefits as well. It's speculated, given the 96-98% U.S. coverage that advertisers, while doing better in prices for the syndicated *Cosby* than on NBC's *Cosby*, would get almost the same number, if not more, of the viewers.

Viacom has enough in the can, 99 episodes, to go into Christmas, without repeats. "We can go 20 weeks without a repeat," said Zaleski, "and by that time the strike should be long over."

**(Final Edition  
continued on page 14)**

## Financial services a boon to TV

Total financial services advertising on TV was up 7.1% last year, according to the latest available data from TvB/BAR. Billings amounted to \$879.6 million. The leading spender, American Express Co., accounted for 11% of the category, with network and spot investments of \$97.0 million, of which \$66.1 million was web spending. American Express spending was up 11% over '86.

Other major spenders were Sears, down 2% to \$72.4 million and Prudential Insurance, up 56% to \$50.8 million. Biggest percentage increase among the top 10 spenders was racked up by Citicorp, up 90% to \$28.0 million.

The financial service category embraces six sub-categories: insurance, up 10% to \$289.7 million; banks and savings and loan, down 5% to \$209.5 million; credit cards and travellers' checks, up 17% to \$172.4 million; stockbroker/investment advisory services, up 6% to \$112.6 million; real estate, up 8% to \$79.9 million, and insurance agents, up 56% to \$15.6 million.

## Despite setback, Nielsen goes ahead with people meter system in Canada

The A.C. Nielsen Co. of Canada is going ahead with plans to set up a people meter system despite the failure of a joint effort with the BBM Bureau of Measurement to get broadcaster support.

The cancellation of the joint agreement ended a three-year effort by BBM—a tripartite Canadian group consisting of broadcasters, advertisers and agencies—that began via negotiations with AGB Research (see TV/RADIO AGE, Feb. 2, 1987).

David Tattle, Nielsen group vice president for consumer research services of the Canadian subsidiary, said the company is determined to go ahead with a people meter measurement service, whether it's national, local or a combination of both.

The Nielsen company feels, Tattle stated, that the terms of the agreement with BBM, which called for the raising of \$7.4 million annually, of which \$6.2 million would have gone to Nielsen, may have been an "impediment." Of the total sum, 75% was to come from broadcasters.

**CBC favors.** The only major support for the people meter service came from the Canadian Broadcasting Corp., which agreed to put up a third of the \$5.5 million broadcaster total and had even assented to pay a minimum of a third of its own contribution if necessary to get the service off the ground. It was CBC's April 30 deadline for getting other broadcaster support that killed the Nielsen/BBM agreement.

BBM president Lloyd Scheirer, in explaining the failure to get broadcaster support, said, "Broadcasters are concerned about the consequences of changing the system of measurement so quickly and require more information. This is particularly true because of problems perceived in the introduction of a people meter system last fall in

*"Broadcasters are concerned about the consequences of changing the system so quickly."*

the U.S. Broadcasters are also concerned about the cost/benefit involved."

While Scheirer declared that the BBM presented people meters to the industry in a "positive" way, he pointed out, "The industry has responded and BBM as a responsible cooperative must listen to the wishes of the majority of its members."

**Matter of time.** But Scheirer said that Canada's "complex television environment" with 69% cable penetration, 36% of TV households with converters, 15% with pay-TV and 51% owning VCRs "suggests that a people meter measurement system will eventually be introduced."

Meantime, Nielsen will retain the approximately 250 households with people meters wired up in Toronto as it holds further discussions with potential clients.

At one time it appeared the Nielsen people meter effort in Canada might be the base for testing a "single source" system (viewing plus product purchase data) for eventual installation in the U.S. as well as Canada.

But Tattle said the time has not yet come for that and that Nielsen would not do anything that might interfere with the collection of accurate viewing data.

The Nielsen single source system envisaged a device that scanned UPC codes on products purchased by a panel of households.

## Perris retires at Scripps Howard; Janssen promoted

Donald L. Perris has retired as president and chief executive of Scripps Howard Broadcasting. He's succeeded by Richard J. Janssen who has been executive vice president since last November.

Perris, who turns 65 in June, joined Scripps Howard as a copy boy at the



**Don Perris**

Cleveland Press in 1943, moved over to the company's first TV station, WEWS-TV Cleveland, as a newsman in 1948 and became manager of the station in 1964.

Ten years later Perris was elected president of the broadcasting division which later expanded to include nine TV stations, five radio outlets and cable systems in California, Florida and Colorado.

Janssen joined the company in 1978 after stints with Metromedia and Nationwide Communications.

## Channel America sets June start

Described as the first programming network composed exclusively of LPTV stations, Channel America will begin telecasting June 6. At about the same time, the company is expected to file for an initial public offering (IPO).

Network chairman/CEO David Post said the company has raised so far \$2.1 million, primarily through three private placements with individuals, two last year and one this year, and has \$3.5 million in invested capital. While he said there may be a further investment by a major corporation, he felt the IPO would go through as scheduled.

## Lawyers' love affair with TV

The continually rising tide of TV advertising by lawyers reached \$59 million last year, 26% over 1986, according to BAR figures released by TvB. The '87 figures is 213.5% above that of 1983.

Biggest spender was Jacoby & Myers, a multimarket firm, which laid out an estimated \$6.5 million last year, based on BAR compilations of 75 top markets. However, only five law firms spent more than \$1 million on TV. The other four were Hyatt Legal Services (multimarket), \$4.8 million; Injury Helpline (multimarket), \$3.3 million; Samuel E. Spital (San Diego), \$1.4 million, and Larry H. Parker Law Office (Los Angeles), \$1.1 million. Injury Helpline tripled its TV advertising last year.

Of the top 20 spenders among law firms, five were categorized as multimarket by TvB, including the top three. Another five were in two or three markets.

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## Webs plan for Moscow summit coverage; NBC & CNN have the most 'glasnost'

Oneupsmanship won't be limited to Ronald Reagan and Mikhail Gorbachev at their fourth summit conference May 29-June 1. The major networks' news staffs will be lobbying hard for exclusive interviews with one or both leaders.

Just as both superpowers are looking to trim their budgets, the Big 3 TV networks also are coping with life in a more cost-conscious climate. Still, the networks maintain that the multi-million-dollar Reagan-Gorbachev IV coverage will not be hampered by the recent rounds of budget reductions.

There is "no problem" there, an NBC News spokesman said. At ABC News, an official said that "no coverage plans have been finalized yet," but emphasized that was not due to any budgetary snags. Rather, she said, it was because the U.S. and the U.S.S.R. "have not yet given us their schedule of events, so it'd be silly to make [detailed] coverage plans public."

CBS and NBC News have begun shifting money and staff away from their investigative reporting units for use instead in chasing breaking stories, but such budget shifts probably do not benefit special events' coverage.

All the networks, including Cable News Network, indicated plans for "extensive" summit coverage, though most were tightlipped about specifics and production allocations for competitive reasons. They did say their contingents will be led by their top anchors, ABC's Peter Jennings, CBS' Dan Rather, NBC's Tom Brokaw and

*CBS & NBC are shifting money from investigative units to cover breaking stories.*

CNN's Bernard Shaw.

NBC and CNN may try to parlay previous connections into exclusive interviews with Gorbachev and also try to talk with President Reagan on his foreign policy last hurrah, various sources agreed.

At NBC, mindful of Brokaw's Gorbachev exclusive of last fall, an official said, "I'm sure they [the leaders] will be aggressively pursued."

However, Reagan may again prefer waiting to deliver a prepared address upon his U.S. return.

CNN may try to capitalize on its links with the Soviets via the Goodwill Games and its seven-part *Portrait of the Soviet Union* series, which ran in March on TBS.

ABC may be hurt by its *The Day After* and *Amerika*, programs perceived as anti-Soviet. The Russians also have expressed distaste for CBS' aggressive Afghanistan war reportage.

NBC News said that the amount and content of this summit would be "not much different" from Reagan-Gorbachev III in Washington last year. NBC did not give a count on its hours devoted to the 1987 summitry, but ABC

News said it produced about 15 hours, including *Nightline* and *This Week with David Brinkley*.

While declining to estimate the minimum number of hours due, live or otherwise, NBC News did say that its reporting will open May 29 with a live two-hour special on the Reagans' Moscow arrival, as of 6 a.m. (ET). *Meet the Press*, expanded to an hour on that date, also will focus on the Kremlin meeting.

From May 30 through the June 1 conclusion, NBC News will air a five-minute report each noon under the umbrella title *The Moscow Summit*. There also will be summit-related coverage on *NBC Nightly News*, *Today*, *Sunday Today*, *NBC News at Sunrise* and other shows; *Today's* Bryant Gumbel, for instance, will offer a June 2 report from London on European leaders' reactions to the summit developments.

Primetime and late-night telecasts, NBC News said, will be decided "as warranted by developments." Another factor in planning for those dayparts will be the eight-hour time difference between Moscow and New York.

## ABC World News gains strength in web race

ABC's *World News Tonight* is making some news of its own on the ratings side. The Peter Jennings-anchored newscast ranked No. 1 in the Nielsens for the week ended April 29—its second first-place finish since the second quarter began April 4.

Moreover, the newscast twice finished No. 2 since the start of the second quarter.

Paul Sonkin, ABC's vice president-audience research, noted the program picked up some momentum during the Winter Olympics and probably took some audience away from CBS.

Since the change to daylight savings time in April, Sonkin said, ABC and CBS are running neck and neck.

The Nielsen people meter system could be another factor in altering the evening news ratings race, Sonkin said, though it should be less so come September, when Nielsen will have its 4,000-household sample in place.

ABC's newscast averaged a 10.4 Nielsen household rating and 21 share for the week ended April 29, edging the 9.6/20 for CBS's *Evening News*, as NBC's *Nightly News* posted an 8.6/18.



NBC's Tom Brokaw scored a major coup last year with an exclusive interview of Mikhail Gorbachev, though the still-photos were poor quality.



# Performance in Media and Communications

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# TV Business Barometer

## March TV spot increased 6.3%

The quarter didn't exactly end with a bang for spot TV time sales. As a matter of fact, it was rather downhill through the three-month period. But the Standard Broadcast Calendar often intrudes to either soften or worsen the monthly results. And March was no exception. National and regional spot TV business rose 6.3% in March. That compares with 14.9% for January and 9.5% in February. As for the second quarter, that doesn't look as good as the first turned out. This takes care of the theory that the beginning of the year is a harbinger of the remainder of the year.

March spot volume came to \$480.5 million, compared with \$452.0 million in the previous March. There was the usual seasonal pickup. February raked in \$367.6 million, which will probably be a monthly low for the year, while January attracted \$419.0 million in spot business.

Offsetting the March figures somewhat is the Standard Broadcast Month situation, which indicates that March did a little better than the year-to-year figures indicate. March of this year was a four-week SBM while March of last year was five weeks. But, as noted a number of times in the past, only a minority of stations in the *TV Business Barometer* sample employ the SBM in tracking their sales figures, and most of these are smaller stations.

The quarterly figures, however, are comparable, both this year's and last year's first quarter being 13 weeks in the Standard Broadcast Calendar. This came about because January was the reverse situation of March.

The quarter was up exactly 10.0%, which is a lot better than the first quarter of last year, which was up 3.5%, or the year as a whole, which was up 3.8%. Billings for the quarter came to \$1,267.1 million vs. \$1,152.4 million during the corresponding period last year.

Judging by comments from the reps, the second quarter won't

come up to the first in overall business, though there is some hope that it will match the first in individual cases (see story on page 44).

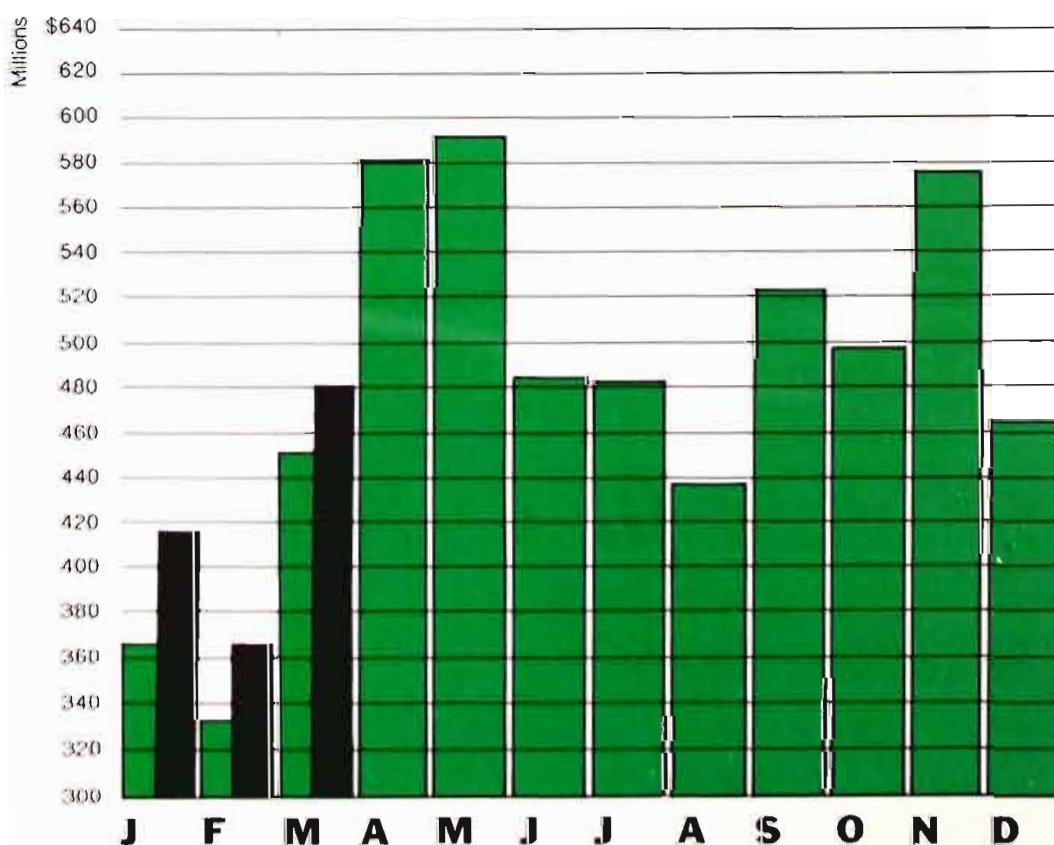
Not everyone did well in the first quarter, of course. ABC affiliates profited hugely from the Olympics in February, but some of the CBS affiliates were flat.

## Spending outlook

April didn't turn out so hot, according to a number of the reps, but they hope for a pickup in May and June. Political spending was a disappointment to the reps, and nothing much is expected from that quarter until October, when the Presidential campaign will be at its height. Auto spending in spot is expected to continue at record levels, though imports may run flat or down for the second quarter, according to Blair Television. The sizeable auto sales in the first quarter appear to be a prime factor in the sizeable TV expenditures by the auto makers. A run-down of corporate budgets by Blair for the second quarter showed a mixed bag for spot expenditures.

## March

Network (millions \$)



## National spot +6.3%

(millions)

1987: \$452.0

1988: \$480.5

### Changes by annual station revenue

Under \$7 million	+2.5%
\$7-15 million	+4.7%
\$15 million up	+7.3%

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Hope Enterprises  
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*Nobody has entertained America like Bob Hope. And, if you think it's just beginner's luck, watch NBC salute Bob, May 16th from 8 to 11 p.m.*

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## Britain's big bird just chickenfeed? U.S. suppliers want cash, not talk

British Satellite Broadcasting, the \$1.2 billion consortium which, starting next fall, has an exclusive 15-year franchise to beam a multichannel DBS service into the U.K., was raising hell at the MIP TV market in Cannes, angering some, delighting others but puzzling most.

"I'm absolutely salivating to sell them product," said Michael Solomon, president of Lorimar. He sees the BSB thirst for programming as the ideal way to blow up the British "cartel" through which, he says, the BBC and ITV conspire to keep prices low by exchanging price information and keep U.S. distributors off balance.

Same thing goes for the U.S. networks, which were tripping all over themselves to get their programs, particularly news, on the British bird. Only ABC Distribution, which was stunned when BSB buyers strolled into its MIP booth and offered to snap up its entire catalogue, was reacting more cautiously.

"It was a compelling pitch," said ABC Distribution's senior vice president Archie Purvis. He said the advent of the satellite channels would help break up "a loose cartel" among European and British broadcasters.

CBS Broadcast International was clearly the most visible of the three U.S. webs, throwing money around and

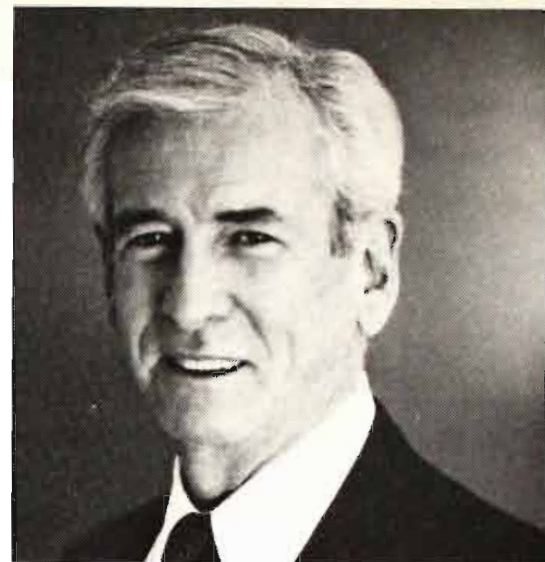
*"They've got no audience. They're not even up yet."*

offering guarantees just like the good old days. It was as if CBS Inc. owner Larry Tisch had taken a holiday. CBI's top executive Don Wear confirmed "preliminary discussions" were underway to enter into some sort of agreement with BSB, but he would not elaborate.

Having been rebuffed by a consortium of European broadcasters to handle their joint-productions, it appears that CBS is trying to cast its lot with BSB as something more than just a relatively small-time program supplier.

While the Americans welcomed the BSB into the fray, most were cautious about getting too attached to the giant satellite concern and were especially gun-shy of BSB's pitches for exclusivity.

"I don't like exclusive deals," said Solomon. And while there was talk that BSB was offering up to \$500,000 for a movie title, no one has yet seen BSB's money. "I want my money now," said Solomon, adding that Lorimar



**Bruce Gordon**

wouldn't accept any IOUs.

"No, no way," was how Paramount's top international executive Bruce Gordon reacted to BSB's request for exclusivity. "They've got no audience. They're not even up there yet."

Over at ABC, Purvis, while still mulling over the BSB pitch, admitted he had not seen the color of its money yet. "Obviously we'd want the money upfront," he said, adding, "I don't see why we should underwrite the satellite channels."

Purvis has been ABC's top salesman for years, and now oversees ABC Distribution's sales, marketing, acquisitions and coproduction force (See separate story, page 21).

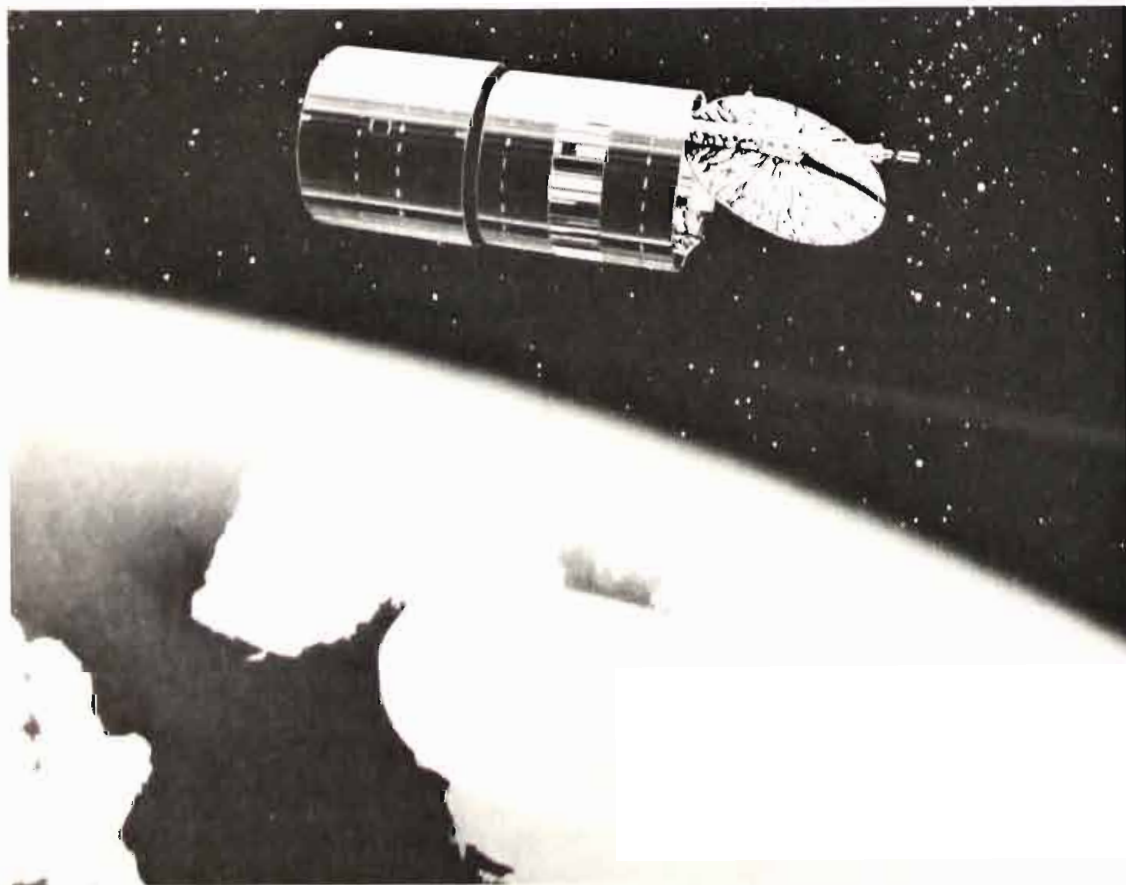
**Star wars.** The other thing making most U.S. distributors nervous is the rival bird over Scandinavia, ScanSat (also called TV3). Primarily a satellite-to-cable service, TV3 has been operating for less than six months. But next year it will go pan-European when it

*"I'm absolutely salivating to sell to them." But I want my money now."*

jumps aboard the more powerful ASTRA satellite and rival BSB in its DBS capability.

Thus the U.S. suppliers are only writing 18-month contracts now with TV3, leaving the option to go after one or the other big birds later on.

Distributors were hearing more rumors than they could handle about BSB during the MIP market. In addition to the price rumors, word was that the British consortium would not be able to deliver on the satellite receive dishes that customers would need to pick up the bird, so the government



*British Satellite Broadcasting's four-channel DBS bird hopes to be operating by next fall.*

may come to its rescue by granting the service one of the terrestrial licenses. This report, however, was dismissed as ludicrous by British sources. Indeed the British government seems not to care about BSB one way or the other.

The other rumor du jour is that one of the U.S. webs, notably CBS, was looking to forge some sort of equity or ownership participation in BSB.

"There is no way in hell the IBA would allow something like that to happen," said Gordon, one of the most savvy executives in the international business. (The IBA is the equivalent of the FCC in the U.S.)

**Hollywood screening.** The other report had to do with British attendance at the May-June screenings in L.A. Held after the networks unveil their fall schedules, it has international buyers flocking to the west coast only a few weeks after MIP to screen the new product. The British, however, have traditionally avoided these screenings in favor of a later time when the series have become established.

But the BSB has thrown a monkey wrench into the British plans, and one of its main entertainment buyers, Gunnar Rugheimer, will attend the screenings. One U.S. distributor claimed that BBC's Alan Howden and ITV's Don Gale tried to put the squeeze on Rugheimer not to go, but Rugheimer refused. All three British TV officials deny the report.

Accusations aside, the face of British broadcasting is undergoing some wrenching changes, and as the satellite channels begin to make inroads into the consumer market, their thirst for programming, particularly U.S. programming, is bound to increase.

First it was the development of commercial television in Europe that put pressure on the state-owned broadcasters, and now the satellite channels are playing shake, rattle and roll. The distributors love it.—**Jack Loftus**

## Music series to laugh by

Tyne Tees Television (U.K.) and Henson International Television are working together on the production of a series of 13 half-hour live action programs called *The Ghost of Faffner Hall*.

The programs are intended to form the basis for a music curriculum. Each episode will revolve around a specific music theme, integrating puppets with musicians.

Henson will distribute the series overseas.

## ABC breaking out of its shell; talks coproductions & acquisitions

ABC Distribution Co., the international program supply arm of ABC Video Enterprises, is looking for someone to be in charge of acquisitions.

So what? Well, ABC's never had one of those types on staff before. It's been content to sit back and watch the world—and the competition—go by, selling mostly the made-for-TV movies that ABC Circle Films produced each year for the network.

"The division is profitable, but there is one flaw," said Archie Purvis, senior vice president at ABC Distribution. "You can't chart a business plan based on what ABC produces. We have to have the foresight to be able to control our own destiny."

---

*"You can't chart a business plan based on what ABC produces."*

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So Purvis outlined a three-ring plan for the division:

- To continue licensing ABC product.
- To seek out product aggressively in both pre- and post-development stages. For this he needs a vice president in charge of acquisitions.
- To form coproduction associations with other production entities either on a project-by-project basis or as an ongoing relationship.

The problem, said Purvis, with relying only on the ABC Circle Films production schedule is that it hits the peaks and valleys. The company used to pump out five or seven TV films a season. Now the number is down to two or three, including the miniseries *Baby M*. And the one series in ABC's stable, *Moonlighting*, does well overseas, but ABC Distribution can't rely on one series.

**No illusions.** "We have no illusions," said Purvis, that the acquisitions mode will result in a quick fix. "It may take six or seven months just to identify a property . . . But we are looking for an executive right now to do just that."

What about budgets? "We have a mandate," Purvis continued. "This is a business decision. There is no need to put a budget together . . . Now that's not to say it's open-ended or extravagant, but we prefer not to be tied to a budget."

The coproduction relationship sounded intriguing. Obviously ABC is willing to be an equity participant in



**Archie Purvis**

programming, but what about a more formalized arrangement, an acquisition maybe? Not so, said Purvis. Instead he talked about associations and ongoing relationships, not acquisitions or mergers.

If the new acquisitions and coproduction strategy can generate four or five new projects a year, that's almost 20 productions over five years, Purvis said, and he'll be happy with that.

## Maxwell rants, Americans rave; so who cares?

Robert Maxwell knows how to provoke people. "If our American friends don't like it, then they can lump it," he declared, referring to his proposal to impose strict quotas on the importation of U.S. programs and films.

Even though he has talked about quotas before (on this occasion he suggested a 50% quota of the total product), and even though his numbers are far greater than quotas already in effect—all this didn't seem to matter to either the Americans or the Europeans.

Paramount International television president Bruce Gordon, an Australian, denounced Maxwell as an instant expert and totally wrong; Lorimar's Michael Jay Solomon labelled Maxwell narrowminded and accused him of playing politics; and CBS television network president Thomas Leahy protested that criticism of the quality of U.S. programs seen in Europe was unfounded.

Solomon's "political" comments seem closest to the truth. Although there are any number of stories about

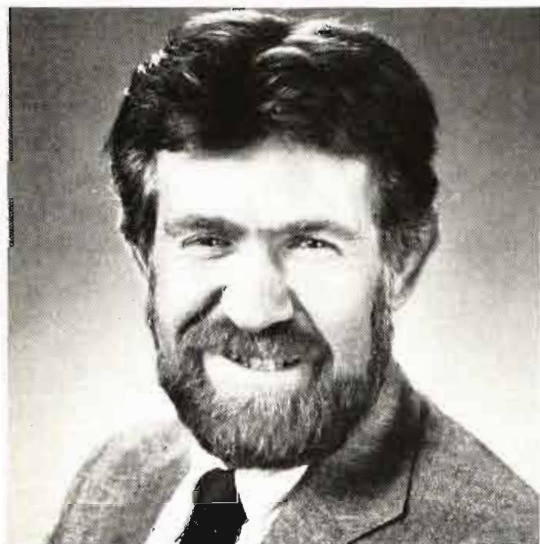
**(International Report continued on page 22)**

## USTV makes its MIP TV debut; discovers dealmakers ready and willing

Beneath all the razzle dazzle of the big deal makers and the hype of the mega-million sales claims, the nuts and bolts of the MIP TV market remain the small deals, hundreds of them, that when put together makes this international gathering the success it's been for the past 25 years.

One such example is Jerry Greenberg, vice president for creative affairs at USTV, a first-timer at MIP. USTV is a limited partnership involving Hubbard Broadcasting and Lionel Schaen, president of USTV.

"This has been a real revelation,"



**Jerry Greenberg**

said Greenberg. "you can sit down here and talk, and out of that a deal can be made . . . Here is a world where people want to do business. In the U.S. it's big deals by big companies. But here it's the small deals that make the market a success."

Greenberg was at MIP looking to sell the format rights to *Great Weekend*, the weekly half hour show. London Weekend Television may bite, as may NHK's DBS satellite in Japan.

It's a small but promising step for this international fledgling.

Meanwhile, Greenberg's conversation with LWT bore fruit when he picked up the U.S. distribution rights to *The Professionals*. LWT had licensed the show to Embassy. There are

*"Here is a world where people want to do business. It's the small deals that make this market a success."*

57 hours available. Greenberg was mum about whether he'd pitch the show first in U.S. syndication or take it to cable where so many hour action shows have found a home.

Greenberg's using his blend of station, network and production experience to open the way for USTV in the international arena. His background includes running broadcast operations for WBBM-TV, the CBS O&O in Chicago; vice president, creative affairs, for Twentieth Fox; and producer-writer for *That's Hollywood*.

In his first MIP venture, Greenberg outlined four objectives:

- To acquire overseas product for international distribution.
- To enter into exclusive arrangements with other distributors (he was talking with NHK in Japan).
- To enter into coproduction agreements.
- To sell. Always to sell.

Midway through the market, Greenberg was pleasantly surprised at the reaction he was getting to *Great Weekend*, the weekly hour show that keeps confounding the experts by its success on U.S. affiliated stations as a Saturday morning alternative for adults.

"When you wake up Saturday morning you don't have to worry about being forced to watch children's programming, which is all that's available," said Greenberg. The information/news/entertainment and magazine series is distributed live to stations via Hubbard's Ku-band satellite.

With the three networks' Saturday morning cartoon audience in a decline, Greenberg and USTV are going after

this vulnerable time with guns blazing. And the results have been impressive.

**Great growth.** *Great Weekend* made its U.S. debut on Jan. 2 on 20 stations representing about 30% of the country. By the time NATPE rolled around, the show had 30 stations. Today it's on 55 stations, almost all network affiliates, representing 55% of the country.

The show is a production of George Merlis' Sunrise News Co. Merlis is the former executive producer of ABC's *Good Morning America*.

Greenberg said the next step might be to expand the show into Sunday morning. "Stations want us to do it, but we're holding off," said Greenberg.

On the coproduction side, Greenberg's talking with two British outfits—Tyne Tees Enterprises and Yorkshire Television—about a half-hour family show. The pilot would be a co-financing deal which USTV would try to pre-sell in the U.S.

## Maxwell rants; so who cares?

*(Continued from page 21)*

Maxwell's lack of knowledge of television, there is every reason to believe in his clear understanding of his constituency.

Maxwell has a number of media holdings throughout Europe and is intent on expanding those interests further. For example, he is going to Greece at the invitation of the prime minister, he said. He continues to talk with TDF1 and ASTRA. He is involved in discussions about future television holdings in Spain and Portugal. And one of his companies has just gone on the Frankfurt stock exchange. So he's coming as close as possible to establishing a cohesive worldwide network while maintaining his "Europeanism."

He criticized his arch rival, Rupert Murdoch, for changing his nationality from Australian to U.S. to enable him to buy TV stations. He said that Americans do not have to worry about him trying to acquire broadcasting interests in the U.S. What Maxwell didn't mention is that he is the second largest printer in the U.S.

Maxwell's formula works. The day after his quota declaration, an assembly of European broadcasters hailed him as a hero. They, too, overlooked the fact that Maxwell's prospective quotas are less stringent than the existing ones.

***(International Report continued on page 24)***

## Aussies sign aboard 'USA Today'

It wasn't surprising, but it was the first. Australia's Ten Network is the first major broadcaster to pick up the Tinker-Gannett first-run series *USA Today*.

Paul Talbot, president of Fremantle, which has the international distribution rights to all GTG product including *USA Today*, said the Aussie network won out "over heated competition from the other broadcasters in that country."

Talbot added that Ten signed "a firm three-year agreement" and that telecasting will start simultaneously with the U.S. launch on September 12.

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## Chevy goes out in grand style with irony, dignity and a wink

Now there was a tribute! In the twilight of the French Riviera, Bernard Chevy sat front and center among a group of VIPs on the flight deck of one of the mightiest warships in the world, the USS Eisenhower, listening as the admiral of the fleet hailed him as "a great man."

Never mind that the admiral had never heard of Chevy before; the movers and shakers of an industry perhaps more mighty than this aircraft carrier could nod and smile. Both the irony as well as the historical significance of the occasion were lost on no one, least of all on Chevy.

This MIP TV Market would be the 25th and last for the grand organizer, and he wanted to make his last tango in Cannes something everyone would re-

*The admiral called him a "great man." Never mind that he never heard of Bernard Chevy; others had.*

member. Amidst the magnificence of the displays, Chevy would take center stage, reminding everyone that he was not only the organizer but the gatekeeper as well.

**Flyboys.** First came the Patrouille de France, one of the world's top aerobatics teams, attached to the French Air Force Academy. The demonstration, witnessed by thousands lining the Croisette, may have been part of a pro-



**Bernard Chevy**

motion for the CBS series *Reaching for the Skies*, but nothing happened without Chevy's input in the first place, and indeed the planes didn't even take off until Chevy arrived at center stage, blessed the assemblage and nodded for the event to begin.

The Americans, who never play second fiddle to anyone, much less the French Air Force, pointed proudly to the Ike moored in the harbor and said, "So there!" Yet in reality, it was Chevy, not the Americans, who asked the U.S. consulate general in Marseille to bring the carrier in during the MIP.

**The symbolism.** And who could overlook the symbolism? The carrier, the *el supremo* of the U.S. Navy, reminded everyone that the Americans have been the carriers of the entertainment industry. So Chevy gave the Americans their due. Of course it was the Americans whose attendance was vital to the

success of MIP and to its more recent fall cousin, MIPCOM. Nevertheless it was still a two-way street, for Chevy has been the gatekeeper through which the Americans had to pass in order to reach a broader array of global buyers and coproducers.

Yet it was not the Americans who controlled the invitation list to board the U.S. carrier, nor even Worldvision, which took the occasion to honor Bill Hanna and Joe Barbera. It would be Chevy who determined who boarded the ship and who stayed on shore. Chevy was the gatekeeper.

**Looking back.** Later, from his villa just outside Cannes overlooking the harbor and the U.S. Navy, Chevy recalled those days 25 years ago when he desperately wooed the U.S. suppliers in order to get MIP off the ground.

"It happened, but very gradually," Chevy recalled. "Then in 1967 I thought I would have to make the MIP an every-other-year market."

In addition to making MIP more attractive for U.S. distributors, Chevy also had to make it into something more than a one-way street where U.S. suppliers only sold, vs. buy. That took considerably longer, but it happened.

Today things are much different. MIP and MIPCOM are successful, but the nature of the business no longer requires a gatekeeper. Buying and selling are pretty much year-round businesses now, and both buyer and seller have become much more sophisticated than they were 25 years ago when Chevy came up with his grand idea.

**Good timing.** Indeed, Chevy couldn't have timed it better. He sold his Midem Organization to the British Telso Communications for more money than he could spend in several lifetimes.

Sitting on the flight deck of the huge American carrier, Chevy's mind raced back over the past 25 years to a time when he was drumming up support for a global TV market, raving on about the impending arrival of commercial television in Europe, of the advent of color TV, of a time when European television would be programming eight-12 hours a day and would be in desperate need of programming. He proposed the establishment of an international buy-sell TV market.

"They thought I was crazy," Chevy recalled. "They thought I should be locked up."

And so as the U.S. Marine color guard paraded across the flight deck and the admiral stepped up to the microphone to pay tribute to this "great man," Chevy glanced at one of the American dignitaries, smiled and winked.—**Jack Loftus**

## MIP to late May? Probably not

The new Midem organizers have decided to move the MIP TV market dates for 1989 back a week to April 21-26 so they don't come as close to the May screenings in Hollywood as this year's market. The MIP dates have been a sore point for years to American distributors, who grumble about the lack of series commitments from the networks.

"These dates are really just a U.S. problem," said outgoing MIP organizer Bernard Chevy just before handing over the job to Xavier Roy and Robert Bingham, co-managing directors.

Chevy said the dates for MIP could be advanced into late May, after the Cannes Film Festival, when presumably the Americans would have the network schedules in hand.

"We could make the arrangements with the hotels in Cannes," said Chevy, but then he seemed to back away from his own suggestion by noting the obvious conflict with the May screenings (which themselves could be moved into June) and that most Europeans prefer the April dates.

It's a problem for new team, said Chevy. Nevertheless, he felt the market has become so big, so important and so much a place of real deal-making that while the Americans may gripe, they cannot afford to miss it.



## Five international partners make French-made 'Frog Show' jump

A French-made, half-hour slapstick comedy called *The Frog Show* is typical of what's happening these days in the wide-open world of international alliances. Unthinkable just a few years ago, the production has equity partners in Great Britain (BBC), France (Canal Plus), Italy (RAI), Canada (Cinar Films) and the U.S. (Fox/Lorber).

As French television becomes more commercial, producers there are beginning to figure out that nationalism has to play second fiddle to capitalism, and so the French are beginning to aggres-



David Fox

sively woo outside markets, particularly the English-speaking territories, in search of higher profits.

There must have been a dozen similar examples surfacing at the recent MIP-TV market in Cannes.

**In development.** After two years in development, Robert Nador, president of Dune, the French production house, has finally gotten *The Frog Show* jumping, thanks mostly to Micheline

*Fox/Lorber has U.S. rights. Cable's first, then syndication.*

Charest, president of Cinar Films in Montreal where post-production work has been completed on 20 half-hour episodes and an hour special.

Charest, looking for a U.S. partner, turned to David Fox, CEO of Fox/Lorber, who in an earlier life distributed *The Benny Hill Show* in the U.S. for D.L. Taffner.

"This live-action, sketch show is a lot like *Benny Hill*," says Fox, who is pitching the series first to an ad-supported cable network in the U.S. and hopes to have 65 half hours ready for U.S. syndication to TV stations by 1990. Fox/Lorber also has the U.S. home video rights.

**Calls it a breakthrough.** "I think this is a breakthrough show," says Fox, who adds the show is shot in both French and English, again something unheard of just a few years ago. Fox says the 20 half-hours have been edited down to 13 episodes, with faster-paced production for U.S. audiences.

*The Frog Show* will debut as a one-hour cable special in the U.S., then move into the half-hour format. Fox says 60 more half hours are in production. In addition to the U.S., Fox/Lorber will distribute the show in Australia and Japan.

## BBC wheeling & dealing at MIP

BBC has acquired the one-hour, *Rockin' Ronnie*, a humorous compilation of film and video clips, featuring the president and Mrs. Reagan from NBC in London. It probably will air this fall.

In addition the BBC has purchased the movie *Bonanza, the Next Generation* and the one-hour James Dean documentary for showing in 1990, launching a short series of James Dean films. Both were bought from LBS.

HBO sold the Beeb *Not Necessarily the News: Inside Entertainment* and the half hour *Lyle the Crocodile*.

BBC Enterprises was even busier. Among its sales were *The Embassy Professional World Snooker Championship* to 36 countries; the soap *EastEnders* to TV2 in Denmark, which goes on the air in October; and the six-part documentary series *The Midas Touch* to TV Asahi in Japan and Seven Network in Australia.

The division also announced two coproduction deals, one with National Geographic Television for the production of a minimum of 14 half-hour wildlife programs and the other with WNET New York for an eight-hour series dealing with the natural history of North America. It will be shown on PBS.

## Roy & Bingham doing the Cannes-Cannes

Bathing in the glow of the most successful MIP-TV ever, joint managing directors Xavier Roy and Bob Bingham were concerned about maintaining the momentum.

"Our most formidable challenge is to ensure that we keep proper control over MIP so that it remains as exciting a marketplace as it is today," said Bingham. "The practical changes we contemplate are easy, but we must have the foresight to see how the industry is going."

Roy and Bingham also are about to announce plans to rejuvenate Midem, their music show, which critics say isn't as exciting as it used to be. They are studying ways Sponcom can interrelate with advertising agencies. They say they are prepared to spend a little more on MIP and MIPCOM if it benefits the participants. While to do so might generate lower returns, they point out that if attendance increases so will overall profit.

There were 6,800 participants in Cannes this MIP, up 1,000 from last year. According to MIP TV officials, there were 695 exhibiting companies, up 20 over last year. The French had 333 companies represented, while the U.S. had 260 companies.

**Change ahead.** Other changes include the establishment of a fixed dollar price for American standholders which will go into effect after MIPCOM (they hope to similarly fix the sterling price for the British at some future date), the expectation that the organizers will pay the 18% French value added tax for standholders (the government eventually returns it), more effective service desks and sending catalogs to participants three weeks before the show.

Roy says that an effort is being made to update the buyer's list. He says the organizers will continue to pay hotel bills for approximately 450 buyers, but he wants to be certain that they have properly identified these people who are active buyers.

Karol Kulick, former head of the defunct London Market, has agreed to return to the MIDEM organization as a consultant. Among her projects is the integration of umbrella groups into MIPCOM—the sharing of stand space by companies unable to afford a stand of their own.

"The time has come for change," declared Bingham, adding, "Until now MIP has had the personality of Bernard Chevy. Now it will have the personality of Xavier and me."

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# THE INFLUENCE

# Radio Report

## Business Radio Network plans June kickoff

Michael Lowery is looking for AM outlets interested in carrying 24 hours of business news and related programming. He is planning to launch his Business Radio Network June 1 and early this month had commitments from stations covering 12% of the U.S. Lowery expects to have more than 30% coverage by midsummer. He will kick off with programming during early and late afternoon drivetimes for potential customers, but will go to 24 hour programming during the first month.

The format laid out calls for 12 minutes per hour of local commercial time and four minutes of network blurbs. Programming will be transmitted by satellite on a 15 KHz channel via Westar IV, transponder 2D. The BRN format can be fully automated with a separate cue channel for live assist or total automation, says the BRN chief.



*Affiliates don't have to carry the whole schedule. Big city outlets get it for free; the small guys pay.*

**Michael Lowery**

Affiliates will be expected to carry programming live but will be allowed to delay network commercials. They will not be required to carry the entire program schedule. The format will consist of quarter-hour blocks of business news from 6 a.m. to 10 p.m. on weekdays and will shift into talk shows, call-in programs, how-to material and self-improvement shows during the overnight hours. On weekends, there will be specialty programming, such as interviews with businessmen and information on businesses for sale.

**Free ride.** Lowery says he will follow "the usual practice" of giving the programming to big-market outlets but charging a small fee in smaller markets. He adds that the fee in smaller markets will be less than that charged by Satellite Music Network and Transtar.

Lowery should know something about Transtar as he carries its adult programming service on his Leadville, Colo., combo, KRMH-AM-FM. He also owns a video facility in Colorado Springs, where his uplink will be located.

Lowery says he's been working on this business news idea for two-and-a-half years. He went into the marketplace a little over a year-and-a-half ago, recruited seven stations and then went after investors. He reports that two investor groups—one in New York and one in Colorado—are funding BRN.

## Will John Tesh host 'American Top 40'?

The search is on for a replacement for Casey Kasem, who will be leaving *American Top 40* to begin hosting a new music countdown show for Westwood One next January. Kasem's departure from radio's leading countdown show, which he's hosted since July 4, 1970, when the program went on the air, is not a surprise.

*American Top 40* is currently broadcast over the ABC Contemporary Network. It initially was created and distributed by Watermark, which was acquired by ABC in 1982.

What the name and format of Kasem's program will be has not yet been announced. So who will replace Kasem? One name being bantered about is John Tesh, cohost of the weekly *Entertainment Tonight* series distributed by Paramount TV. Tesh has been with the TV program two years and broke into broadcasting at WKIK-AM in Raleigh.

## Technology fires up CBS FM division

The CBS Radio Division will convert all 11 of its owned FM stations to the new FMX transmission format. Emil Torick, president of Broadcast Technology Partners which licenses the technology to manufacturers of broadcast and home receiver equipment, said the FMX system reduces noise and increases the coverage of FM stereo signals.

In addition to one manufacturer with broadcast generators available, Torick expects four more manufacturers to have them available soon. They are Aphex, CRL, Orban and Texar. Generators, which are used to modify transmission equipment, are currently available from Inovonics (model 705) for \$1,800.

On the home receiver end, Sanyo has the first engineering samples of FMX chips in distribution and Sprague is expected to have samples of integrated circuits by July. About a dozen manufacturers displayed receiver prototypes at the NAB convention. One of them, NAD Electronics, has a limited supply of tuners available for broadcasters and receiver manufacturers, but they must be ordered directly from the manufacturer, which is located in Norwood, Mass.

There are about 10 stations now on the air with FMX transmissions. Torick said that with the addition of the CBS stations, more than 80 million people will have access to FMX broadcasts. The CBS outlets are WCBS-FM New York, KNX-FM Los Angeles,

WBBM-FM Chicago, WCAU-FM Philadelphia, KRQR(FM) San Francisco, WODS(FM) Boston, KTXQ(FM) Dallas-Ft. Worth, WLTT(FM) Washington, KLTR(FM) Houston, WYNF(FM) Tampa-St. Petersburg and KHTR(FM) St. Louis.

### Birch & Arbitron trade jobs over response rate

Birch Radio's announcement of an increase in its response rate, which included a crack about Arbitron, was answered by the latter with ammunition of its own.

Birch released its winter '88 summary report on response rates with figures showing that the unweighted average for 101 markets rose from 51.9% in the fall of '87 to 55.7% in the winter of '88. Figures for the top 10 markets showed an even bigger increase: from 51.9 to 60.1. Tom Birch, Birch/Scarborough Research chairman/CEO, taunted, without naming, Arbitron: "While our competitor is celebrating an increase of 32% to 36% in the [top 10] markets, we've moved from 52% to 60% in those same markets. . . further increasing our inherent response rate advantage."



*"While our competitor is celebrating, we moved to 60% in those same markets."*

**Thomas C. Birch**

In answer, Josh Chasin, Arbitron's manager of market development for advertiser/agency radio sales, argued that comparing winter to fall was improper, and that response rates should be compared season-to-season. He also released figures showing a decreasing gap between Arbitron and Birch response rates. In the spring of '87, he said, Birch topped Arbitron by 15 points. In the fall of '87, the difference was eight points, due primarily to a decline in Birch response rates from 59% to 52%, according to Chasin.

**Comparing apples and oranges.** Chasin also argued that comparing Birch with Arbitron was an apples-and-oranges comparison. "We gather seven days of listening; Birch only gathers one. If we gathered one, we'd have a greater response rate. If Birch gathered seven, they'd have a smaller response rate," said Chasin.

A season-to-season comparison shows Arbitron response rates rising, Chasin stated. In the winter of '86 the rate was 40%; in the winter of '88 it was 47%.

### Study says heavy earners are heavy listeners

The upper income set—the kind of people who buy new luxury cars, own a second vacation home and put in lots of airline time—are also more likely to listen to radio and watch less television, according to Mediamark Research data for 16 product and lifestyle categories pulled together by Interep.

In *Radio & The Upper Deck*, Jane Schoen, marketing research director at McGavren-Guild Radio, reports, for instance, that 41.4% of "upper deck



*McGavren-Guild reports that "upper deck adults" are heavy radio listeners.*

**Jane Schoen**

adults" (those in the top 10% of U.S. households ranked by income) who own a new luxury car are heavy radio listeners, compared to only 28% who are heavy television viewers. And nearly 39% of upper deck adults who fly the airlines are heavy radio listeners against 25.4% who are heavy TV viewers.

Schoen picked through the MRI data for similar comparisons for 14 other categories including ownership of vacation and weekend homes, personal computers and VCRs, cameras and appliances and use of credit cards and banking services, as well as movie attendance and participation in sports. As for a straight listening versus viewing comparison of the top 10%, Schoen reports nearly 40% of them are heavy radio listeners against 27.4% classified as heavy television watchers.

### Westwood One specials for Labor Day listening

The Westwood One Radio Networks and its Mutual Broadcasting System sister operation are offering social documentaries and rock and country music specials for the Memorial Day Weekend, May 27-30.

Westwood One's contributions are *Rock Into Summer: From the U.K. to the U.S.A.*, a six-hour BBC production and *McDonald's Presents Sumerjam '88*, a two-hour special showcasing urban contemporary artists.

*Rock Into Summer* features concerts and private recordings from the archives of the BBC. *Superjam '88* features Gladys Knight and the Pips, Terence Trent D'Arby, Luther Vandross and Smokey Robinson, among others.

# Radio Business Barometer

## Network revenues decreased 10.9%

The first quarter turned out to be an up-and-down affair for network radio revenues. Unfortunately, it ended down slightly from the first quarter of last year. And fortunately, it's running ahead of the first quarter of '86.

As for March itself, it was a real downer—down from last year and down from the year before. One bright spot, however, was the rebound of Detroit territory sales.

As reported by Ernst and Whinney to the Radio Network Association, network radio revenues in March (nine network companies) were down 10.9% from the year before. Total revenues for the month were \$27,263,907, compared to \$30,589,573 the year before and \$29,372,355 in March, '86.

All four territories were down in March except Detroit. New York was down 14.4%, dropping from \$18,341,447 to \$15,699,294. This followed a decline of 2.5% in '87. Chicago was down 10.5%, decreas-

ing from \$8,807,528 to \$7,885,448. But the latest figure was still above that of '86 because there was a 29.3% rise in March '87.

Detroit, which had lost business to New York because of the shift of General Motors billings, is now showing increases, in part because more than a year has passed since the shift. But the increase in March was a hefty 56.9%, with revenues rising from \$1,283,647 to \$2,013,831. The latest figure is still slightly below that of March '86.

Los Angeles showed the biggest percentage drop of all the territories. It amounted to 22.8%, revenues declining from \$2,156,951 to \$1,665,334. But the latest L.A. figure is above the March '86 figure since billings rose by 40.2% in '87.

This year's first quarter was practically unchanged from last year's. The dip was 0.7% and the revenues fell from \$81,144,010 to \$80,604,213. The latest figure is still well above the '86 level of \$73,740,288.

The territories differed considerably in first quarter performance, some going up, some going

down. New York was fairly stable by the end of the first quarter, having offset the double-digit increase in January with a similar decrease in March. The end result for New York was a 1.3% drop over the three months, with billings of \$49,889,663.

## Territory data

Also declining, but by a sizeable amount, for the January-March period was Los Angeles, which consistently dropped between 20 and 25% during each month of the quarter. The end result was a 23.5% decline for full quarter, with billings of \$4,442,916.

The best percentage performance was Detroit's, up 12.2%, bringing revenues up to about the level of Los Angeles', or \$4,469,542. This, despite a drop of 27.2% in January.

The remaining territory, Chicago, showed a modest increase of 4.9%, climbing from \$20,788,423 to \$21,802,092.

Chicago had been doing quite well during the first two months of the year, and then came the drop in March.

### Network -10.9%

(millions) 1987: \$30.6      1988: \$27.3

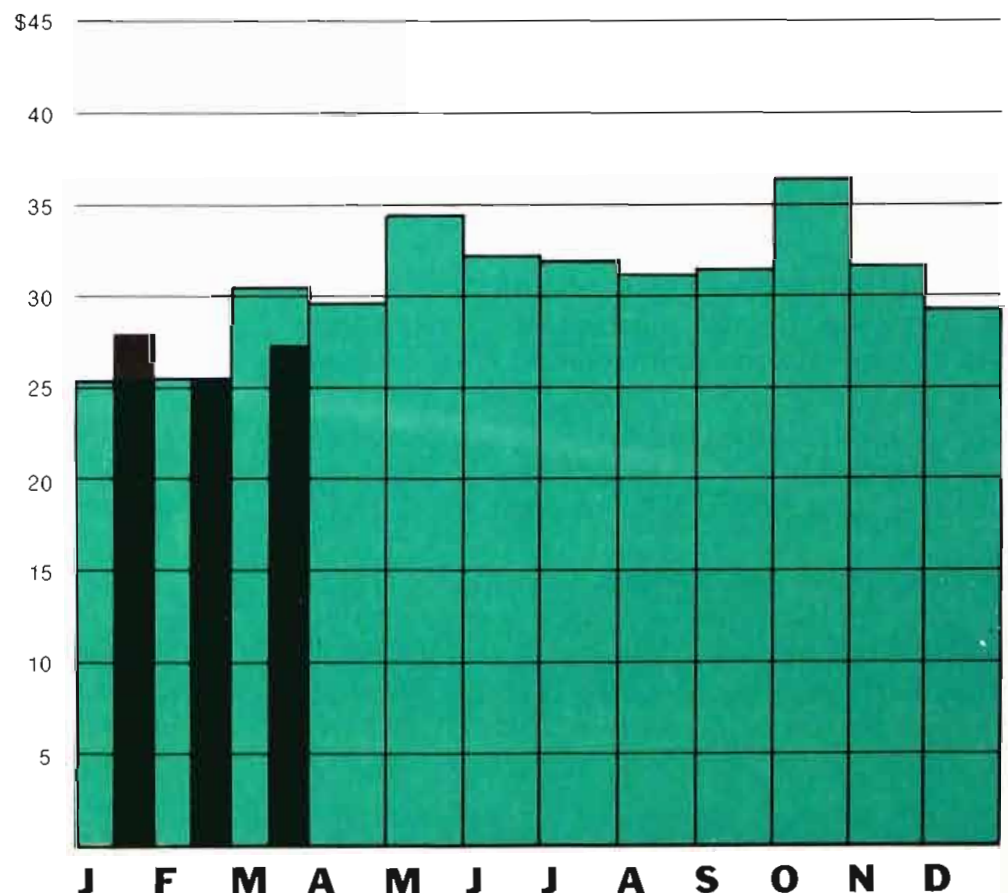
### Changes by territories

Territory	Billings (000)	% chg. 88-87
New York	\$15,699,294	-14.4 %
Chicago	7,885,448	-10.5
Detroit	2,013,831	+56.9
Los Angeles	1,665,334	-22.8

Source: Radio Network Association

## March

Network (millions \$)



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*Ron Devillier, President  
Devillier Donegan Enterprises*

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October 26, 1987

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“The Emperor’s  
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• **ADVERTISERS AND AGENCIES RESPOND TO TELEVISION/RADIO AGE!**

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of Broadcast Publications\*

	Advertiser	Agency	Total
Television/Radio Age	1,872	7,360	9,232
Broadcasting	1,450	635	2,085
Electronic Media	735	672	1,407
View			310**

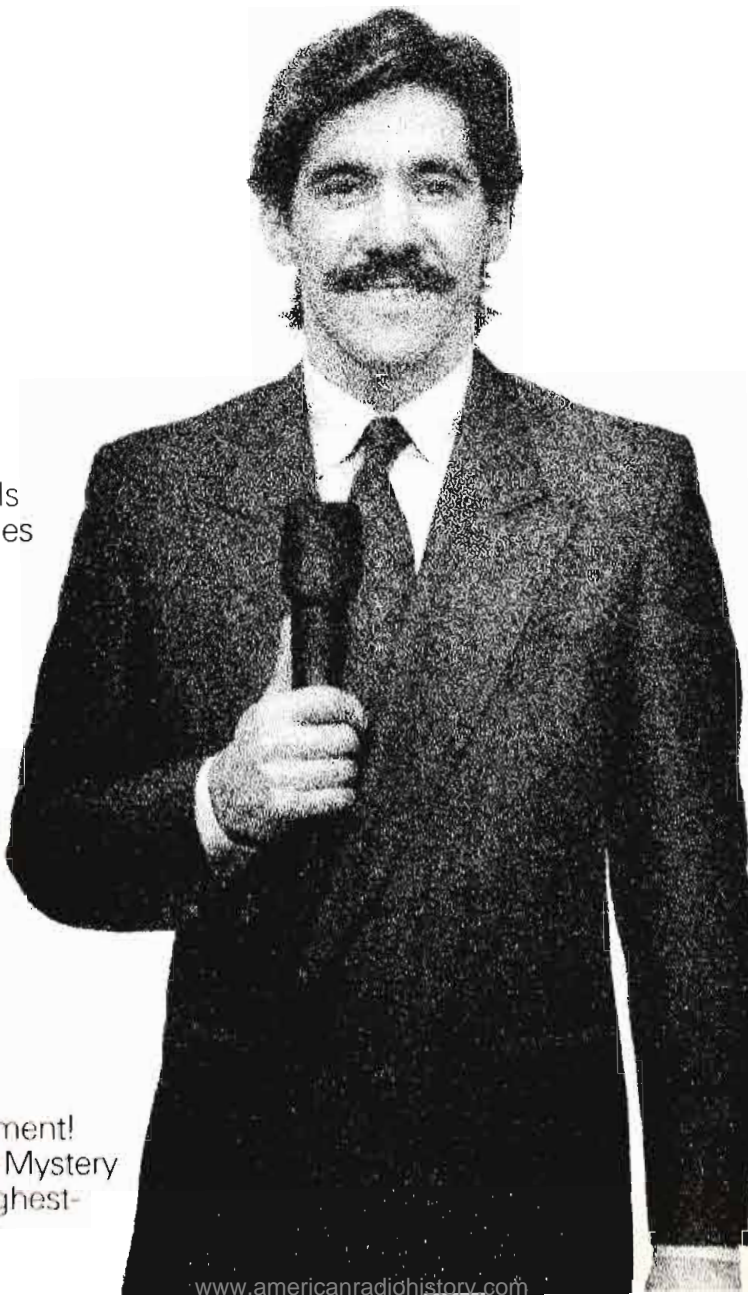
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- #1 DETROIT-18.5/29
- #1 DALLAS-16.1/29
- #1 SEATTLE-14.1/22
- #1 MIAMI-14.1/21
- #1 DENVER-13.8/46
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Source: \*GAA

NSI/Metered Markets  
NTI/NSS (9/73-4/88)

Rx drug makers advertise ailments;  
is brand-name competition next?

# Big ad revenues, big obstacles loom for prescription TV

By EDMOND M. ROSENTHAL

It's going to be a healthy day for the broadcast industry when the nation's conservative giant, the prescription drug industry, comes out of the closet and finds a way to boost national health and sales at the same time. While there are still many obstacles, there are those in both the pharmaceutical and advertising industries who see that day coming.

And when it comes, a highly competitive industry representing some \$25 billion in annual revenue could be the broadcaster's reward for turning away from the lucrative, if less healthy, cigarette industry some years ago. Spearheading the movement in this direction is the Prescription Drug Advertising Coalition, composed of representatives from the broadcast, advertising and pharmaceutical industries.

While this group is looking to open the door wide to brand-name advertising, individual drug houses like Smith Kline & French and Merck Sharp & Dohme have been just opening it up a crack by airing "see your doctor" commercials related to ailments they have treatments for. This type of advertising has been on the increase since a Food &

Drug Administration moratorium on advertising by pharmaceutical manufacturers was lifted in September 1985. While it shows that drug manufacturers—which have a 21% marketing-to-sales ratio vs. 6–9% for package goods—are interested, it will take brand-name advertising to really make things fly.

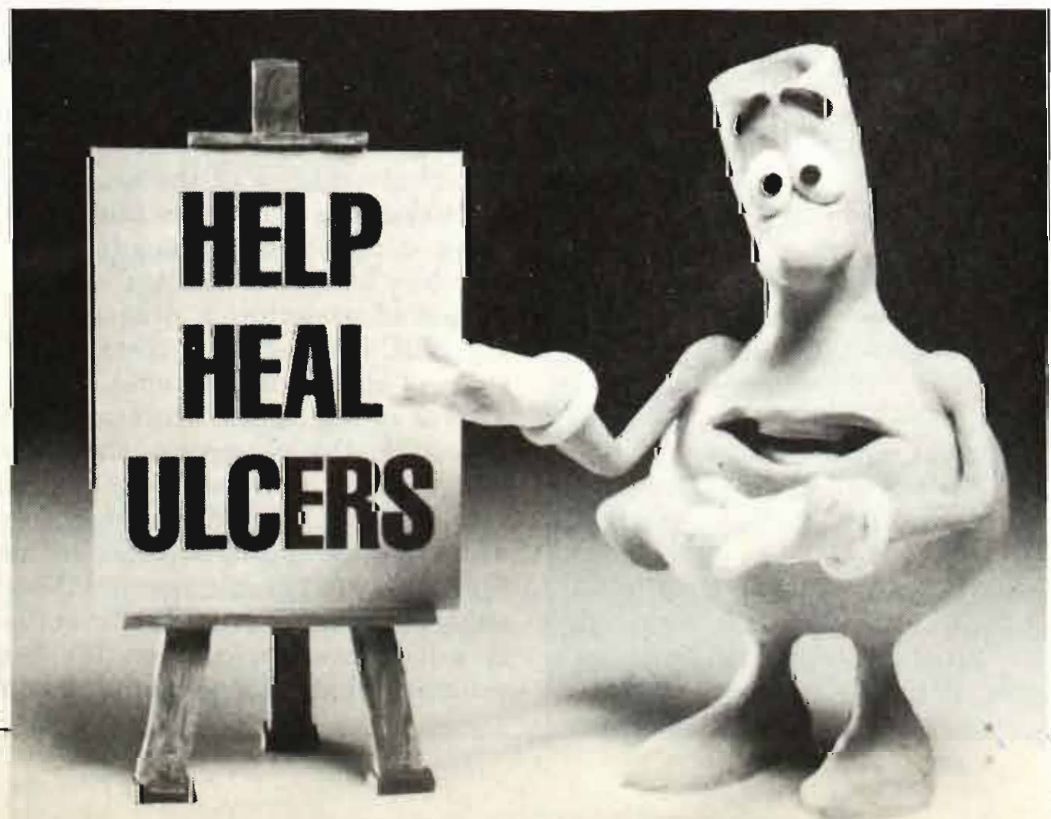
## Divided industry

There are obviously some drug manufacturers who want to push the FDA to open up brand-name broadcast advertising (so far only appearing on physician-oriented programming like that on the Lifetime cable network), but these companies are taking the Fifth Amendment. For example, both Johnson & Johnson and Bristol Myers, represented on the interindustry coalition, decline to speak out individually on the subject.

One observer of the pharmaceutical industry explains, "There are those who feel it's not politically expedient to rock the boat in Washington at this time, with a change in administrations coming. They're afraid to polarize people like Congressmen Dingell and Waxman (see related story)."

Not so constrained is Dr. Mickey

**"Ulcer expert" SKF warns antacids may not be enough.**



## Television/Radio Age

May 16, 1988

*Smith Kline & French is banking on support materials in doctors' offices to link its TV campaign with the specific product.*

## Rufen campaign prescribed to cure arthritic industry

Who fired the shot heard 'round the world? Many say the British did it. Actually, it was Boots Pharmaceuticals, a Shreveport, La. subsidiary of a British-owned company. When this company, in 1982, stuck its neck out with brand-name advertising in the Tampa-St. Petersburg market, it set off a major chain of events.

The TV campaign, running for six weeks when Food and Drug Administration regulations were less specific, was responsible for the FDA calling its 1983 moratorium on consumer advertising by prescription drug manufacturers. Since the lifting of that moratorium in 1985, advertising by brand name has been contraindicated.

When and if brand-name advertising is allowed, though, the Boots sallyforth will have its place in advertising history. Not only did it get the attention of drug manufacturers across the country, but it showed what the results can be.

The drug advertised was Rufen, an antiarthritic drug playing second fiddle to The Upjohn Co.'s Motrin. The message: Both medications were the same, but Rufen was cheaper.

Running with both print and broadcast for six weeks, the campaign generated more than 6,000 requests for additional information. It increased consumer awareness from 9 to 56%, and patient requests for the drug were reported by 29% of the physicians and 62% of the pharmacists surveyed in the area. Among 85 study respondents who had never taken a prescription arthritis medication, 21% were aware of Rufen, 11% recalled Rufen commercials and 5% recalled newspaper ads.

And long after the furor died down, Rufen—more commonly recognized today as ibuprofen—was approved for sale over-the-counter.

**Warnings.** The learning experience continues. A while back, a study at the University of Mississippi, based on mall intercepts with a print ad for a fictitious pneumonia vaccine, indicated how much warning information the consumer wants—or can bear. Respondents were shown the ad with no warning, a brief summary and a detailed one.

The upshot of the results, according to Dr. Mickey Smith, professor of health care administration, was that respondents tended not to trust the ad if there was no warnings at all but got increasingly nervous as the warnings got too extensive. Final prescription: "See your doctor."

Smith, professor of health care administration at the University of Mississippi and editor of *The Journal of Pharmaceutical Marketing Management*. He asserts, "I once felt there was no way there would be consumer advertising for prescription drugs by brand name. Now I feel that it's probably going to happen."

"The main thing is what the FDA will consider full disclosure [of contraindications and the like]. Even if broadcasters are only required to give what is considered a brief summary, this could go on and on. And even if this advertising is allowed, there's going to be a lot of back and forth on the spirit and meaning of the regulations."

To DeWitt F. Helm, Jr., president of the Association of National Advertisers, the disclosure issue need not be a major obstacle: "I see no need for all that information in any sort of consumer advertising. The only statement needed is 'Don't use or reuse except under the supervision of your physician.' This discourages self-diagnosis."

### Looking for answers

Along with B-M and J&J, the seven co-organizers of the Prescription Drug Advertising Coalition are CBS, NBC, ANA, 4A's and the American Advertising Federation. Other members include Lifetime, six ad agencies, two Washington law firms and drug manufacturers SmithKline & French (which, for the record, opposes brand-name advertising), Boehringer-Ingelheim and Ciba-Geigy.

The major pioneer in this effort is CBS, which has been issuing proposals and research on the subject since 1984. Don Evers, director of communications marketing services at CBS, indicates the climate in Washington is still too forbidding for any concerted lobbying activity. Congressmen Dingell and Waxman appear to be holding the cards, and no one's ready to call their bluff until there's a better hand to play.

That hand is more research. Evers says, "We'll be undertaking significant research over the next year to provide empirical evidence of the benefits vs. the risks." He elaborates this will involve commissioning academic research on both the social and economic impact of prescription drug advertising. NBC is expected to commission a study of physicians' attitudes.

"One of the biggest problems," says Evers, "is the perception that we're talking about a broad range of products. We want to pin down the types of drugs that are appropriate. We're talking only about chronic, non-life-threatening situations—drugs that eventually will go over-the-counter. It's been estimated that not more than 25% of all

prescription drugs would be appropriate.

"Our research would have to look into the information required, and advertising would have to have a high informational content and a low promotional content. We'll have to do a study of consumer retention and understanding."

### What justifies it?

So, what's changed in the past few years to make prescription drug advertising more appropriate? Dr. Arthur Kibbe, director of scientific affairs at the American Pharmaceutical Association, which represents the nation's dispensing pharmacists, says the general public is more sophisticated in wanting to know about medical care. But he puts in cynically, "The advertising agencies are looking to make more money."

Other observers note that the pharmaceutical industry is faced with the expense of getting information to a growing number of doctors through detail men while the increasing number of health maintenance organizations (HMOs) are twisting the knife into brand-name manufacturers by prescribing more generic drugs.

But the big battle cry for brand-name advertising is that more information to the consumer will point him in the direction of the physician, who can prevent the rampant self-diagnosis that currently exists.

In the words of ANA's Helm, "This question is being made far more complicated than it is. There is a peculiar responsibility in terms of safety and efficacy even in an over-the-counter drug. In a prescription drug, there's still no way a consumer can purchase it without a doctor's prescription. I see no problem with the communication of the availability of a certain product for a certain condition."

"The hazard is in the prescription products that remain in medicine cabinets and are not consumed." He notes this can mean use at a later date when not indicated or passing the medication to another person—"practicing without a license." But he's not too optimistic on the immediate outlook of getting this message across to the FDA: "It would require a tremendous change in attitude—or a change in the Food and Cosmetic Act, which is not likely to happen at this time." Perhaps a more likely scenario, he speculates, is a court case challenging censorship by a government agency.

Helm's perspective has some support in the academic world. Dr. Matthew Perri, assistant professor of pharmacy administration at the University of Georgia College of Pharmacy, points

out direct-to-the-consumer (DTC) advertising could influence patients to seek treatment for conditions they otherwise might have neglected, and those health problems might become manageable instead of worsening.

He adds, "This increased consumer involvement will have its most dramatic effect on physician prescribing behavior if and when patients not only consider the information in DTC ads but also discuss the products with their physicians." And physicians, he adds, must allow patients to play a part in making health decisions or risk losing business. He points to a study at the University of Utah College of Medicine involving "doctor shopping." In a sample of 576 families, close to half had doctor-shopped within the past year.

"Pharmaceutical marketers," Perri relates, "are recognizing this innovative patient behavior, and many believe that patients may have a significant influence on the medical community in relation to prescription drugs."

He lists five reasons to justify DTC advertising:

1. The rise in generic substitution has led to increasing competition and the need to develop brand loyalty.

2. Physicians are becoming more receptive to patients' requests for increased involvement in their health care.

3. Societal momentum is swinging toward smart, or informed, consumption.

4. DTC consumer advertising may bring potential benefits to both the consumer and the industry.

5. Research suggests that the existing channels of communication appear inadequate.

#### Word from the opposition

Perri, while generally positive about DTC advertising, also lists the concerns of those opposing it:

1. It could lead consumers to pressure physicians into prescribing inappropriately.

2. It could increase drug prices because these ads would supplement rather than replace current advertising practices.

3. It could confuse patients, for example, by leading them to believe some minor modification in a drug represents a major therapeutic advance.

5. It could increase use of branded products rather than lower-cost gener-

ic equivalents.

6. It could foster increased drug use in a society in which drug use is already at a high level.

With all the pros and cons flying around, the Pharmaceutical Manufacturers Association has refrained from taking a stand on the issue, signifying the division within the industry. A spokesperson for the usually vocal association explains, "We're an association of more than 100 members, and no member has more than a 7% market share. Some are choosing to do consumer advertising and some not. They're all very competitive."

The American Pharmaceutical Association, meanwhile, has taken a midway stance. Dr. Kibbe reports that, at its recent annual meeting in Atlanta, it passed a policy concluding that it "supports federal and state legislation and regulatory activity which permits advertising as long as there is no specific reference to generic or brand name."

What this amounts to is advertising the ailment, rather than the treatment, and many wonder whether a brand that doesn't have a dominant market share can make it pay. Helm of ANA comments, "Nobody is going to engage in this type of advertising over an extended period of time unless there's a return on investment."

Merck Sharp & Dohme may soon find out what the return is. Having introduced the anticholesterol drug Mevacor last October, it recently began a TV test campaign on cholesterol awareness in Raleigh and Seattle. A spokesman says, "The company has maintained all along that it will not get into brand advertising because it interferes with the doctor-patient relationship."

The campaign's thrust is "Get your number down before your number's up," and the company recognizes that three or four other medications could be prescribed to those who fail to correct the problem by changing their diets. The campaign is expected to run in the two markets through the year, and the company states, "It's not related to product sales in the strictest sense." Before the campaign was launched, physicians in the two areas were sent literature describing the campaign.

But Smith Kline & French has gone well beyond this in its national campaign for Tagemet, a drug for ulcers. Its supporting physician-information program makes it quite easy to place Tagemet into the patients' hands. Its network TV commercials feature a claymation talking stomach, stating, "When antacids don't stop the pain from coming back, it could be an ulcer. It's okay, because there are treatment programs to help heal ulcers." While the spot does not mention the product,

### Merck Sharp & Dohme attacks cholesterol.



#### Joggers

**Main message:** Even though you exercise and watch your diet, you may still have high cholesterol and an increased risk of heart disease. Only your physician can tell you for sure.



#### Families

**Main message:** Cholesterol levels that were once thought to be "normal" are now considered too high. Make sure you're not at risk - learn your cholesterol number from your doctor.



#### Sports Fans

**Main message:** You already know that you have a high cholesterol level, and yet you're still not playing by the rules your doctor gave you. Re-visit your physician and find out about recent advances for lowering elevated cholesterol.

it urges viewers to "go see your doctor and ask about the available treatment programs sponsored by Smith Kline & French, the ulcer experts."

Alan Wachter, manager of scientific information for SmithKline Beckman, notes that kits mailed to doctors includes booklets, posters—describing diet and nutrition—that can be attached to patients' refrigerators with special magnets in the kits, audio cassettes in which TV medical expert Dr. Art Ulene discusses how to handle stress—and, most to the point, starter supplies of Tagemet and discount coupons for the first prescription.

Wachter reports SKF gave out nearly a million kits to doctors around the country and that many have since requested additional kits. The campaign has been supported from the physician point of view through direct mail, professional journal advertising, sales calls and advertising on Lifetime's programming for physicians.

The campaign was started March 28 with saturation advertising on all three networks' early evening newscasts and will move into their more popular series, Wachter says. Although he declines to specify expenditures, he discloses this involved "virtually doubling" the previous year's promotion budget for the product.

Before launching the campaign, SKF commissioned a survey of 800 heads of household, projectible to a national sample, that indicated nearly 20 million persons in the nation have been using antacids for two years or more for severe, recurring stomach pain. The survey was conducted by Yankelovich Clancy Schulman. Wachter notes that 6,000-7,000 people still die each year from complications from ulcers.

"There have been other programs where public service advertising has reduced mortality and morbidity," Wachter points out. Whether this type of advertising will be used for other SKF products, he says, depends on whether the products lend themselves to similar treatment. He adds there are some products "in the research pipeline" that might.

What sets the Tagemet program apart, he says, is that the company that does this sort of advertising usually "owns the market." But, he notes, there are four H<sub>2</sub> antagonists on the market. Both Tagemet and Zantac (from the British-owned firm, Glaxo) are billion-dollar drugs worldwide, he adds. Glaxo has a similar TV campaign running for its product.

Smith at the University of Mississippi speculate that, for both of these firms to invest so much without naming the product, "I've got to believe they're fairly confident that these

## Congress to drug manufacturers: Big Brother is watching over you

The Food and Drug Administration, which oversees prescription advertising, is satisfied its regulations are adequate to police the matter, and Congress is loathe to take the legislative route to address what it perceives as a looming problem of prescription drug commercials.

Instead, the chairmen of three panels in the House of Representatives have written to the major networks voicing their concerns that increasingly popular institutional commercials are coming close to the line of attempting to promote prescription drugs.

Network responses, both written and oral, have approached the complaints gingerly but have stopped short of promising to refrain from running such commercials.

Reps. John Dingell (D-Mich.) chairman of the Energy and Commerce Committee; Henry Waxman (D-Calif.), chairman of its Health subcommittee; and Edward Markey (D-Mass.), Telecommunications chairman, signed the "jaw-boning" letter to try to discourage the growth in use of the commercials.

Pharmaceutical companies argue that the ads would help consumers become more sophisticated about prescription drugs, would lead to earlier diagnosis and treatment of diseases, and would lead to greater competition among drug makers.

The three chairmen said, however, that "consumers will soon regard prescription drugs as just another product they can buy. We're very deeply troubled by that."

They added in their letters that "more importantly," they feared that consumers responding to the commercials would pressure their physicians to prescribe potent drugs "to those who do not need them." Still others would "attempt self-medication without physician consultations," they said.

Ken Feather, of the FDA's drug advertising division, says that although there is no legal prohibition against institutional ads that are not product-specific, his office has reviewed all of the ads currently running. "After several discussions and revisions, those messages were found to be acceptable as not being product ads," he said. Thus, the FDA has no jurisdiction.

Staffers for the House committees involved in the issue say there are no plans for legislation to remedy the situation, but the commercials are going to be watched closely. One reason Congress is avoiding action is the fear that any ban on the commercials would have First Amendment problems.

—Howard Fields

drugs will go over-the-counter." But Wachter says this is in the distant future and that it would be in lower doses, "just for treatment of indigestion."

He expects there will be a payoff from linking advertising to kits in the doctors' offices, and so far, "There are indications that more patients are going into the doctor's office."

### Likely categories

As pharmaceutical manufacturer advertising builds, in one form or another, more attention will be paid to which products are appropriate. Smith says, "It will be for drugs for widespread conditions and with a simple message—like ulcer preparations and antihistamines." A CBS analysis relates that the most likely categories are cardiovascular, antiarthritic, digestive/urinary, respiratory, diabetes and glaucoma.

Way back in December 1985, CBS put out guidelines on the advertising it would accept:

- Advertising with a nonmedical vignette followed by the company's name and a reference that it is the maker of a certain drug
- Straightforward price comparison advertising
- Reminder advertising that does not mention indications for use or benefit

It added that the drug must have a documented safety and efficacy record, it must be advertised for approved uses only, it may not be under developmental investigation for any of the indications discussed in the commercial, it must have a "low abuse potential"—and finally, the crux of it all, "Commercials should disclose that all prescription drugs have some side effects and viewers should consult their physician to determine the appropriateness of the drug in their situations." □

# Early news surge continues

## Most top 25 DMA affils program longform journalism

By **ALFRED J. JAFFE**

**T**he surge in longer early fringe local TV news among affiliates, which became evident last year, is continuing.

A TV/RADIO AGE analysis of the top 100 DMAs shows that no less than 25 affiliates lengthened their late afternoon and early evening news during the period between May 1987 and February 1988. A number of these outlets moved into the challenging territory of longform news—that is, news that totals more than an hour.

In fact, in the top 25 markets, there were in 1987, for the first time, more affiliates fielding longform TV news than not. Of the 77 affiliates listed by Nielsen in the top 25 DMAs, 42 had 90 minutes or more of early evening news.

These analyses are based on Nielsen Cassandra listings for May 1987 and February 1988. They continue the analysis of TV local news trends by TV/RADIO AGE that began in the late '60s with the top 20 markets, was extended later to the top 50 and last year included all Nielsen DMAs. The current analysis is a mid-season check on the revival of early evening affiliate news expansion last year.

### Balanced seesaw

The TV/RADIO AGE tally of expanding news by TV affiliates showed that after a quiescent period ending in 1986—in which the number of stations in the top 50 markets increasing their early evening news was about balanced by those who decreased it—more than a dozen outlets expanded their news while only a half dozen contracted their journalistic offerings. This was between May 1986 and February 1987.

A later comparison covering the period from May 1986 to May 1987, and embracing all Nielsen DMAs, showed that the top 50 trend was echoed only in part in the smaller markets. Specifically, the second 50 markets showed a net gain of eight affiliates with longer news (10 up and two down), while the 100-plus markets were about even with the news pluses and minuses.

In the latest analysis, the top 50 market tally shows 18 stations increasing early evening news and 10 decreasing such programming. In the second 50 DMAs there were seven upping the news and two cutting it back. So the net gain in the top 100 markets comes

down to 13 more affiliates with longer early evening news.

In the top 50 markets, nine of the affiliates went from an hour to 90 minutes of early evening news and another station (WTVT Tampa-St. Petersburg) went from 90 minutes to two hours.

All these developments are the culmination of a 20-year trend toward longer news in the major markets. This was kicked off in the late '60s when KNBC-TV pioneered longform news by jumping from an hour to two hours in the late afternoon and early evening. The station now runs two and a half hours of news in the twilight hours.

Los Angeles, indeed, became a hotbed of longform news and while some of this has been cut back, it is still the leader. KABC-TV has three hours of local news running from 4 to 7 p.m., though KCBS-TV cut back from two and a half hours to two hours during the recent period analyzed. There is some threat to the expansion of early evening news via the double access programming policies of some stations—including WABC-TV New York—but it does not seem to be affecting the expansion trend seriously.

And there is still plenty of room for expansion. A sizeable number of affiliates in the top 100 DMAs still program

### Early evening local TV news leaders, top 20 affiliates in top 50 DMAs\*

#### By household shares

<b>WNEP-TV</b>	Wlks Br/Scrntn	<b>46</b>
<b>WJZ-TV</b>	Baltimore	<b>44</b>
<b>WHIO-TV</b>	Dayton	<b>43</b>
<b>WHAS-TV</b>	Louisville	<b>42</b>
<b>KDKA-TV</b>	Pittsburgh	<b>41</b>
<b>WGAL-TV</b>	Harrs/Lanc/Leb/Yk	<b>41</b>
<b>WWL-TV</b>	New Orleans	<b>41</b>
<b>WWL-TV</b>	New Orleans	<b>40</b>
<b>KSDK</b>	St. Louis	<b>39</b>
<b>WBTW</b>	Charlotte	<b>39</b>
<b>WMC-TV</b>	Memphis	<b>39</b>
<b>WTVD</b>	Raleigh/Durham	<b>39</b>
<b>KSDK</b>	St. Louis	<b>38</b>
<b>WRAL-TV</b>	Raleigh/Durham	<b>37</b>
<b>WSMV</b>	Nashville	<b>37</b>
<b>WKBW-TV</b>	Buffalo	<b>36</b>
<b>WPVI-TV</b>	Philadelphia	<b>36</b>
<b>WDTN</b>	Dayton	<b>35</b>
<b>KENS-TV</b>	San Antonio	<b>34</b>
<b>KGTV</b>	San Diego	<b>34</b>
<b>KWTV</b>	Oklahoma City	<b>34</b>
<b>WBRC-TV</b>	Birmingham	<b>34</b>
<b>WPVI-TV</b>	Philadelphia	<b>34</b>
<b>WPVI-TV</b>	Philadelphia	<b>34</b>
<b>WVTM-TV</b>	Birmingham	<b>34</b>

#### By household ratings

<b>WNEP-TV</b>	Wlks Br/Scrntn	<b>29</b>
<b>WHAS-TV</b>	Louisville	<b>27</b>
<b>KDKA-TV</b>	Pittsburgh	<b>26</b>
<b>WBTW</b>	Charlotte	<b>25</b>
<b>WSMV</b>	Nashville	<b>25</b>
<b>WTVD</b>	Raleigh/Durham	<b>25</b>
<b>WWL-TV</b>	New Orleans	<b>25</b>
<b>WHIO-TV</b>	Dayton	<b>24</b>
<b>WRAL-TV</b>	Raleigh/Durham	<b>24</b>
<b>KSDK</b>	St. Louis	<b>23</b>
<b>WJZ-TV</b>	Baltimore	<b>23</b>
<b>WWL-TV</b>	New Orleans	<b>23</b>
<b>WFMY-TV</b>	Grns-H.P.-W.S.	<b>22</b>
<b>WGAL-TV</b>	Harrs/Lanc/Leb/Yk	<b>22</b>
<b>WMC-TV</b>	Memphis	<b>22</b>
<b>WKBW-TV</b>	Buffalo	<b>21</b>
<b>WPVI-TV</b>	Philadelphia	<b>21</b>
<b>KSDK</b>	St. Louis	<b>20</b>
<b>KWTV</b>	Oklahoma City	<b>20</b>
<b>WSOC-TV</b>	Charlotte	<b>20</b>

Source: Cassandra, February 1988. DMA shares, ratings, Mon.-Fri. \* Ranked by individual news programs as listed in Cassandra.

## Late evening local TV news leaders, top 20 affiliates in top 50 DMAs\*

### By household shares

<b>WWL-TV</b>	New Orleans	<b>48</b>
<b>WHAS-TV</b>	Louisville	<b>44</b>
<b>WNEP-TV</b>	Wlks Br/Scrntn	<b>44</b>
<b>KENS-TV</b>	San Antonio	<b>43</b>
<b>KSDK</b>	St. Louis	<b>43</b>
<b>WJZ-TV</b>	Baltimore	<b>43</b>
<b>WHIO-TV</b>	Dayton	<b>41</b>
<b>WGAL-TV</b>	Harrs/Lanc/Leb/Yk	<b>40</b>
<b>KGTV</b>	San Diego	<b>39</b>
<b>WBTW</b>	Charlotte	<b>39</b>
<b>KSL-TV</b>	Salt Lake City	<b>38</b>
<b>WIVB-TV</b>	Buffalo	<b>38</b>
<b>WRAL-TV</b>	Raleigh/Durham	<b>38</b>
<b>WBRC-TV</b>	Birmingham	<b>37</b>
<b>WJW-TV</b>	Cleveland	<b>37</b>
<b>WKBW-TV</b>	Buffalo	<b>37</b>
<b>WTVD</b>	Raleigh/Durham	<b>37</b>
<b>KWTV</b>	Oklahoma City	<b>36</b>
<b>WCMH-TV</b>	Columbus, O.	<b>36</b>
<b>WPVI-TV</b>	Philadelphia	<b>36</b>

### By household ratings

<b>WWL-TV</b>	New Orleans	<b>28</b>
<b>KENS-TV</b>	San Antonio	<b>26</b>
<b>KSDK</b>	St. Louis	<b>26</b>
<b>KSL-TV</b>	Salt Lake City	<b>21</b>
<b>KTRK-TV</b>	Houston	<b>21</b>
<b>KWTV</b>	Oklahoma City	<b>20</b>
<b>WIVB-TV</b>	Buffalo	<b>19</b>
<b>WNEP-TV</b>	Wlks Br/Scrntn	<b>19</b>
<b>WPVI-TV</b>	Philadelphia	<b>19</b>
<b>KDKA-TV</b>	Pittsburgh	<b>18</b>
<b>KMOV</b>	St. Louis	<b>18</b>
<b>KUSA-TV</b>	Denver	<b>18</b>
<b>WBRC-TV</b>	Birmingham	<b>18</b>
<b>WFAA-TV</b>	Dlls-Ft. Worth	<b>18</b>
<b>WHAS-TV</b>	Louisville	<b>18</b>
<b>WJZ-TV</b>	Baltimore	<b>18</b>
<b>WJW-TV</b>	Cleveland	<b>18</b>
<b>WKBW-TV</b>	Buffalo	<b>18</b>
<b>WLS-TV</b>	Chicago	<b>18</b>
<b>WTVF</b>	Nashville	<b>18</b>

Source: Cassandra, February 1988. DMA shares, ratings, Mon.-Fri. \* Ranked by individual news programs as listed in Cassandra.

only a half hour of early fringe local news. Out of the 306 affiliates listed by Nielsen in the top 100 markets, fully 127 air only a half hour of late afternoon/early evening local news, or 41.5% of the total.

A slightly larger percentage of stations put on an hour of early fringe news—43.1%, representing 132 affiliates. That leaves 15.4% with longform news—or 47 in all.

The largest number of longform news outlets are those airing 90 minutes, as might be expected. There are 32 in all. Another 13 field two hours of local news, leaving one outlet programming two and a half hours and another putting on three hours. The "champion," as noted, is KABC-TV, which airs four distinct programs, an hour at four, an hour at five, a half hour at six and a final half hour at 6:30. In second place is KNBC-TV, with an hour at four, an hour at five and a half hour at six.

Longform news programs are practically all confined to the top 25 markets, which suggests that it is not viewing habits, but resources, which often determine whether or not a station will go

all out in its news programs. It is also true that there is "more news"—or, at least, a greater variety of news—to report in larger markets.

The top 25 DMAs contain 42 of the 47 stations with longform news in the top 100, while 46 of the 47 fall in the top 50. The sole affiliate with longform news in the second 50 markets is KLAS-TV, the CBS affiliate in Las Vegas. Interestingly, Las Vegas is the 96th DMA, where KLAS-TV competes against one affiliate with an hour of early fringe local news and another with a half hour.

The four longform stations in the second 25 markets are, not surprisingly, mostly in the bigger ones. One is in Portland, Ore., the 26th DMA and two are in the Orlando-Daytona Beach-Melbourne DMA, which numbers 27, the longform developments in Orlando, etc., being of recent vintage. The remaining outlet of the quartet is in Columbus, O., the 35th DMA. All four air 90 minutes of early fringe news. The Portland outlet is KATU; the Orlando, etc., stations are WCPX-TV and WFTV, both of whom went to 90 minutes during the May '87-February '88

period, and the Columbus affiliate is WBNS-TV.

While there are still a sizeable number of affiliates in the top 100 DMAs with only a half hour of local news in the early evening, there aren't many left in the top 25 markets. In fact, there are only three. Tampa-St. Petersburg has two of them: WTSP-TV and WXFL, the former having recently reduced its news from an hour. The third is in the Hartford & New Haven DMA, WVIT, which is the only UHF affiliate in the market. □

## TV affiliates increasing early evening news in top 100 DMAs, May '87 to Feb. '88

ABC affiliates	From/to (minutes)
<b>WMUR-TV</b>	Boston <b>30/60</b>
<b>KSTP-TV</b>	Mpls./ St. Paul <b>60/90</b>
<b>WRTV</b>	Indianapolis <b>60/90</b>
<b>WFTV</b>	Orl/D.B./Melb <b>60/90</b>
<b>WKRN-TV</b>	Nashville <b>30/60</b>
<b>WNEP-TV</b>	Wlks Br/Scrntn <b>30/60</b>
<b>KITV</b>	Honolulu <b>30/60</b>
<b>KCRG-TV</b>	C.R./Wtrloo/ Dub <b>30/60</b>
<b>WAAY-TV</b>	Hntsvl/Decat <b>30/60</b>

### CBS affiliates

<b>WCAU-TV</b>	Philadelphia <b>60/90</b>
<b>WNEV-TV</b>	Boston <b>60/90</b>
<b>WAGA-TV</b>	Atlanta <b>60/90</b>
<b>WTVT</b>	Tampa/ St. Pete <b>90/120</b>
<b>WBAL-TV</b>	Baltimore <b>60/90</b>
<b>WCPX-TV</b>	Orl/D.B./Melb <b>60/90</b>
<b>WTVF</b>	Nashville <b>30/60</b>
<b>WTKR-TV</b>	Nrfk/Pts/N.N. <b>30/60</b>
<b>KGMB</b>	Honolulu <b>30/60</b>
<b>WCIA</b>	Chmpn/ Spngfd/ Decat <b>30/60</b>

### NBC affiliates

<b>WHAG-TV</b>	Washington <b>0/60</b>
<b>KING-TV</b>	Seattle/Tac <b>60/90</b>
<b>WPIX</b>	Pittsburgh <b>30/60</b>
<b>WJAR-TV</b>	Prov/N. Bed <b>30/60</b>
<b>WSTM-TV</b>	Syracuse <b>30/60</b>
<b>WHO-TV</b>	Des Moines <b>30/60</b>



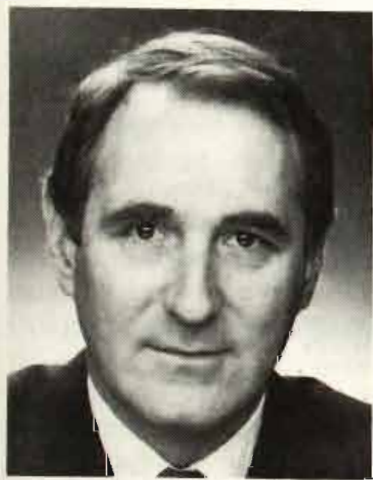
Risk-taking, flexibility characterize more than 20 substantial companies

# Radio-only groups stand up and fight multimedia guys

By GEORGE SWISSELM

**F**ighting yesteryear's tide toward diversification, radio-only station groups—some old, some new—are emerging as movers and shakers in the radio business. There are at least 20 groups out there with a half-dozen or more radio stations and no television or newspaper holdings—and usually not cable or anything else.

What appears to characterize these groups in contrast to their diversified competition is greater willingness to take risks, less bureaucracy and greater flexibility. Radio is all they've got, with no TV station revenues to bail them out, so they're generally not willing to play second fiddle to other stations in their markets. And many of these groups, particularly the newer ones, have shown adeptness in acquiring and turning around less successful stations.



**Frank Wood, Jacor Communications, asserts,** *"We can be more aggressive and move faster without a lawyer sitting at our side like a CapCities or CBS, worrying and warning about the effect something you do may have on your much more expensive TV station..."*

Radio-only companies "are, or should be, less bureaucratic," says Jeff Smulyan, president, Emmis Broadcasting Corp. He elaborates, "No matter how large your company gets, you have to keep running radio like a small business. Radio keeps changing so rapidly in everything from your competitors' formats to listener tastes and the marketplace, you have to be capable of immediate response."

Frank Wood, president, Jacor Communications, adds, "We can be more aggressive and move faster without a lawyer sitting at our side like a CapCities or CBS, worrying and warning about the effect something you do may have on your much more expensive TV station—or even a whole network. Maybe you want your people to do something that, at a network, might upset a union. That could throw your whole network out of joint for who knows how long. So you don't do it. You can't afford to take the chance. We can."

In Wood's view, such considerations are "one reason our emerging nation of radio-only owners can be so effective. We can move. And not just Jacor. It works for the Emmises and Infinities, too."

## Total attention

At Infinity Broadcasting itself, where president Mel Karmazin calls it "the largest radio-only company and the only one with stations in every one of the top 10 markets," he points to radio getting "the total attention of top management in our kind of company. My counterparts at multimedia companies are more likely to have their priorities in their television or newspaper operations because, for them, radio represents a relatively smaller piece of their total investment. They are not totally dependent on radio for their success as we are. All of our resources are in radio and that's where 100% of our attention goes."

Robert F. X. Sillerman, co-chairman of Legacy Broadcasting and of Siller-

man Acquisition Corp., which has also acquired Metropolitan Broadcasting, points to another difference: "The entry level to get into television is so high that in radio you can do in many markets what you could probably do in only one market with television for the same size of investment."

At Buckley Broadcasting, president Richard Buckley points to "our concentration on local sales. We like national business as much as the television people, but for radio, the local retail business is there, whether national is or not."

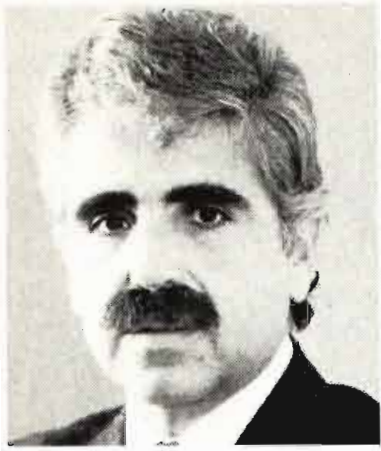
Buckley says his stations "have been concentrating on retail business for years, and we've done well with it. It's more work than getting national business from an agency that will write the copy and produce the spots. With local, we do the writing and production ourselves."

"But it's more of a direct challenge of our ability to deliver. A national advertiser usually isn't sure whether it was his radio schedule or six other things that's moving more product for him. But when a local auto dealer puts money on your station, he wants to see people walk into his showroom. If he spends \$1,000 and no one walks in, you're a bum. But if he sells 18 cars, you're a hero. And he gives you another \$1,000 so you can do it again."

On these points, the radio only leaders find general agreement. Where they split is often on the kind of new station acquisition they seek: established suc-



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cess or a good turnaround prospect.

At Lotus Communications executive vice president Hal Rosenberg observes, "While a good many of our stations have been successful turnarounds, right now the right turnaround situation at an affordable price is very hard to find. Prices are so high, only the big corporations can carry the debt, and our company isn't quite that big. We're always on the lookout for good station opportunities, but we're moving cautiously in everything we do."

Rosenberg adds, "When we're considering a possible new acquisition the main things we look at are signal, potential market growth, potential station growth once we give it the right format, the price and terms of sale."

Norman Wain, president, Metroplex Communications, describes his business as "buying stations and adding value. Our history is one of acquiring turnaround situations and building up their audience. It's tougher today to find the right situation, but there are still a few available if you look hard enough."

In Wain's opinion, "The one possible disadvantage of not having a big television brother is, the radio-only companies don't have television's profits to bail us out. On the other hand, it's a diminishing disadvantage in this new era when running a TV station is no longer just sitting back, carrying the network feed, and having your profits guaranteed, year after year.

"With more independent stations, more cable systems, and more people

using VCRs, rental films and the rest, television's audiences today are going through the fractionalization radio has already been through and survived years ago."

Wain says this gives radio "the advantage of being the more stable business today. It's true our radio competition still keeps changing formats like shirts, but at the same time any one radio station can have just one program, 24 hours a day. Against that, any one TV station's popularity can go up and down every hour or half hour, every time a new program comes on. Today's movie may be terrific, but tomorrow's movie, same time, same station, may be a lemon."

#### Turnaround situations

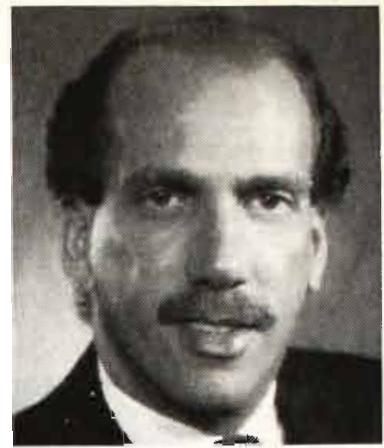
Legacy's Sillerman is "not personally adverse" to a turnaround situation, but adds, "To date we've paid top dollar for the top stations in major markets. We bought KJOI(FM) Los Angeles for what at that time was a record price for a standalone station. The next year we paid the highest price ever paid for a station in Houston, and earlier this year we paid \$23 million for WCPT/WCXR(FM) Washington."

He adds, "Although we're not turnaround specialists, we achieve similar results: audience increases. But these increases rise from an already well-built audience base, rather than from a zero-base standing start."

Similarly, Infinity's Karmazin re-



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ports, "We look for stations with the potential for a terrific upside future, no matter how high a price we've had to pay. We paid \$27 million for WQYK AM-FM Tampa, \$41 million for KROQ(FM) Los Angeles and \$82 million for KVIL AM-FM Dallas-Fort Worth. They were all successful stations to begin with but offered the potential for a still more successful future. We made no format changes but did change general managers at all three and changed the marketing and sales approach."

Karmazin says the stations' music and positions in their markets were researched, and "We increased their visibility through advertising and promotion, and we concentrated more on local accounts."

He says the increased promotion included some contests, some television advertising, and some outdoor billboards, but, "In each case it was a local call, tailored to the local market situation. We have virtually no corporate headquarters staff. The general manager and program manager on the spot are autonomous and make their own calls, depending on local circumstances."

He says to build listener loyalty, "You have to keep them interested. You research them to make sure they think you have the best personalities and best music and find out how they respond to which types of contests and other promotions."

Jacor's Wood reports acquisition of "a mix of stations: Some were cash flow

properties that were already great successes when we acquired them. Others were turnarounds. There's more upside potential in the turnarounds, but the financing is tougher and trickier because investors see more risk. And they don't turn around overnight. They take time to build."

But Wood adds, "Even with the cash flow stations, I've never seen one yet that we couldn't improve and convert into an even greater success. In some of these cases we've kept the manager in place, and in others we've changed managers. It's a market-by-market call, depending on each new situation we find. We spend a lot of time on site at each new acquisition. Initially, we swarm them until we decide exactly which direction we want to go and how we're going to get there. If the format is already a winner, what we're most likely to do is, first, audience research, and then change the promotion."

As Wood describes it, "We research the audience lifestyle, down to the nuances of their local use of language. Research for us is creating a giant parabolic mirror. A parabolic mirror collects light and focuses a tight beam back. Our research mirror collects the way our listeners think, act and speak. Then we beam it back down to them to narrowcast a huge, magnified reflection of themselves and the music they like best, right back at them."

At Lotus, Rosenberg is also "a strong believer in qualitative audience research to track what our listeners are all about so we can give them what they want to hear, and then use the research and the growing audience to sell to more advertisers."

He points to the company's KWKW(AM) Los Angeles: "They just got in their latest research report and we see that by being so totally involved in the Hispanic community, carrying the Dodger games in Spanish, and being the voice of the community here, we're well rewarded with long term listener loyalty."

One of the questions the survey asked was, "How long ago did you start listening to KWKW?" Some 36% of those replying reported 10 years or more, and another 13% said they'd been faithful for seven to 10 years. Says Rosenberg, "Once they start with us they stay with us—because of programming and community involvement."

Jacor's Wood says that when a new station is acquired, "Another thing we do is change the attitude of the station's management to become very aggressive. Almost belligerent toward the opposition. We do everything we can to harass the competition, keep them off balance and constantly on the defen-

sive. At least it intimidates the weaklings. Like everyone else in radio, we want radio's share of the total advertising pie to grow. But it's quicker to capture bigger slices from other radio stations."

Wood says his station's promotion "works with the programming to coordinate on-air and off-the-air promotion to create an emotional response to our personalities and music so our audience will identify more and more closely with the station."

Legacy's Sillerman is also very big on

promotion—"aggressive, consistent promotion to, first, get people to sample the format, then to constantly reinforce the image of the kind of station we're running."

Sillerman adds, "Like the formats, the promotion is also tailored to each local situation. We have a wide variety of options that can run from concerts and contests to direct mail, TV spots, public service programs, giveaways, straight advertising on bus cards, billboards, in newspapers, and, of course on your own air." □

## Radio-only; rep, value added

Jacor Communications, which acquired Eastman Radio last February, plans to operate Eastman "as a separate profit center with a lot of added-value features" for its 170 represented stations, reports Jacor president Frank Wood. This "will enable it to act as a counterweight to the megareps. They like to talk about the 'independence' and 'autonomy' of each of their satellite rep divisions, but the reality is, they network them to death and share information. With Eastman, its stations can control their own destiny."

Replying to Wood's comments about "the megareps," Les Goldberg, president of Interep, describes his new business development teams "made up of people from each of our individual Interep companies. They do share information that enables them to penetrate higher levels of agency and advertiser management in order to develop new dollars for radio. Other than that, each company is totally independent of the other and totally competitive against each of our other Interep companies."

Ken Swetz, president, Katz Radio Group, describes the group as "one company for marketing and new business development with a separate sales force totally dedicated to selling our KRG Network. Any station represented by any of our companies can be a KRG Network affiliate."

"On the other hand, each company operates totally independently in selling their client stations on national spot buys. They compete against each other like cats and dogs, the same as they do against any non-KRG rep. Each company has its own separate research department to position its own stations. Each company is run as its own separate profit center, and each keeps its own separate P&L statement."

At Jacor, Wood explains that when he refers to "value added," he means Eastman "will offer its stations services they don't get from other reps: more focus group audience and music research, plus direct mail and affinity group credit cards for their listeners at the most favorable rates. These will be available to Eastman-represented stations at big discounts. (see *Station Report*.)

**"It's a deal"** as Jacor acquires Eastman. Standing, l. to r., Eastman's Carl Butrum and Jerry Schubert, Jacor's Frank Wood and Eastman's Mayo Smith. Seated, from l., Bill Burton of Eastman and Terry Jacobs of Jacor.



# Spot TV just running OK

## It's a weak encore after first quarter gains

**A**utomotive holding well, flat package goods, slow kid's business and disappointing political advertising add up to a national spot television second quarter expected to show a 6% to 8% gain. This, say the reps, is acceptable, but it's a comedown following a strong first quarter: TV/RADIO AGE's *Business Barometer* reported a healthy 14.9% jump in January, followed by a 9.5% February gain, 6.3% in March and 10% for the quarter.

Peter Goulazian, president, Katz Television Group, calls first quarter "terrific. Our like-to-like stations [that] we worked for both this year and last January were ahead in excess of 15%. One of the key contributors was

temporary slowdown, second quarter remains fairly healthy and will probably finish with an 8% to 10% increase. We're looking at better dollars, particularly for our ABC affiliates. February brought them a strong book, their late fringe was enhanced by their Olympic coverage, and they continue to perform better than expected against CBS."

Oken also reports the independents MMT sells for "looking good except for children's advertising, which is off." He suggests at least one reason for current independent prosperity "may be that more markets are metered this year than early last year. When meters go into a market for the first time they usually improve the comparative numbers for the independents."

"fairly slow," but expects May and June to help pull the quarter back up. He says automotive is doing fine, "and so are oil and gasoline. The travel category in general is holding up, with everybody working to stimulate vacation travel. But the major package goods corporates like Lever, Lipton and P&G have been disappointing."

Bill Fagan, president, Petry Television, sees no definite regional pattern, observing instead, "There are strong markets and the not so strong. Cincinnati, Minneapolis-St. Paul and Indianapolis are strong. But the oil belt markets haven't returned to their former strength, and neither have most Florida markets, as we thought they would, once the ad tax was repealed."



**Tim McAuliff**

the good number of ABC stations we represent that enjoyed such a good January and February. Second quarter didn't start as strong as first. Our strongest first quarter month was January and the softest was March; then came April, which was moderately good but not great. However, we expect a May and June improvement that will bring increases up to 6% overall for second quarter."

Jack Oken, president of MMT Sales, also points to his ABC affiliates: "Except for what we expect to be only a

*"Markets 26 to 50 are doing fine, but the money hasn't been there for the smaller markets. And the top 10 aren't doing terribly well, either."*

At Blair Television, president Tim McAuliff estimates that second quarter should finish 5% to 7% ahead of the like 1987 period. By market size, he notes, "Markets 26 to 50 are doing fine, but the money hasn't been there for the smaller markets. And the top 10 aren't doing terribly well, either."

By region, McAuliff describes the mid-Atlantic territory "terrific, and the midwest is doing well. But it's been slow going for stations in New England and along the Pacific Coast." Like most other reps, McAuliff reports April



**Jack Oken**

*Second quarter remains "fairly healthy and will probably finish with an 8% to 10% increase."*



**Ray Johns**

Blair's McAuliff elaborates, "Our Florida markets were only 4% ahead for second quarter. That's underperforming the national average, with only a couple of north Florida markets like Jacksonville and Gainesville driving the whole state."

But he adds, "This 4% progress does come in the context of the terrific first half Florida spot markets enjoyed last year, just before the ad tax was introduced and killed everything. By the same token, we're expecting a great second half for our Florida markets because of the devastating effect the ad tax had on last year's second half."

**Seeing good signs**

Petry's Fagan describes April as "pretty good, and the quarter as a whole should finish between 6% and 10% ahead. We see some good signs for May, which is pacing generally well except for the slowdown in kids' business. And though automotive isn't bad, some of the car makers haven't come back in second quarter with the same weight they used last year." He adds, "Los Angeles hasn't been as strong as it used to be for spot, but I think a lot of this is due to the shift to regional buying by the bigger agencies. The Los Angeles stations seem to be doing well locally."

Similarly, MMT's Oken notes, "Although the Los Angeles stations are doing well, the reps don't share in it. With the spread of regional buying, Los Angeles is approaching New York with two-thirds of the business now bought locally."

*While children's business has been flat or down, the slack's picked up by automotives, financial services and movies.*

At Harrington, Righter & Parsons executive vice president Peter Ryan reports May "moving a good bit better than April's performance. Our original forecast was for a second quarter increase in the 6% to 8% range. That's still possible, but activity hasn't been as strong as we'd hoped. Local appears to be stronger than national sales."

Ryan says automotive in general has been good, "but in particular in the 17

or 18 markets General Motors has selected as test markets for special additional attention. On the other hand, political spending has been well below what many of us had anticipated. Even in the major electoral vote states of New York and Illinois there was little additional activity. And Super Tuesday was practically a non-event in respect to candidate spending on television."

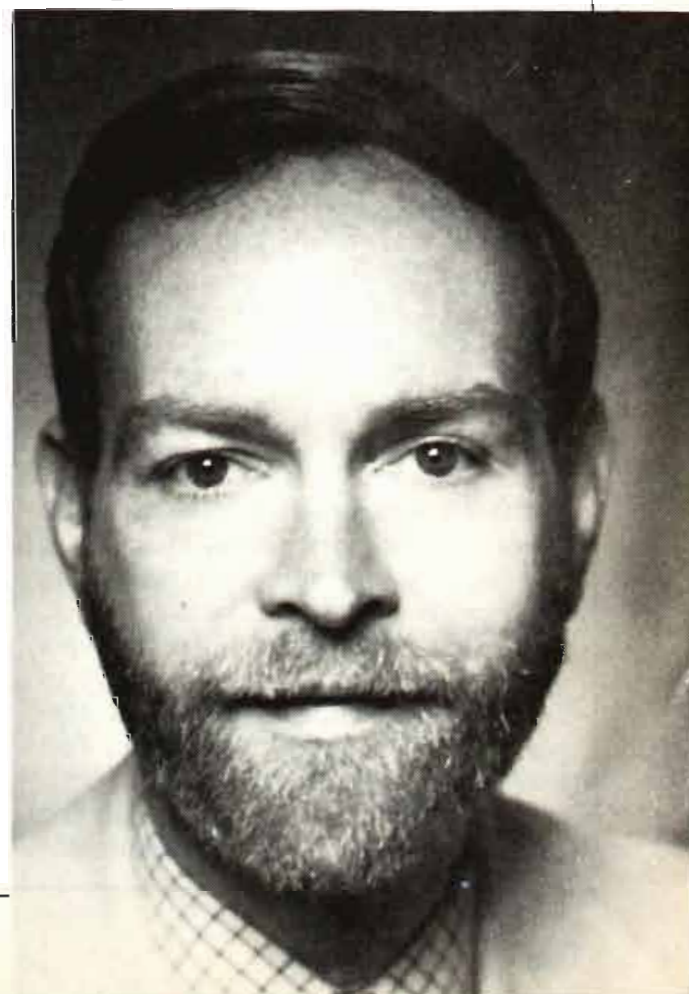
Ray Johns, executive vice president of Seltel, describes "an extremely soft April" but sees May and June "coming back with solid enough pacing to lead us to expect a 7% second quarter increase."

By region Johns finds most midwestern markets "still sluggish" and "Texas and the other energy-based states still lagging. But Florida is starting to recover from its ad tax slump, and our Northeastern and Western markets are strong."

And while children's business has been flat or down, Johns says "The slack there has been picked up by the automotives, financial services and movies. Many of the independent stations had great February books, and, across the board, they're doing well in spite of the softness in kids' business. On the other hand, the lackluster performance of so many of the network shows has hurt affiliates, and they're not doing as well as expected."

Blair's McAuliff suspects that while part of the reason for the flattening of children's advertising may be due to problems with the people meter, "This

**Bill Fagan**



*"We see some good signs for May, which is pacing generally well except for the slowdown in kids' business."*



**Peter Goulazian**

is probably only a secondary factor. I think most of it is the disappointing year 1987 was for the toy companies. There was no major toy success like the Cabbage Patch Dolls in previous years to drive the market and generate ad dollars."

At TeleRep Tom Tilson, vice president, director of sales, reports first quarter up 10%—"a lot better than I think second will turn out for most of the industry. We should wind up 8% ahead for second, but we're selling for several new stations we didn't have at the start of last year."

Tilson says some markets are pacing ahead, "But except for oil country, which remains generally slow, we've seen no obvious geographic pattern. We have some midwestern markets doing well and other midwestern markets that still haven't caught up."

Like those at TeleRep and Petry, HRP's Ryan also detects no definite regional patterns: "Some markets are ahead, but others show little change. The energy based markets of the petroleum belt are still struggling, but even there, some are starting to perk again. Some of the Florida markets have started to make their comeback from the now-repealed ad tax, but it's been a slow comeback and most have yet to regain their full pretax activity."

MMT's Oken sees "markets like Indianapolis showing surprising strength. And Ohio markets look good in spite of less-than-expected political activity. In the west, Sacramento, Seattle and San Diego are doing well."

HRP's Ryan says package goods "continue modest to flat, and airlines have been a mixed bag. In markets where new routes are being introduced or there's strong price competition, the air carriers have increased advertising. But outside of individual cases like these, we've seen few increases."

At Katz, Goulazian reports the rep's greatest regional strength as being in the northeast, while the strongest categories have been automotive and fast food. He adds, "The fiercest competition for car sales has been along the east coast, to the point where automo-

*"The fiercest competition for car sales has been along the east coast . . ."*

tive now accounts for 10 to 12% of our total business this year. We believe it will continue strong through the rest of 1988."

On the other hand, Goulazian calls business from the major multibrand package goods companies "a major disappointment. So far their national spot investments have diminished to only about 8% of our total 1988 billing to date."

Also a disappointment, he reports, has been political spending: "Super Tuesday for the winning candidates was no Super Tuesday for television. On the other hand, we anticipate that political spending in October, when the national parties finally go up against each other, leading up to election day, will be strong."

MMT's Oken also calls political activity below par: "We had originally anticipated much more than has materialized. But with the Republican contest shaping up so quickly for Bush and with the Democrats cut down now to just two surviving candidates, there's been reduced spending in Pennsylvania and Ohio."

Turning to 15s, Petry's Fagan says some stations have come down in price to 65% to 70% of the price of a 30, "but it's still not down to where the advertisers would like to see it." Blair's McAuliff points to a comparison of network vs. "non-network" use of 15s prepared for the Television Bureau of Advertising, based on data from Broadcast Advertisers Reports. It shows that back in first quarter 1986, 15s accounted for only 2.6% of total non-network TV activity but 20.9% of total network activity. By this year's first quarter, 15s had increased to just over 36% of network activity, but non-network 15s were still only up to 4.2% of the total. McAuliff also observed that use of network 15s "has continued to erode spot budgets" at some of the major package goods companies. General Foods media chiefs, for instance, have warned that unless stations price 15s at 50% to 55% of the 30-second rate, they'll continue to rely on the networks for their 15-second buys.—**George Swisshelm**

## Third quarter

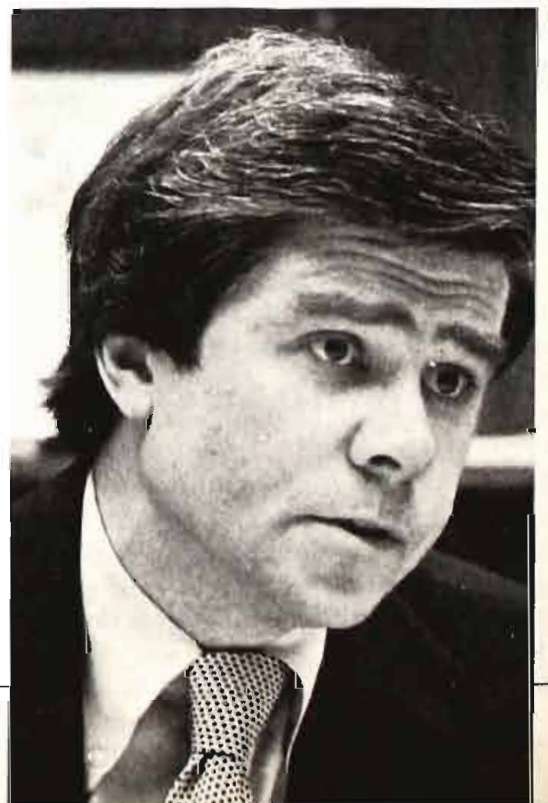
Given the, short lead time of so much spot placement, rep executives are understandably reluctant to go very far out on the limb to hang themselves with predictions for the fiscal quarters ahead. But a few will share some ideas.

At Harrington, Righter & Parsons, executive vice president Peter Ryan, for instance, observes, "It's still too early to see much for third quarter except for the increased sales activity by NBC affiliates who should benefit from the summer Olympic Games coming up in late third quarter."

And Peter Goulazian, president, Katz Television Group, sees September as "what we believe will be the pivotal month for total 1988 performance. We'll see in September how advertisers will be dealing with the effect of the writer's strike on the new season. If September turns out to be even reasonably good, I think national spot can count on finishing well for the year as a whole."

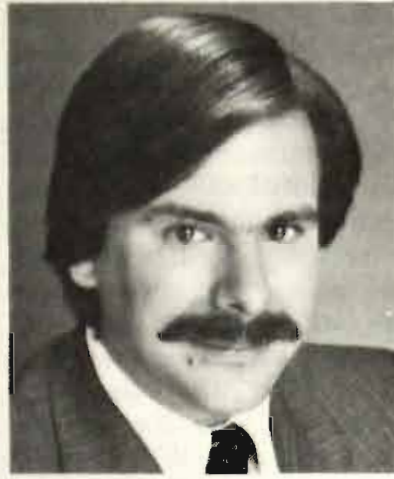
*Only NBC affiliates, because of the summer Olympics, are showing signs of third quarter activity so far.*

**Peter Ryan**



# Viewpoints

## Stephen G. Gombar



Vice president, media and research, Media Concepts, Inc., full-service advertising agency based in Houston

### Broadcast key ingredient in local media mix; does flavor come through?

During the past 12 years of my media career I've worked on many accounts—from local to national, industrial to consumer, commercial to retail, sophisticated to nonsophisticated. Sometimes I'm bold enough to think that I have learned a "few things," especially in the area of generating traffic. But, for most of these 12 years I've heard the same conversation over and over, especially from retail oriented accounts.

**Client:** Sure I've tried broadcast, a couple of times . . . for a few weeks . . . I didn't see any results.

**Agency:** Well, what do you expect? You need to be consistent; broadcast takes time; track your results . . . Lets do a media mix.

**Client:** OK

#### Six profitable months later

**Client:** Keep the newspaper, cut the broadcast; its just not working.

**Agency:** Why? The promotion was great, your traffic doubled, your sales increased 40%, your profits . . .

**Client:** The promotion was great. We doubled our budget; ran our regular newspaper and a broadcast schedule . . . but most of the people came because of the newspaper . . . I know . . . we asked them . . .

**Agency:** But they work together. Remember synergism?

**Client:** Of course, but the print works; people brought the ads in.

#### Three months later

**Client:** Traffic's off; sales are off.

**Agency:** Well, what did you expect? We've got an idea . . . lets run some broadcast again, do a media mix, they work together you know.

**Client:** No, we've tried broadcast, but newspaper works. Maybe you guys need to redo the newspaper creative . . .

Sound familiar? Most of the time the conversation (and sometimes the relationship) ends there. How can the broadcast industry possibly gain a greater share of retail dollars from print (newspapers, magazines, direct mail). I've never seen anyone bring in a cassette or video tape and say, "Great spot; a real motivator. This is why I'm here."

Part of the solution is for both the agency and broadcast industry to become more retail marketing oriented, working together with the client to track results. Often the information may not be readily available; there may be too many variables to "scientifically" measure the effect of a media mix; or the right information is never requested or presented. Really getting entrenched in your client's business takes time—especially if you're trying to study the relationships between advertising and sales beyond the "numbers."

Why all my interest? Because he came. You know him. The new advertising director who replaced the guy you worked with for the past few years. And, I was again confronted with, "Keep the newspaper, cut the broadcast, its just not working. We've spent as much money in each and over 20% of our traffic comes from newspaper and less than 10% from broadcast." I thought, OK, he reads his reports. My response was, "You're right, but look at this. We analyzed over 50,000 of your individual traffic reports from the past 44-week period."

44 week period	Index* Reported traffic		
	Total market	Newspaper	Broadcast
Nonbroadcast weeks	100	100	100
Light broadcast weeks	134	123	166
Moderate broadcast weeks	143	140	257
Heavy broadcast weeks	153	165	267

\* The above is a multiple market index. Index by market ranged from 102 to 206 for total traffic, 100 to 211 for reported newspaper traffic, and 125 to 700 for reported broadcast traffic.

Perhaps reported broadcast traffic is less, but look what happens when you run. When broadcast (which is the only advertising variable) is running, your traffic increases. The heavier your schedule, the greater the weekly traffic. The heavier the schedule, the greater the number of people reporting that newspaper was their reason for coming out. Maybe the people hear or see the broadcast, which leads them to the newspaper, which motivates them all the more to come out. Maybe they work together . . . a media mix. Maybe your customers just pick one to fill in on your form. Advertising communication is like a recipe: If you leave out or reduce just one ingredient it just doesn't taste right.

The results? They stayed on the air and had a great next quarter. But not there's one more problem: They want to know how much broadcast is enough . . . Help!!! TvB, RAB, 4A's, does anyone out there have the answer to this one?

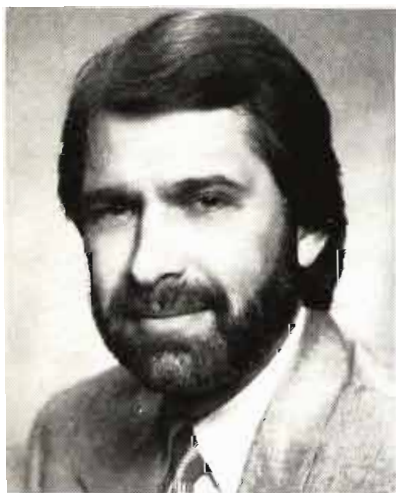
# Programming

## Tight marketplace is forcing smaller syndicators to look to new sales route

The tough syndication marketplace is forcing smaller syndicators to abandon some of the traditional methods of doing business to get their program launched.

Select Media Communications president Mitch Gutkowski, in a phone interview, said he is circumventing the tight marketplace problem and is pushing ahead on clearing markets and gaining advertiser support on Select's two first-run shows, *Relatively Speaking* and *World Class Women*. Both shows have been pronounced as go's for the fall, despite that *Speaking* has slightly more than 50% coverage of the U.S. and *Women* has close to 50%.

*Speaking*, in fact, will go into production on July 26 in Glendale, Calif., in concert with Atlantic/Kushner-Locke and The Maltese Companies, because Gutkowski expects at least 70-75% coverage by airtime. "There's still room out there," he says, despite the tight marketplace, for non-major syndicators. A lot of stations are still holding out. They are waiting for the May books and know the questionable properties are still there."



**Mitch Gutkowski**

However, he admits that getting station interest has meant "concessions" on the part of Select Media. Three to be exact. These are: not gearing the program to a specific daypart; offering advertisers a guarantee station coverage; and that the show is straight barter, thus designed to alleviate the problems of cash-poor stations.

"We are accepting clearances in four different dayparts—late night, early fringe primetime and prime access. It's a cross-dichotomy and there's nothing we can do about that, but we're hoping for the best. We're giving stations a lot of flexibility. In addition, some stations

will run the show late-night for four days. Also, putting all the dayparts together, we are guaranteeing *Speaking* gets between a 3 or 4 national rating.

**Coverage.** On station coverage, Gutkowski says that if the game show strip doesn't reach 70% coverage by Oct. 3, advertisers either have the right to pull out of the show or to have a reduced rate on a pro-rata basis based on percentages of coverage that have been achieved at that time. "That's fine, I want them to be comfortable."

"I'm sure we will have at least the 70% number. I have gone to stations and no one is saying they don't want the show. They are waiting for the May book, and there are other stations in the same market that are saying the same thing."

Also, Gutkowski feels he has an edge because the three major syndicated shows, *Wheel of Fortune*, *Jeopardy* and *Oprah Winfrey* "won't be around forever."

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*"We are accepting clearances in four different dayparts."*

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On the advertiser side, Gutkowski says there isn't much of a problem. "That has always been our forte because of our vignettes. We bill over \$20 million with advertisers just on the vignettes alone. They have always been behind us and very comfortable with the programs we have brought forth. They have seen a pilot of *Relatively Speaking*, and thought it was very funny."

*Speaking* stations at present consist of half affiliates and half independents. Just added were WPWR-TV Chicago, KDFI-TV Dallas-Ft. Worth, WPGH-TV Pittsburgh and KPHO-TV Phoenix. Announced previously are WNBC-TV New York, KNBC-TV Los Angeles, WXYZ-TV Detroit, WXIA-TV Atlanta, among others.

*Relatively Speaking*, a game show hosted by John Byner, is offered on a barter split of four minutes for local and two-and-a-half for national sale.—

**Robert Sobel**

## TeleTrib to handle sales on 'Denver'

World Events Productions has become the latest producer/syndicator to join the alliance fold. In this case, WE has signed a deal with TeleTrib for the barter syndicator to handle the ad sales for WE's *Denver, the Last Dinosaur* as a fall series. The barter split will be 2½ minutes for national sale and 3½ for local per each half-hour episode.

*Denver* could very well be an easy sell for TeleTrib, based on the numbers racked up by *Denver* as a one-hour special and because it already has a lineup representing close to 70% of the country. According to Peter Keefe, vice president, production at WE, *Denver*, which was shown on the Fox stations, among others, has beaten the regularly scheduled programming on all its indie competitors.

"That's quite a coup," he says, "considering that our audience is made up of mostly kids." Keefe says *Denver* did a Nielsen 10 share on May 15 on WNYW-TV New York, performing well against *Ringling Brothers, Highwayman, Perfect Strangers* and *Full House* on the networks. Against the other indies, *Denver* beat *Hill Street Blues* (5 share) on WPIX(TV) and *Entertainment Tonight* (7 share) on WWOR-TV.

In Chicago, *Denver* did a 7 share on April 11 on WFLD-TV at 7 p.m., besting the other two indies' fare. In Washington, WTTG-TV aired *Denver* at 8 p.m. on April 22, and it racked up a 8.1 rating and a 15 share, not only knocking off all the indies but also NBC's *Highwayman*, shown the owned station WRC-TV, which did a 5/10 share for the hour, says Keefe. Also, *Denver* registered better than its lead-out, *World of Disney*, which did a 5/9.

In Los Angeles, while *Denver* had a 4.4/8 share at 8 p.m. on April 29 on KTTV(TV). "It ran against heavy competition in Los Angeles," notes Keefe. On NBC, KNBC-TV ran Disney's *Down and Out With Donald Duck*, which got a 6/12. Keefe points out that while affiliates generally dominate primetime, the fact that *Denver* got close to a network program in Los Angeles also indicates the value of the program. On KTAJ-TV Dallas, *Denver* scored high as well, getting a 3.2/5 on April 29, besting the station's numbers on *Star Trek: The Next Generation*, which ran the week before and got a 2/5.

Besides that a number of indies have cleared the series for the fall, several affiliates will air *Denver* as well. Keefe notes that most of the affiliates are scheduling the program on Sunday mornings or in the "kidult" time.



## Group W looks to \$100,000 per 30 on 'Cosby'; guarantees rating of 15

Group W, which along with Procter & Gamble and General Foods, has acquired a share of the barter inventory on *The Cosby Show* reruns offered by Viacom Enterprises, is going into the advertising marketplace looking for a minimum of \$100,000 for each 30-second spot. And, according to Dan Cosgrove, vice president, media sales at Group W, the syndication entity will offer advertisers a ratings guarantee of 15. "The deal would come out to a \$7.50 CPM, which we feel is in the ballpark," says Cosgrove.

"People may wonder why we're asking \$100,000, when the bidding price was \$45,000 per 30. But that price was without any guarantees. We feel that because we are guaranteeing the ratings, we will be able to get our asking price. Group W, in its agreement, picks up three 30s per week, or a total of 546 units over the three-and-a-half years of the arrangement.

*Group W will sell "Cosby" at a \$7.50 CPM, "which we feel is in the ballpark."*

As to their arrangement with Viacom on *Cosby* reruns, the barter time will be split as follows: both P&G and GF will have 70% of the available national inventory, and Group W will have 30% to make available to other advertisers.

It's understood that P&G has taken a higher share of the inventory pie than GF, although its ad agency, D'Arcy Masius Benton & Bowles, refused to reveal what the specific breakdown is. The agency played a pivotal role in bringing the two advertisers together for the media buy, notes Henry Schleiff, chairman and CEO of Viacom's Entertainment and Broadcasting Groups.

**Take.** Schleiff says Viacom will receive a minimum of \$60 million from the *Cosby* barter sale of the 1,820 30-second units. But, according to an authoritative source, the total take expected is close to \$85 million. Based on this total, both advertisers will pay a combined \$55 million, while Group W will shell out about \$30 million.

The buyers, under the agreement, will pay for the purchase in cash and upfront in 1988. The agreements are for 3½ years, or 182 weeks. And the national 30's in *Cosby* will always occupy positions 2A and B within the pro-

gram. Viacom will be responsible for all commercial integration, distribution and affidavits of performance.

At present, the *Cosby* lineup totals 167 stations, reaching 96% of the country, but this total is expected to mount to 98-99%, by airtime. Still to be closed among major markets are Cleveland, Tampa-St. Petersburg and Birmingham, but these are expected to climb aboard "at Viacom's price."



"The Cosby Show's" barter will be taken over by Group W and two national advertisers.

The agreements reached with the three buyers differed from the standard terms outlined in the bidding process, according to Schleiff. He would not spell out details. But it's known that Viacom is offering protection to the purchasers against shortfall and delivery. This part of the arrangement was said to have been negotiated in exchange for the upfront 100% payment to be shelled out the first year in 1988. Initially, Viacom was seeking a 10% down payment.

*Viacom is said to be getting \$85 million for 'Cosby' barter.*

Group W is now part of a consortium handling barter. But while *Cosby* will be under that aegis, the sales will be handled separately by Group W only, and it will be the only participant in the profits, says Cosgrove.

**Blessing.** A blessing in disguise could be the writers' strike. Should it continue past the summer, it may affect the NBC series, forcing NBC into reruns of *Cosby*. Two original episodes have al-

ready been lost because of the strike. Group W believes it will benefit from the strike because advertisers can link to the same episodes in syndication that may air on the network, giving advertisers an opportunity to get in on the syndicated *Cosby* at a much more reasonable price than what the network is charging. NBC could not be reached for comment.

## 'Broadcast News,' TV series way

TV series producers seem to be fascinated with television in general, and TV news in particular this spring.

No fewer than four of the scores of series pilots being considered by the Big 3 networks for their fall lineups deal with the worlds of TV and/or news.

News directors and other TV industry people will not know how their images will fare in these shows until they air.

One such project, *Channel 99*, is the first to get a commitment, albeit short-term. NBC will give this Imagine Entertainment sitcom a six-episode test-run sometime during the 1988-89 season. In this, Marilu Henner of *Taxi* fame will play a major-market station manager who must cope with becoming manager of a failing VHF in a small upstate New York market.

The main reason for the interest in news people is traceable to the hefty 1987 box-office performance of *Broadcast News*, as noted in a report on network program development by Saatchi & Saatchi DFS Compton.

BBDO's report said, "Most of these pilots feature TV studios as the setting and focus on a woman or women trying to make it in the broadcast area." ABC's *Studio 5B*, for instance, is a Lorimar-produced drama pilot about three women involved in different facets of an early morning network program. *Murphy Brown*, a half-hour ensemble comedy for CBS from Warner Bros. TV and Joel Shukovsky Productions, will star Candice Bergen as a hard-hitting reporter on a *60 Minutes*-like news magazine who finds herself less in control in her personal life.

Yet another project is *TV 101*, a drama hour that Grant Tinker's GTG Entertainment is doing for CBS. In this, aspiring TV reporters produce a sometimes irreverent video version of their high school newspaper for a local cable system.

According to Paul Schulman, president of Paul Schulman Co., the network TV buying subsidiary of Gardner Advertising, both *Murphy Brown* and *Studio 5B* are strong fall contenders.

## Buena Vista launches its first special, filling station void; 'perennials' mapped

Buena Vista Television's entry into live-event programming with a two-hour July Fourth special is the company's answer to the question of how a supplier gets around television's restrictive time slot problem.

With program suppliers finding stations cautious about signing to air new shows, Robert Jacquemin, Buena Vista's senior vice president in charge of domestic syndication, says coming to the marketplace with shows such as *Disney's Fourth of July Spectacular* fills a void.

Airing from Disney World in Orlando, Fla., the program, to be executive-produced by Don Ohlmeyer, will feature a July Fourth parade of Disney characters, military bands, floats, the Navy's Blue Angels precision flying team plus a fireworks/laser light finale, among other features.

Jacquemin says the company is looking to sign 150 markets for its debut special event extravaganza. "We've cleared 75 markets in one week," he says, "and we're talking about flagship stations in each market."

Additional events to be developed will be "perennials," as opposed to one-time-only specials, Jacquemin says. "We want events which stations can rely on year after year. The July Fourth show fills a void on that night."

**Budget.** Of the \$70 million Buena Vista is earmarking for development and production, "more than half is going for animation," with the remainder going to live shows such as the July Fourth special, two versions of *Win, Lose Or Draw*, *Live With Regis and Kathy Lee* and *Siskel & Ebert*.

The company is producing 30 additional episodes of *DuckTales* along with two two-hour *DuckTales* movies which will introduce two new characters, Bubba Duck in the November film and Robo Duck next February.

Jacquemin says the syndicated *DuckTales*, which has been renewed for four more years and is airing on more than 160 stations, "draws the highest rating of any kids' show on TV, averaging a national five rating." The daily half-hour strip runs in most markets between 4 p.m.-5 p.m. with new episodes slated for the fall of 1989.

A significant portion of the development funds are going to launch a new *Chip 'N' Dale's Rescue Rangers* half-hour series encompassing 65 episodes, plus a two-hour special in the fall of 1989.

In live action, Buena Vista is offering NBC the weekday half-hour *Win, Lose Or Draw*, which leads out of *Wheel of*

*Fortune* at 11:30 a.m. A syndicated version runs on 160 stations in either early fringe or prime access. *Live With Regis and Kathy Lee* is a pickup of the WABC-TV New York live morning show, which will be fed via satellite for daytime and early fringe periods this fall. *Siskel & Ebert*, the Chicago film review program, in its second season, has been renewed for a third go-around and is seen on 175 stations.

**Network.** Although Jacquemin won't be specific, he says Disney's network TV department, under president Randy Reiss and Jamie Bennett, Buena Vista TV's production/programming vice president, is planning network shows for daytime and fringe periods.



Robert Jacquemin

The company is also looking into other syndicated strip opportunities as well as joint venturing on shows for cable. "Joint ventures for cable will definitely happen this year," Jacquemin says. Interestingly, The Disney Channel does not as yet run any Buena Vista shows, but that, too, will change. Says Jacquemin: "We will have originally created live and animated product for the Channel, but I'm not sure when."

At the company's recent sales meetings in Phoenix, one major topic was the sale of *Golden Girls* for the fall of 1990. Jacquemin won't speculate on what it will cost stations to buy this hit NBC series. "I'm just not going to say anything about the price now," he says.

Budgets for half-hour animated shows range from \$150,000 an episode to \$400,000, including production and marketing. A live game show like *Win, Lose Or Draw* "costs 10% to 20% higher than the average game show, which is \$7-\$8 million a year," Jacquemin says.

The company's three film packages are an amalgam of Disney and Touchstone titles. Magic I and Magic II, with 25 titles each, are sold on a cash/barter basis. Treasure I, with 14 titles, is cash only.

"Since the bulk of our films are from Touchstone, our future film packages," notes Jacquemin, "will be heavily Touchstone."

Revenues from international licensing are "10 times the average of an animated series from our competitors," notes Jacquemin. "We have quite a substantial revenue base from international." How much? He doesn't specify. Before joining Buena Vista in June of 1985, Jacquemin spent seven years at Paramount Domestic TV, working on 40 syndicated projects as exec vice president for sales and marketing.

—Eliot Tiegel

## Lorimar may accept barter from others

Lorimar Television possibly the only major studio still selling its own barter time, expects to keep it that way. However, the barter division, Lorimar Media Sales, is open to handling barter for other syndicators.

According to Karl Kuechenmeister, president of Lorimar Media Sales, the division would accept outside syndicators' programs on the condition that it would be "valuable programming. We haven't taken anyone's programming as yet, although we have been approached. But the shows would have to fit into our stable of programs. It's not necessary for the program to have a large station lineup in front. If we thought the program had great potential, we may handle it anyway."

The reason the company has not farmed out its barter sales is that "we can do the bet job ourselves," says Kuechenmeister, whose 14-person staff in New York, Chicago and Los Angeles sells spots for nine currently airing shows: *Mama's Family*, *It's a Living*, *She's the Sheriff*, *People's Court*, *Superior Court*, *Love Connection*, *The Comic Strip*, *SilverHawks* and *ThunderCats*.

Notes Kuechenmeister, it's not wrong to go with one of the consortiums "if you want to get in the business and don't have much product. Then you don't want to start up a sales staff for a few commercial 30s. That when it makes sense.

"But when you have the product flow we have and can do it better and cheaper than the consortiums, it's a good business to stay in and not give up control. We don't take sales commissions because we're employed by Lorimar. If a sales consortium takes 5% off what it sells, we don't take that much off in overhead.

"We control our overhead [and costs] and do the best job. We're not sure a

# Programming

consortium will do the best job for us. When you give your inventory to another company, you're giving up control, and you assume it has your best interest at heart. But that's a big assumption. All I care about is our inventory, not MGM's inventory."

When, if ever, would Lorimar sign with a consortium? "When it makes sense," explains Kuechenmeister. "When they can sell out at higher rates than we can and deliver net dollar value more than we can. If they take a big slice, it shows up on our bottom line. When they can be more efficient than we are, then it starts to make sense."

Kuechenmeister notes his business has grown sharply over the years. For the 1982-83 season it sold 260 30-second units for one program, *People's Court*. For 1983-84 it sold 1,056 units for three shows; 1984-85, 2,120 units for five shows; 1985-86, 3,465 units for six shows; 1986-87, 5,636 units, nine shows; 1987-88, 6,400 units for nine; and for '88-89 starting in September, it has sold 11,300 units for 14 shows.

Notes Kuechenmeister: "We want the best cost-per-1,000 for our shows, and joining a consortium doesn't get us to that end."

## Syndication Shorts

**Orbis Communications**, New York, has cleared *Korean War: The Untold Story* in more than 150 markets for 92% coverage of U.S. TV homes. The one-hour documentary, hosted by *MASH*'s Loretta Swit, will have a May 11-31 syndication "window." Underwritten by USAA, a major financial services company for military officers and their families, it will air chiefly in prime access and primetime slots.

**Blair Entertainment**, New York, is barter-syndicating *Baseball's All-Star Comedy Classics '88* as a one-hour special tied into the All-Star game. The special, hosted by Robert Klein, is available between July 2 and July 12 game date. Six national and six local commercial minutes are available in the show, coproduced by Blair's RPR Productions and Major League Baseball's Phoenix Productions.

**Potomac Communications**, Washington, has signed a three-year pact to supply all local production services for *Monitor NewsWorld*, *The Christian Science Monitor's* nightly half-hour news program, due this fall. Meanwhile, Potomac's Potomac Story Network, a package of weekly news features and sports segments, is being used by 25 network affiliates.

Viacom Enterprises, New York, has cleared WNBC-TV New York, KNBC-

TV Los Angeles and seven other stations within the top 10 markets for *Superboy*. The live-action, DC Comics-inspired series is due this fall.

**Select Media Communications**, New York, has added four markets for *Relatively Speaking*, a John Byner-hosted game strip coproduced by Atlantic/Kushner-Locke and The Maltese Cos. WPWR-TV Chicago, KDFI-TV Dallas-Ft. Worth, WPGH-TV Pittsburgh and KPHO-TV Phoenix are the additions for the fall barter series. Also from Select: *World Class Women*, a one-hour spring special, will air in at

least 15 of the top 20 markets with the addition of WMAQ-TV Chicago. The special, due now through June, will be followed by a fall series of the same name.

**Samuel Goldwyn Television**, Los Angeles, has booked WPIX-TV New York and five other top 10 market outlets to date for *November Gold*, a package of 20 movies.

**Paramount Pictures Corp.'s** Paramount Domestic Television division, Los Angeles, has signed the CBS-owned stations in New York, Los Ange-



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les and Chicago for *Wipeout*, a cash/barter game show due this fall. No fewer than 80 markets have now been cleared, including 18 of the top 20, with International Advertising Sales, New York, handling barter ad sales.

**MCA TV Enterprises**, New York, has set KABC-TV Los Angeles to air *The Morton Downey Jr. Show* in late night, immediately after ABC's *Nightline*. That brings the controversial daily hour talk show into seven of the top 10 markets, including all of the top six).

D. L. Taffner/Ltd., New York, now has sold *The Crazy World of Benny Hill* to 25 stations, with the addition of WPBT-TV Miami and KRZB-TV Little Rock, Ark. The two-hour special is produced by Thames Television.

**Viacom Enterprises' Business This Morning** has been cleared in 106 markets, including 47 of the top 50. There are three national commercial minutes and 3½ local in the bartered early morning show, produced by Financial News Network.

### Zooming in on people

**Greg Carroll** has become director of development and television sales, **Golden Gaters Productions**, Corte Madera, Calif. He previously had produced generic commercials at Impact Productions with comedian Jonathan Winters.

**Rob Wussler** has been named southeast regional sales manager for **Genesis Entertainment**. He had been account executive for Atlanta and Chicago at Blair Television.

**Martyn S. Weinberg** has been promoted to executive vice president, **Hanna-Barbera Productions**, Hollywood. Weinberg, who joined Taft Broadcasting Co. in 1975, most recently was senior vice president, animation operations for Taft Entertainment Co.

**Brian Firestone** and **Bob Cohen** have joined **Palladium Entertainment**, Los Angeles, as executive vice presidents of distribution. The two, who had been with Barris Industries, will operate the joint venture of Palladium and New Century that syndicates the *Lassie* and *The Lone Ranger* series. Palladium may enter first-run syndication.

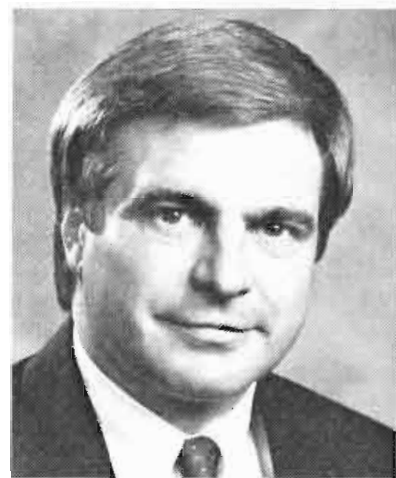
**Charles L. Ward** has been named vice president-studio relations, **Reiss Media Enterprises**, Los Angeles, coordinating between Reiss' Request Television and that pay-per-view service's nine participating Hollywood studios.

Ward had been director of programming at Times Mirror Cable Television.

**Howard J. France** has become director of corporate development, **Viacom International**, New York, to be involved in mergers and acquisitions. He was director of corporate development for Columbia Pictures Entertainment.

**Diana Foster** has been promoted to Chicago-based midwest account executive for domestic TV syndication at **Republic Pictures**. She had been Republic's southeastern account executive, based for three years in Dallas.

**Randall C. Hanson** has been named senior vice president-domestic sales at **Worldvision Enterprises**, New York, directing all U.S. sales activities—domestic syndication, barter, basic cable and pay cable. Hanson, who had been vice president, western division manager, based in Los Angeles, since 1981, will be relocating to New York.



**Randall C. Hanson**

**Mitch Sallitt** has been appointed vice president and general sales manager for TV station sales at **Blair Entertainment**. He replaces Len Giarruputo, who has resigned from the company. Prior to joining Blair, Sallitt was vice president of sales at Coca Cola Telecommunications.

**Eugene J. Lavelle** has been named southwestern account executive, domestic TV distribution at **Republic Pictures**. Lavelle comes to Republic from Palladium-New Century Television, where he was western sales manager.

**Mark Lebowitz** has been promoted to vice president, controller, for the TV group of **Paramount Pictures**. He has been controller for the group since 1984.

**May Mary Palmer** has been named controller of **The Taft Entertainment Co.** She returns to Taft Entertainment from Fox Television stations.

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## Programming

### 'Group One Medical' upgrades some slots

MGM/UA Telecommunications, Culver City, Calif., said that "several" of the 65 stations committed to *Group One Medical*, its afternoon strip series, will upgrade their time slots as a result of a detailed symposium the syndicator held recently.

Describing the event as similar to a network affiliates' meeting, Norman Horowitz, president of the company, said 50 of the 65 carrier stations attended.

The reality-based medical series, due for an Oct. 3 debut, currently is cleared in more than 60% of the U.S., chiefly by network affiliates, including the seven NBC-owned outlets.

Van Gordon Sauter, the onetime CBS News executive, is the syndicated series' executive producer.

### Network Media promotes Koch

Network Media America, New York, has named Leonard Koch general consultant, emphasizing program development and acquisition. Koch, who has been chairman/chief executive at Syndicast Services, NMA's sister syndication company, will retain the chairmanship while dropping the other title.

Koch's primary focus now will be seeking out programs and "getting the organization involved in funding for producers outside the network area." Koch, who said this move had been planned for two years, soon after Syndicast was bought by the Australian-owned Network Media Ltd., will continue to be based at NMA's office at 360 Madison Ave.

### Parker, producer playing TV games

Parker Brothers, the Beverly, Mass.-based board game marketer, and Martindale/Gilden Productions, the Los Angeles-based TV game show producer, have joined forces to develop several new game shows.

The producers will look over 1,000 game properties in Parker Brothers' archives to come up with five projects, which the companies expect to announce later this summer.

Prior to this agreement, Parker bought the board game rights to "Top Secret," a game show the producers developed for a July start on CBS-TV; the board game should hit retail in August.

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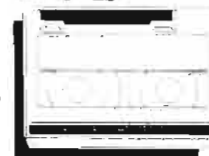
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## Beagle has 14 projects in development; sees coventure ties on hours overseas

The Beagle Group, television development and production company formed only a few months ago under an arrangement with Capital Cities/ABC, has about 14 shows in development. According to Michael Bennahum, former president of the Kaufman Astoria Studios, the deal with the network is that it will pay the overhead for the new company, with development funding coming from ABC on a program-by-program basis as the project is approved. If the network turns down the candidate, Beagle is free to negotiate financing arrangements with other networks or with other potential backers.

Of the 14 prospects, four are half-hour sitcoms, three are one-hours and the remainder are movies-of-the-week and miniseries, said Bennahum in an interview. One of the hours is described by Bennahum as an international intrigue show, and plans are that three well-known actors will star in the series. The project is the first to be presented to ABC, and the network is considering the show for a go-ahead on the network for next season.

The writers' strike is having an impact on Beagle, as it is with other producers. And, except for those prospects being developed in-house, all else is being kept on hold, says Bennahum.

**Cost.** While conventional wisdom at this point is to keep productions of new hour network shows to a minimum because of the cost factors and because they have fallen from favor in syndication, Bennahum believes very strongly in the hour format. In this regard he sees the spawning of hour shows via coproduction ventures with Canadian and overseas partners as a means of defraying costs, which have been averaging \$1 million or more per episode.

"You have to find other resources, and I think that international joint ventures will happen," he says. "Perhaps finding new ways of working with cable and network will happen, as will working closely with Canada. Instead of making things just for the American market and then sold internationally, I think there will be more and more hour shows that will be designed and produced for the world market from the beginning, with elements for the American and other markets."

**Syndication.** In syndication, Bennahum is looking to develop first-run shows, and basically one of his plans is to tie up an arrangement with one of the network O&Os, similar to the type of deal consummated between King World and a consortium of stations.



Michael Bennahum

Bennahum believes such arrangements are the path to follow. "It's a very intelligent way of controlling costs and going into one marketplace to perfect a product. Going out with a show that is untested is risky and hard.

"That's one of the problems. So much is decided on a pilot, and that's not necessarily what the show will be six episodes later. Shows generally evolve."

But syndication is a way off at this point, he adds, and the primary focus of the company will be on network productions.

### ITN sets kiddie block

International Television Network, New York, has begun offering a daily one-hour block of live-action children's programming—consisting of *The New Zoo Revue* and *The Frootzles*.

This hour will be carried Mondays through Saturdays by TV stations, cable systems and homes equipped with home satellite dishes. The TV stations number 17 within the top 25 markets.

ITN will present *Revue* at 7:30 a.m. (ET) and *Frootzles* at 8 a.m. *Revue* will continue to be syndicated in the U.S. in addition to being offered by ITN. *The Frootzles*, which features puppets, began as a series on KHJ-TV Los Angeles.

### Cable programming

**USA Video's** *Life Italian Style* will premiere at the end of May on both the **Lifetime** and **Tempo** cable networks. The 30-minute entertainment/educational program's premiere episode, *Spring Pleasure*, will air as a TV special, and the program will go weekly on Lifetime.

**Bravo** will debut a theatrical portrait of the first woman novelist to win a Pulitzer Prize, *Songs From the heart: Edith Wharton*, on May 29. The show was shot on location from Wharton's estate in Massachusetts.

**Turner Broadcasting System** will televise the Major League Baseball 1988 All-Star Gala on the eve of the game in Cincinnati. The broadcast will be held live from the Cincinnati Zoo, site of the gala, in a two-hour prime-time special on July 11. Included in the coverage will be baseball workouts by both leagues, highlights of an afternoon skills competition and interviews.

**Sue Abruzzese** has been named director of programming at **Madison Square Garden Network**. She most recently was manager of programming at MSG and joined the company in January 1986 from Mizlou Television.

**ESPN's** 1987 National Football League telecasts will generate for cable operators in 1988 an estimated \$79 million overall in revenues from new subscribers, and local advertising sales for the NFL earned operators 96 cents per subscriber in gross revenues last season, according to a study made by Browne, Bortz & Coddington. Other findings in the study: ESPN NFL telecasts were a primary factor in attracting nearly 800,000 cable subscribers in the second half of 1987; 7% of nonsubscribers likely to buy cable will do so because of the NFL telecasts, which equates to about 280,000 additional subscribers; and ESPN's show, *NFL Primetime*, was rated good to excellent by 93% of the viewing audience.

**Peregrine Film Distribution** has cleared *Improv Tonite* in 45% of the U.S., for a fall start. Stations include six of the top 10 markets. Most recent additions to the show's lineup are KTXA-TV Dallas-Ft. Worth, KTFX-TV Houston, WVEU-TV Atlanta, WPLG-TV Miami, WIII-TV Cincinnati and WCGV-TV Milwaukee.

**ITC** has acquired *Onassis: The Richest Man in the World*, four-hour miniseries recently seen on ABC, for distribution outside of the U.S. The deal was made with the Konigsberg/Sanitsky Co., the producing company.

**Potomac Story Network's** 3,000 syndicated news feature, *World Class Pizza Spinner*, is airing this month on a lineup of 21 network affiliated stations. Potomac Story Network is a twice weekly syndicated satellite news service which will begin its sixth year of operation in July.

**Viacom Enterprises' Superboy** will air in nine of the top 10 markets when it premieres the week of Oct. 3. Stations carrying the live-action series will include WNBC-TV New York and KNBC-TV Los Angeles.

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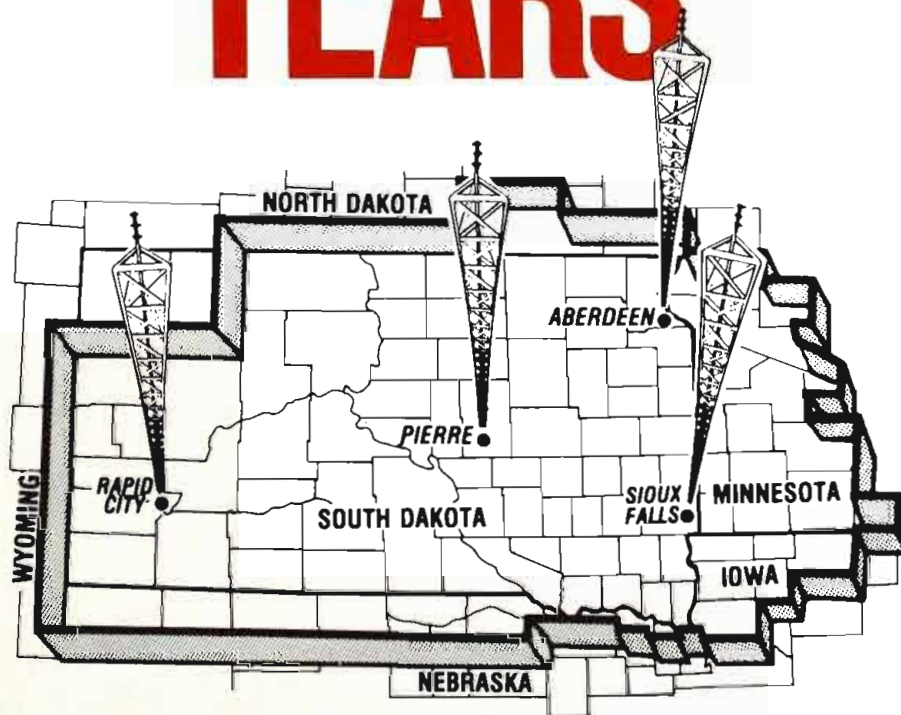
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
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## KATV works with advertisers, agencies, to promote special events tailored to Little Rock marketplace

June 18 will mark the 25th Anniversary of the Arkansas Arts Center, the kind of event Allbritton Communications' Little Rock ABC affiliate, KATV(TV) can jump on to combine information for its audience with additional ad dollars.

Says KATV president and general manager Dale Nicholson: "In a period when there's not a heavy demand for spot, and some of our competitors just keep selling spots at lower and lower



**Dale Nicholson**

rates, we have to be innovative, the way radio's had to be for years. Television is heading down the same road radio's already travelled a few years ago when they were forced by circumstance to become very promotion-minded just to survive."

Nicholson looks back on that era as "a time when television's three network affiliates in a market were the only circus that stayed in town all year long." But he adds, "Now that television has competition, too, we have to come up with ideas like radio does. We have to keep events going, one after the other."

Consequently, KATV has produced and is airing 10 infomercials and 10 PSAs over the 10 weeks leading up to the big birthday bash for the Arts Center. In this case, explains Nicholson, it was two local advertising agencies who came to him with the idea. He says Ron Robinson, president, Cranford Johnson Robinson Associates and Bob Ginnaven, creative director of Magan, Raines & Ginnaven Advertising, sat down with him "to see if we couldn't do something special to promote the Arts Center and let people here know what's available to them."

Robinson's clients sponsoring the 90-second infomercials are Southwest-

ern Bell and Arkansas Power & Light. They and the Arts Center itself, Ginnaven's client, each funded a third of the advertising in the form of payment for 30 seconds of each 90-second infomercial.

The three sponsors are running a schedule every other week and Nicholson says KATV fills in on alternate weeks with its PSAs on the Arts Center, originally founded by the Rockefellers when Winthrop Rockefeller was the state's governor.

But that's just one event. Nicholson says "Research shows Arkansas second

only to Florida as a place people like to retire. With an older population, we have a good many viewers interested in health and health care. Health care developments are an area we follow closely and continuously on our local news because this is a key interest of many viewers—their health and the future of their children." In view of all this, next month KATV and the Arkansas Baptist Medical System (of hospitals) will be cosponsoring their first three-day health fair, *Health Expo '88*, "where people can come for free screenings to have their blood pressure checked, their eyes checked for glaucoma and learn about such new medical advances as laser surgery. We'll be renting booths to everyone from the pharmaceutical companies and people who make and fit eyeglasses, to chiropractors."

## KWEX-TV funds Strategy Research study of Hispanics in San Antonio

KWEX-TV now has copies of its new study, *The 1988 San Antonio Hispanic Market*, showing a Hispanic population of some 943,000. General manager Jose Cancela says the station's primary aim in commissioning the Strategy Research Corp. study was to "once and for all establish a solid benchmark to show people the full dimensions of Hispanic San Antonio. Here we are with the fourth largest Hispanic population in the United States. A growing number of advertisers in the past 10 years have invested media dollars in test advertising to Spanish-speaking consumers here, but no one had ever reinvested any of that money before now to show advertisers how much they're really getting here."

Cancela reports business substantially ahead of 1987's first and second quarters: "We're already seeing the new way Spanish-language television is perceived in the advertising community since Hallmark took us over from the previous owners."

He says, "Nationally, the candy category has discovered Spanish television for the first time. New candy brands with us this year include Reese's Peanut Butter Cups, M&Ms and Kudos. We're also getting convenience stores for the first time—specifically, 7-Eleven."

Looking over the SRC findings like those showing a mean average annual household income of \$20,600 for San Antonio Hispanics, and 23% of the household heads holding white collar jobs, we asked Cancela what he tells advertisers who say, "Hispanics with the best jobs and incomes are so assimilated they watch Anglo TV."

Says he, "One of my favorite quotes is from Mario Lazo, who retired about a year ago from Mendoza, Dillon where



**Jose Cancela**

he had headed the media and research operations. He used to say, 'Sure, you can reach some of us with English-language television. But you don't touch us.'

Cancela recalls that Mendoza, Dillon, one of this country's biggest Spanish-language specialist agencies now based in Newport Beach, Calif., started in San Antonio. "In 1979 Tylenol gave them \$100,000 to test the product here and in San Francisco. And they gave them a year to boost Hispanic sales 20%. Inside of six months the agency had increased Tylenol sales more than the target. Today Mendoza, Dillon still has the account, only today it has a budget of \$1.5 million to \$2 million to advertise the product on Spanish language television, radio and billboards. And today Mendoza, Dillon is a \$40 million agency."

## Listeners 'bonded' to radio stations through both their ears and wallets

Jacor's WMJI(FM) Cleveland and WLW/WEBN(FM) Cincinnati are among the first of what could soon mushroom into scores, perhaps hundreds of radio stations offering affinity group credit cards to listeners at very favorable rates.

Examples of affinity groups might be federal civilian employees or a college's alumni association. In the case of Jacor's stations, the affinity group is each station's audience. Says Jacor president Frank Wood, "We bond the station to its listeners through their wallets as well as through their musical preference. Through the wallet is the strongest bond there is."

He says Jacor-owned stations "already have their own Visa Cards, backed by our stations' own on-air promotion. The card is free for a year and offers holders lower interest rates than they could get from their banks. And it's good for all kinds of discounts from our advertisers, so there's an advertiser tie-in angle to it, too."

**Cincinnati approach.** In Cincinnati Tom Horan, general sales manager for WLW/WEBN(FM), says credit card applications were initially mailed out in mid-April, and the bank will have to approve the applicants after completed application forms are returned. Listeners can also pick up applications at the bank, Central Trust Bank of Cincinnati, which is also handling the cards for Jacor stations in other markets.

Horan estimates it will take four to six weeks for an applicant to get bank approval, print up the plastic with the approved applicant's name and number and get it back to the applicant. Meanwhile, Horan describes "continuous on-air promotion. The first prize in an early-applicants' drawing will be a \$10,000 shopping spree."

Rick Torcasso, former operations manager of WMJI in Cleveland, who just left Jacor to form his own new station group, says WMJI shopping spree entrants "will have just 105 minutes to spend their \$10,000. WMJI could broadcast the craziness play-by-play or let the TV stations tape it for their local news, or both. The excitement will let listeners know WMJI is much more than just another run-of-the-mill radio station."

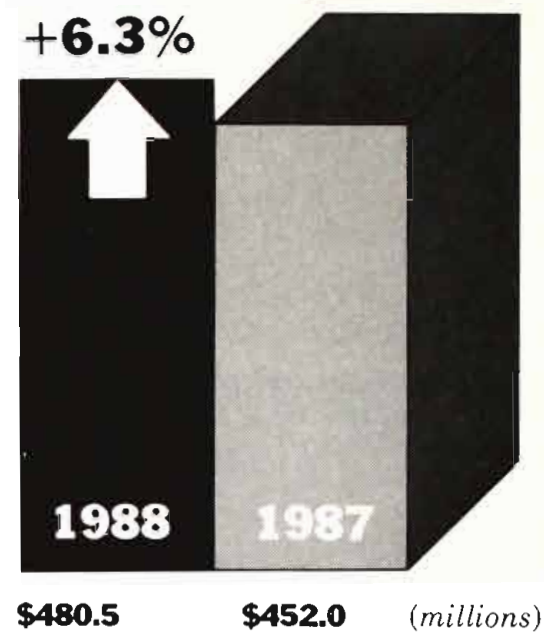
He says in Cleveland, WMJI has sent credit card applications to listeners with the station's *Majic Million Dollar Prize Catalog* and that listeners have already sent back 30-40,000 completed applications. He adds that the cards, in addition to acting as one more bond

between the station and its listeners, "will also give WMJI a data base of listeners who can be classified by what they buy—heavy users of airline travel, for just one example. That will give the station its own ongoing qualitative research."

In Cincinnati, Horan adds, "We're not going to expect auto dealers to offer 25% discounts to card holders, but an auto parts chain might give a healthy discount on tires, or a furniture store could offer a very attractive discount on a La-Z Boy recliner. Meanwhile, all these retail outlets give us a little visible counter space, and by doing so generate additional store traffic from people coming in to ask for applications for the credit card. Then once some of these other stores see what their competitors are doing, some of them may come to us with ideas for their own promotions. Anyway, we're just getting started, and we'll all be learning as we go along."

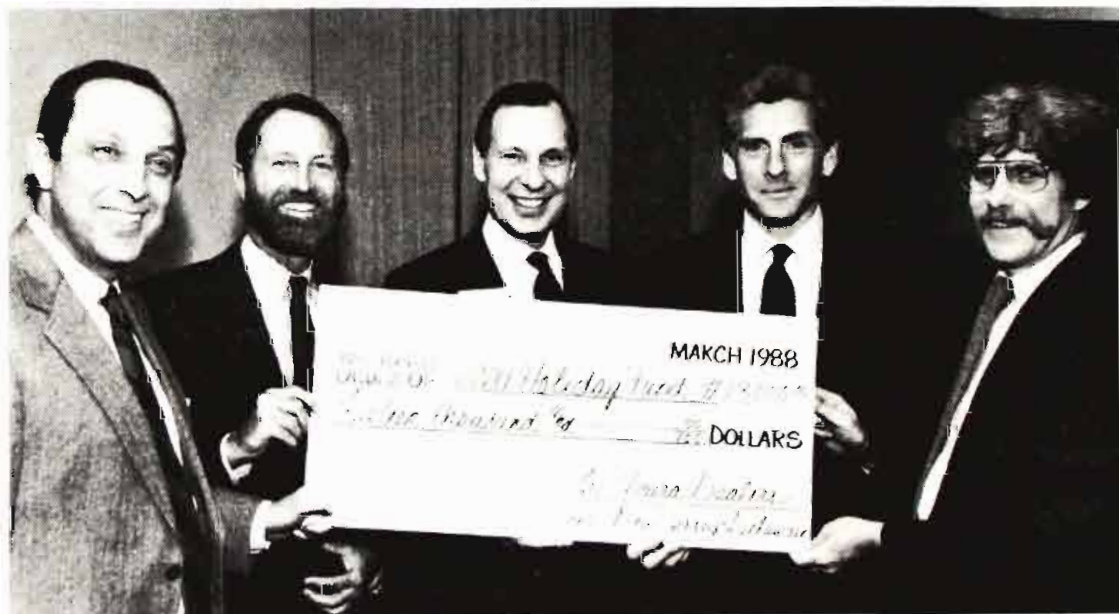
## March

### National spot business



TV Business Barometer details p. 18

## In the city of neighborly love



**That larger-than-life \$13,000 check** represents proceeds from auctioning off the shiny red Acura Integra donated to the WCAU Neighborhood Holiday Fund by The Acura Dealers Association of Pennsylvania, New Jersey and Delaware. Holding the check, from l. are Allan Serxner, vice president, general manager of WCAU(AM) Philadelphia; Gordon Hughes, vice president, station manager of WCAU-TV; Edward A. Montgomery, Jr., president, Mellon Bank (East); Steve Cohen, vice president, general manager, WCAU-TV; and Steve Fredericks, sports director of WCAU Radio.

The Acura Dealers join Campbell Soup Co., Mellon Bank, retailer Strawbridge & Clothier, McDonald's, Melitta, Bell of Pennsylvania, Pep Boys, Sun Company, Rohm and Haas and Quaker Moving and Storage, among the record number of "corporate patrons" and "corporate good neighbors" helping to put the station-organized charity over the million dollar mark in March.

Fourteen local charities share in contributions to the fund, which Serxner says "goes totally to needy families because our many volunteer workers enable us to cut out every penny of overhead expenses built into so many other fund-raising efforts."

## Milwaukee radio stations fire up to attract industry

With most of the White House hopefuls voicing some variation on the theme, "Make America competitive again," Milwaukee's radio stations are doing something about it. Andy Friedrich, executive director of MARS, the Milwaukee Area Radio Stations, says, "We're going all out for Milwaukee. If the Midwest is enjoying a rebirth, we want to make sure Milwaukee is part of it."



**Richard McDonald**

Accordingly, MARS' 19 member radio stations have pledged to donate nearly 15,000 radio spots, or "almost \$1 million in air time over a 12 month period" to promote economic development for the Greater Milwaukee area. Working with the stations on what Friedrich calls "The largest public service project ever undertaken by a media association or affiliated group" is McDonald Davis & Associates, the agency that pioneered broadcast advertising for doctors. As a partner in the venture, the agency is helping with ideas, planning, production and media coordination.

Says agency president Richard McDonald: "We want to build pride in Milwaukee among our own people. The people who live here are our best sales people, and radio reaches them all."

The first step in the project, he adds, is research. Some 130 letters have already gone out to local companies, unions, churches, schools and civic organizations asking what they'd vote for "as the six strongest advantages Milwaukee has in competing for new businesses to move here." From the resulting consensus, says McDonald, the material will be selected for a minimum of 40 and a maximum of 100 different radio spots "to keep the messages fresh during the year we'll be running them—or longer if this catches on the way we hope it will."

*(Continued on page 60)*

## One Buyer's Opinion



### The right software can be 'like insurance' on your media dollars'

**La Marca**

**There was a time**, not many years ago, when media services were viewed as boiler-room operations. They made unsolicited calls on advertisers and offered to haggle-for-hire over station rates. Persistence and a phone book were all it took for some companies to become overnight successes.

But as the media buying industry has matured, creating buying strategies for clients has gained equal stature with the art of negotiating commercial time charges. Some of the most sophisticated and complex computer programs have been developed by media services to target virtually every advertising dollar directly to where it can deliver the most returns in sales.

Buying 200-plus stations from a network at negotiated network rates is considerably less expensive than it would be to patch together the same coverage on a spot basis. However, a network buy becomes awfully expensive when many of the markets delivered don't contain prospective customers for the product. Networks do a good job delivering C and D counties, but is that the right mix for the product? Certain locales rate high on the sales curve. Is the network buy giving enough weight to these areas of particular opportunity? How much spot will it take to supplement network delivery in each area? How does the advertising capitalize on this opportunity? And some territories are dead. Why pay for them? Or should a heavy schedule be concentrated on the weak markets to build demand? Look to the computer for most of the answers.

**The process of analyzing** a client's past sales performance and future prospects and creating a compatible media strategy is called micromarketing at our firm. Other leading media services have their own well-conceived methods of correlating marketing objectives against targeted buying. Most computer programs that individual firms have developed and keep under tight security allow for the mixing and matching of client sales information against the latest market-by-market, station-by-station, program-by-program ratings.

Here, we put special reference categories into our micromarketing software that allows us to ask an almost endless stream of "what-if" questions involving manipulation of budgets, market shares, audience delivery, prior advertising efficiency and sales projections. It's the next best thing to carrying insurance on advertising dollars.

Most medium-size agencies feel confident when they buy rating points according to established patterns. But they've learned it's unprofitable to try in-house to pin-point data on over 700 TV stations and countless radio stations. Thus, buying is being turned over to outside specialists in much the same way program production, research, music and printing have been excised over the decades from the full services agencies provide.

There is universal agreement that a great commercial can make a significant difference in the volume at the checkout counter. Most good media services can top that by showing that any commercial—be it good or bad—can be made to perform more efficiently if it is bought at a favorable price and placed judiciously through use of the remarkable tools that are now available.—**Jim La Marca**, chairman and president, La Marca Group Inc.

At the same time, adds Friedrich, "We're encouraging our member stations to make economic development here the subject of local news stories and a topic on their live talk shows for those of our members who have the appropriate formats. And we also want to see all kinds of other reminders blossom out about Milwaukee's economic potential—all over the place, from bumper stickers to T-shirts."

Friedrich adds that on top of its primary goal, "This campaign will also spotlight radio, itself, as the dynamic medium it is, as one that has a role to serve and that it wants to play as a significant contributor to the growth, spirit and well-being of our city and our state."

With a target start date planned for late spring, the campaign kickoff will include a special presentation before Milwaukee and Wisconsin government, business and civic leaders.

Friedrich reports that when the folks at the Radio Advertising Bureau were first told about the campaign, "They said they'd never seen anything like it. In both scope and duration, it's something that's never been done before, anywhere."

## Appointments

### Representatives

**Jim Murtagh** has been appointed to the new post of senior vice president, marketing at Seltel Inc. He joined Seltel in early 1987 and is now succeeded as head of sales for Seltel International by **Rick Tichman** who steps up from sales manager of Seltel's Blue Team in New York.

**William C. Wiehe** has been appointed vice president of the Petry Marketing Group, in charge of new business development and unwired network sales. He had been vice president, director of sales/Petry National.

**Susan C. Levy** has been named assistant manager of Blair Television's CBS Red Team in New York. She came to Blair as an account executive in 1985 following sales posts with Avery Knodel Television, TeleRep and MMT Sales.

**Liz Rooney** has joined Major Market Radio as an account executive in Chicago. She moves in from Los Angeles where she had been western divisional manager for Masla Radio.

## Stations



**Charlie Seraphin** has been named vice president, general manager of KNX-FM Los Angeles. He transfers from San Francisco where he had been news and programming director for another CBS-owned station, KCBS, to succeed **Robert Nelson** who is retiring.

**John Garwood** has been appointed vice president, general manager of Post-Newsweek's WPLG-TV Miami. He had been general manager of KTUL-TV Tulsa.

**Thomas J. Bresnahan** is now president and general manager of Capital Cities/ABC's WMAL Washington, D.C. He returns to Washington, where he was formerly general sales manager of WLTT(FM) from Kansas City, where he was most recently vice president, general manager of KFKF AM-FM.

**Jeff Evans**, general manager of WFFT-TV Fort Wayne, Ind. has been elected vice president of the station. He joined the Great Trails property three years ago.

**Michael Ganz** has joined WNBC-TV New York as an account executive for local sales. He comes to the station from a sales post with John Blair & Co. and before that Petry Television.

**Alfredo R. Duran** has been named general manager of Telemundo's WSCV(TV) Miami. He had been station manager of Univision's WLTV(TV), also Miami.



**Carolyn Navarra** has been promoted to retail sales manager of Cox Enterprises' KTVU(TV) Oakland-San Francisco. She joined the station last October as a regional sales manager and before that she had been local sales manager for WCIX-TV Miami.

**Clint Sly** has been promoted to vice president, general manager of Great American Broadcasting's KEX Portland and **Carl Gardner** becomes vice president, general manager of sister station KKRZ(FM). Gardner had been program director of KEX and Sly had been its general sales manager.

**Rex McArthur** has been promoted to vice president and general manager of KTRV-TV Nampa, Idaho and **Diane Frisch** steps up to station manager. Frisch had been program director and McArthur had been station manager and acting general manager.

**Jodie Tribble**, station manager of Silver King Broadcasting's KHSH-TV Houston, has been promoted to vice president of the station. Before coming to Silver King she had been controller for Schindler Broadcasting Co.

## Spot TV sunshine in taxed Florida?

Repeal of Florida's state tax on advertising hasn't exactly caused a stampede back into spot TV advertising there, but the sunny state is seeing rays of hope.

Blair Television president **Tim McAuliff** estimates the state is only about 4% ahead in the second quarter, compared with last year's like period—"underperforming the national average, with only a couple of north Florida markets like Jacksonville and Gainesville driving the whole state." He expects a much improved second half. The tax was instituted July 1, 1987 and repealed last Jan. 1.

At Harrington, Richter & Parsons, executive vice president **Peter Ryan** reports, "Some of the Florida markets have started to make their comeback from the now-repealed ad tax, but it's been a slow comeback and most have yet to regain their full pretax activity." (See feature article on spot TV sales, page 44.)

## Spotlight On . . .

### Larry Spero



Director of sales  
WRC-TV Washington, D.C.

Larry Spero sees Washington offering "a different selling atmosphere, particularly favorable to stations that present more news and public affairs programming." He says, "Thanks to the Federal Government and its employees, both elected and appointed, Washington can offer advertisers such upscale factors as higher income and higher percentage of college educated people. And for our station, research report after research report indicates our appeal to this upper income and highly educated consumer segment."

He reports these viewers "attracted to news and public affairs in all its many forms, from our early and late evening news to *Headlines on Trial*, *Today* in the morning, and both *The McLaughlin Group* and *McLaughlin One on One*. Any kind of news and public affairs program in this market is in high demand among advertisers who want to reach an upscale audience. One result is that we're able to command a premium, so we do get better rates. I'm not sure what the rate situation is in other markets, but my guess is that, generally, we probably do get somewhat better rates for news and public affairs here than is probably the case in other markets of comparable population size."

Spero notes that in approaching retail prospects, "We have to keep in mind that Washington has the highest percentage of working women in the country. That means less emphasis on daytime sales and more on primetime, late night, and again, news and public affairs."

Also contributing to the better-than-average demand for availabilities, he adds, "is an advertising category that a lot of other markets probably don't have to the same extent we do: the company or industry association, often using advocacy advertising to get a message across to opinion leaders, lawmakers, the defense establishment and other government leaders. These can include defense contractors who are with us from time to time, and industry groups seeking to inform the public about their point of view on issues of concern to their members' welfare."

## If You Are a Weekend Athlete and Out of Shape...



# Sports Can Make a Monkey Out of You

Society has gone "bananas" over physical fitness, and that's good. But what's bad is the irresponsibility, negligence and total ignorance of the rules of safety and health. How many people do you know that have allowed themselves to get "soft," and then feel compelled to participate in physical activities with a surge, be it on weekends or during special sports-related seasons?

The intent is good, but the method is dangerous. The result is often injury, pain, even disablement.

This public service radio and television campaign deals with the problem in an amusing, but constructive way.

**FREE**  
Public Service TV  
and Radio Spots  
Available in  
60-Second  
and 30-Second

TO: American Chiropractic Association  
1701 Clarendon Boulevard  
Arlington, Virginia 22209

88-2

Please send me copies of "Sports Can Make a Monkey Out of You" public service spots for:

- Television (One 60-sec. & one 30-sec. spot on 1/4" videocassette)  
 Radio (Six 60-sec. & six 30-sec. produced spots)

I understand the spots will be sent without cost or obligation.

Public Service Director: \_\_\_\_\_

Station: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Please Send Me Additional Health Campaigns That Are Available

## New Representatives

**Banner Radio** is the new national sales representative of WVKZ AM-FM Albany, N.Y. WVKZ programs a sports format and its FM sister is a contemporary hit radio station.

**Eastman Radio** has added new station clients WJAS/WSHH(FM) Pittsburgh. WSHH is an easy-listening station and WJAS carries nostalgia and easy listening music.

**Christal Radio** has been selected as national sales representative for KUTR/KLZX(FM) Salt Lake City and KBEZ(FM) Tulsa, Okla. KBEZ offers easy listening, KUTR programs an adult contemporary/Latter Day Saints format and KLZX airs classic rock.

**Hillier, Newmark, Wechsler & Howard** has assumed national sales representation of KQWB AM-FM Fargo, N.D. KQWB programs an adult contemporary/oldies format and its FM sister plays album rock.

**Katz Radio** is now the national sales representative for WTCR AM-FM Huntington, W.Va. The stations, owned by CRB Broadcasting Corp., simulcast country music.

**Katz Hispanic Radio Sales** has added WKDM New York to its list of client stations. WKDM features an international contemporary format for Spanish speaking listeners.

**Petry National Television** has been appointed national sales representative for WREX-TV Rockford, Ill. The ABC affiliate is owned by M.L. Media Partners.

**Republic Radio** is the new national sales representative for KQPT(FM) Sacramento. The station programs contemporary jazz, pop and classic album oriented rock.

**Sattel** has been appointed national sales representative for WJKA-TV Wilmington, N.C. The station is a CBS affiliate.

Introducing you to people you've always wanted to meet — and a few others you should get to know.

Fresh *Air*

with Terry Gross

The radio show with a fresh take on popular culture.

Produced by

**WHYY**

PHILADELPHIA  
(215)-351-9200

Made possible by a grant from the Corporation for Public Broadcasting

John Updike  
Chuck Norris  
Jackie Mason  
John Waters  
Tom Wolfe  
Philip Glass  
Toni Morrison  
Kris Kristofferson  
Edward James Olmos  
Shirley MacLaine  
Jerry Falwell  
Sam Donaldson  
John Sayles  
Emo Philips  
Ronnie Spector  
Tracey Ullman  
Robert Townsend  
Alwin Nikolais  
Red Grooms  
Kool Moe Dee  
Ron Reagan, Jr.  
Frankie Laine  
Yakov Smirnoff  
Isabel Allende  
Max Roach  
Kid Creole  
Miriam Makeba  
Louis Malle  
Herblock  
Dr. John

## Transactions

**WGRZ Acquisition Corp.** has agreed to sell WGRZ-TV Buffalo to **Tak Communications** for \$100 million. Tak is headed by Sharad Tak and the sellers include George Lilly, TA Associates of Boston and Smith Broadcasting Group. Broker in the transaction is Howard Stark.

**ML Media Partners, L.P.** has agreed to purchase the stock of **WIN Communications, Inc. of Cleveland** for \$45 million, subject to FCC approval. WIN owns radio stations in Cleveland, Indianapolis, Tulsa and Jacksonville, Fla. ML is headed by former ABC executives Elton Rule and I. Martin Pompadur. WIN is headed by Walter Tiburski and Anthony Ocepek who will operate ML's radio division after closing. Negotiations were handled by Cecil L. Richards, Inc.

**Osborn Communications Corp.** has agreed to sell WMHE(FM) Toledo and the Muzak franchise for Toledo to **Noble Broadcast Group** of San Diego for \$19 million, subject to FCC approval. Frank D. Osborn is president of Osborn Communications and Noble is headed by John Lynch and Norm Feuer. Americom Radio Brokers handled the transaction.

# Wall Street Report

## Malrite Communications buys low, sells high and upgrades properties

Malrite Communications Group, which owns six TV stations plus four AM and six FM radio outlets, has been expanding through the years by acquiring and improving "underproducing" properties or trading up by selling off lesser stations to enter larger markets. The broadcaster seems intent on doing more of the same as attractive opportunities arise.

Between 1983 and '87, its nine acquisitions have ranged in price from \$1,500,000 to \$45 million. Its five dispositions within that span have ranged from \$500,000 to \$10,700,000, all significantly above their purchase prices.

The Cleveland-based Malrite itself has indicated its intent "to continue to acquire additional stations" until it reaches the maximum allowable under FCC rules. Thus, the broadcaster said, it can buy up to eight more AM stations, five additional FM outlets and six more TV properties. As part of that longterm plan, Malrite said it will continue to eye "opportunities to upgrade its properties." Its cash flow, the company adds, is sufficient to "provide a basis" for financing such transactions.

The group owner saw its television revenues climb to 47% of the total for the fiscal year ended Dec. 31, 1987, compared to 38% and 42% in the two previous fiscal years.

Malrite's local advertising revenues accounted for nearly 56% of all ad dollars in 1987, steadily rising from nearly 52% in '86 and 48% in '85. National business, meanwhile, represented almost 40% of its ad revenue pie, steadily declining from 45% in '86 and 49% in 1985.

Malrite's independent stations in Cleveland, Cincinnati, Jacksonville, West Palm Beach and Rochester, N.Y., are looking to bolster viewing and sales levels by linking with the Fox Broadcasting Co.'s fledgling network. (WSTE-TV, Ponce-San Juan, is the only Malrite TV outlet not affiliated with Fox.)

On the radio side too, Malrite said its stations, which offer various music formats, are healthiest in local ad sales (73% of its radio total, versus the 24% national contributes).

Looking at radio and TV revenues combined, Malrite said most of its advertising is generated during the fourth quarter (29%), followed by the second quarter (27%) and the third (25%), with the opening quarter bringing up the rear at nearly 20%.

Malrite's overall revenues gained 10%, or \$10,400,000, in fiscal 1987. That was down sharply from the 28% jump (or \$23,200,000) it notched in the previous year, with the group owner blaming that mainly on two TV station acquisitions and "the softness in national spot advertising."

### Malrite Communications Group

	Year ended December 31,				
	1983	1984	1985	1986	1987
Total revenues	\$46,887	\$76,974	\$83,294	\$106,469	\$116,888
Net revenues	38,908	63,850	69,042	88,473	97,330
Broadcasting expenses, excluding depreciation and amortization	28,646	44,089	46,253	65,578	78,819
Income from operations (1)	5,812	12,340	14,263	2,146	5,936
Total non-operating expenses	3,154	7,331	6,875	12,613	14,533
Income (loss) before gain on disposals, income taxes and extraordinary item	2,658	5,009	7,388	(10,467)	(8,597)
Gain on disposals of assets	5,500	375	8,652	—	2,167
Income (loss) before income taxes and extraordinary item	8,158	5,384	16,040	(10,467)	(6,430)
Provision (benefit) for income taxes	3,070	2,916	7,212	(3,306)	(32)
Income (loss) before extraordinary item	5,088	2,468	8,828	(7,161)	(6,398)
Extraordinary item (net of tax benefit)	—	—	—	(1,818)	—
Net income (loss)	5,088	2,468	8,828	(8,979)	(6,398)
Income (loss) per share before extraordinary item (2):					
Primary	.48	.20	.70	(.53)	(.46)
Fully diluted	.48	.20	.67	(.53)	(.46)
Net income (loss) per share (2):					

(1) The year ended December 31, 1986 includes a \$9.8 million charge to operations relating to a decline in the value of film contracts. (2) Adjusted to reflect a distribution of one share of Class A Stock for each two shares of Common Stock, effective June 27, 1985.

## Are your local sales increasing faster than your spot sales? Why?



**"Yes they are and there is a good reason. On the one hand, the marketing techniques of local clients are becoming more sophisticated. So their involvement in local TV advertising is more important. But national advertisers, if they are using TV, have more of a choice. They can split up their buys among different kinds of networks, including syndication and cable."**

*Robert Kunath  
Vice president, general manager  
WWOR(TV) New York (ind.)*



**"The fact of the matter is that our local sales are increasing faster than spot sales because of the agency regionalization from national to local. We've also been doing well with the movie business and a very hot Bulls basketball team, and we've been able to generate some terrific late news dollars with our 9 p.m. news, which we didn't have a year ago. We've also done well locally with Sunday night Fox prime. We anticipate a strong future for local sales. We're a *Cosby* station, and we run movies against election coverage, which will be strong for us."**

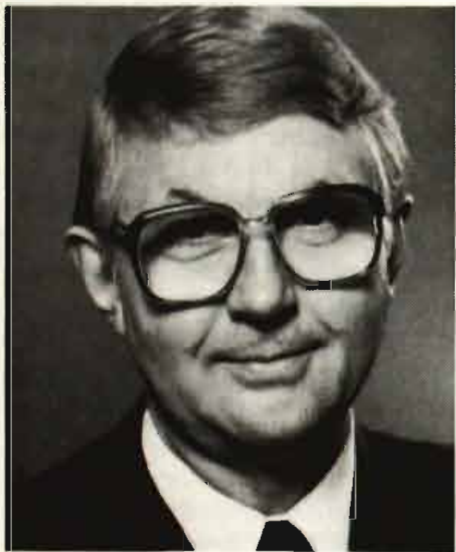
*Richard Engberg  
Vice president, general sales  
manager  
WFLD(TV) Chicago (Fox)*



**"Yes. We attribute this specifically to the development of nontraditional revenue areas. We are able to identify target customers by consumer market research. We begin by letting the advertiser know that we have information on his business and would like to discuss ways to increase it. Only then do we talk about television specifically. One of our major clients is a hospital whose advertising includes sponsorship of a primetime special."**

*Rick Keilty  
General sales manager  
WVEC-TV Norfolk-  
Portsmouth-Newport News-  
Hampton (ABC)*





**"In the first quarter, local did not grow as rapidly as national did. The feedback I'm getting is that the market is just a little soft now. National had a double-digit increase, and local did not. The second quarter seems to be much stronger for local. The market here is starting to get a little more confidence since the October crash. While automotive is good here, it's not as good as national automotive."**

*John Proffitt  
Vice president, general manager  
WRTV(TV) Indianapolis (ABC)*



**"National sales are flat to down, while local is up tremendously. We are experiencing a slow but steady improvement in our local company. We had a severe recession in Oregon in the '70s. The steady rebound is based largely on the increase in housing starts across the country, which affects us since we are a timber product-based economy. For the second quarter we are currently running 18% ahead of last year with national sales and up 36% in local sales."**

*Bob Davis  
President, general manager  
KMTR(TV) Eugene, Ore.  
(NBC)*



**"Yes. We're running very substantially ahead locally, but national is doing well, too. This is the first year we've had Arbitron meter numbers, and the larger base of local business has been placed on Arbitron vs. Nielsen. We're an aberration because of the meters and the new programming that we've been waiting for three years—like "Family Ties," "Cheers," "Give Me a Break" and "DuckTales." And Fox has been very good for us on Sunday nights. Being the laggart in the market, we benefitted the most from the Arbitron meters. We were a 3 share independent. Now we're an 8 share independent."**

*John Serrao  
Vice president, general manager  
WATL(TV) Atlanta (ind.)*

## From the West Coast

**Republic Pictures** and **HTV Ltd.** of England will jointly produce a remake of *Indiscreet* as a two-hour movie for CBS starring Robert Wagner and Lesley-Anne Down. The original starred Cary Grant and Ingrid Bergman and was produced in 1958. Republic will distribute the film worldwide except, of course, in the U.K. The film will be shot entirely on location in London and at HTV's Bristol studios.

Gotcha: An 11th fugitive has been captured as a result of being mentioned on **Fox Broadcasting's** *America's Most Wanted* half-hour which airs Sunday evenings. A promote for a segment to be aired on James Charles Stark, a convicted three time sex offender and murder suspect, resulted in an anonymous tip called to the program's 800 number, and he was arrested in Ann Arbor, Mich.

Three series actors are starring in *Double Standard*, a drama for **NBC** currently filming in Toronto. They are Robert Foxworth (*Falcon Crest*), Michele Greene (*L.A. Law*) and Pamela Bellwood (*Dynasty*). The film is based on a true story about a lawyer and Superior Court judge who has a secret double life including two wives and two families. . . . Liza Minelli stars with Ryan O'Neil in a mini-drama, Lou Gossett Jr. in a minicomic and John Rubinstein in a minimusical on her **ABC** one-hour special in three parts, *Liza Minnelli: Triple Play* which airs May 31. . . . Eric Idle of Monty Python's *Flying Circus* stars in the half-hour comedy pilot for NBC, *Ghost Story*. . . . Michelle and Chynna Phillips, Steve and Bill Allen, Natalie Cole, and Anthony and Francesco Quinn all chat with Meredith McRae on her *Born Famous* hour about living in the spotlight on the week of June 9-19 via **Fries Entertainment** on 125 stations.

**ABC Television** and **Rock Radio** team to present *David Bowie: Glass Spider Tour* in stereo June 3. The show features highlights of the singer's 1987 concert skein. ABC Rock Radio will precede the hour special with a 30-minute show featuring interviews with Bowie and his sidemen plus music not heard in the simulcast.

The Rev. Robert Schuller's *Hour of Power* broadcast has been hit by the scandal in televangelism. It is airing on 168 TV stations, down from 187 last year. About 40 production staffers have been let go and donations to the Orange County teleministry are down. Among the stations dropping the program is **WWOR-TV** New York.

**DIC Enterprises** has a production

budget of \$70 million for 200 half-hours slated for fall delivery. The shows are for all three networks, HBO plus first-run syndication. The lone CBS project is *Hey Vern* starring Jim Varney. ABC receives *The Real Ghostbusters*, *The Slimer Show* and *Beany & Cecil*. NBC receives *Alf Tales*, *Kissyfur* and a two-hour film based on the *Archie* characters. HBO receives *Madeline*, based on the children's story by Ludwig Bemelman. First-run projects: *C.O.P.S.* and the *Archies* through Claster TV and *Camp Malibu* through Access.

**Aaron Spelling Productions** is producing a three-hour movie for CBS based on the events which led to the making and dropping of the atomic bomb. It will be sponsored entirely by AT&T for a first quarter 1989 showing. The film is based in the non-fiction novel *Day One* by Peter Wyden. David Rintels has written the teleplay and will produce.

**Sid Caesar** receives the Center for the Partially Sighted's Vision Award June 3 at the Beverly Hilton. . . . Edward James Olmos and East Los Angeles math teacher Jaime Escalante, who he portrays in the film *Stand and Deliver*, delivered some strong words on how to teach inner-city kids on **KHJ-TV's** *Mid-Morning Los Angeles* 90-minute talk show.

Jack Lemmon is saluted as the 16th recipient of the **American Film Institute's** Life Achievement award, telecast on CBS May 30. . . . Bill Cosby and Don Johnson play doubles tennis against pros Martina Navratilova and Billie Jean King in **Golden Gaters Productions'** *Aspen Tennis Festival*, slated to air this month on 125 stations.

**Harmony Gold** will tackle the thorny subject of who was Jack the Ripper was in a two-hour live special Oct. 26, featuring a studio audience in L.A. plus a team of scientists, psychologists and criminologists, all offering opinions. *The Secret Identity of Jack the Ripper* will be produced by John Cosgrove and Terry Meurer, who produced the NBC series *Unsolved Mysteries*.

**Wink Martindale** and **Jerry Gilden** will exec produce five game shows to be developed from Parker Brothers game properties, marking the first time the game manufacturer has gone into a full-scale TV production mode.

Phony ALFS Beware: **Alien Productions** is going after phony ALF characters. The production company which produces the hit NBC series was granted an injunction against 22 northern California defendants who allegedly pirated ALF trademarks and characters.

Cable Power?: Movieland is becoming more intrigued with cable now that it's in 51% of the nation's TV households. A major power meeting, as the locals would call it, took place between producers **Steven Spielberg**, **Michael Mann** and **Joel Silver**, **MCA TV** Group president Robert Harris and other MCA TV bigwigs and 25 cable MSOs to discuss developing first-run programming. . . . At the recent National Cable Television Assn.'s Cable 88 show, Fred Schner, **Showtime/The Movie Channel's** exec vice president, predicted the writer's strike will help cable this summer. How so? Since the strike will extend the summer network rerun period, cable's new offerings will sparkle brighter than ever. . . . At his company's first ever Cable Show, **Fox Broadcasting** president Jamie Kellner made a strong pitch to cable operators to carry Fox affiliates. One lure is splitting the costs of promotions while offering show stars to do promos.

**USA Network** is earmarking \$250 million for new programming over the next two years, including exclusive made-for films, miniseries, hour dramas and film packages. A good portion of this money has already been spent for *Murder*, *She Wrote* and *Miami Vice*, currently airing.

**The Movie Channel**, which has seen its subs dwindling to last year's low of 2.5 million, will invest \$5 million in a marketing campaign for the second half of this year. Also planned: a new logo and animation and 20% more film offerings.

Harry Anderson, the judge in NBC's *Night Court*, hosts **The Disney Channel's** *Super Debut Weekend* June 4-5, which offers highlights from various upcoming programs. Anderson will also host *New Vaudevillians III*, a Disney Channel summer special. . . . *Hollywood Insider*, **USA Network's** weekly entertainment series, celebrated its fourth anniversary. Sandie Newton is the host. She also does show business reports for KHJ-TV. A new direction for *Insider*, according to exec producer Dick Crew, will be to go on location with film and music personalities.

**HBO** has been reportedly renegotiating its nonexclusive pacts with Universal and 20th Century Fox, which run out at the end of this year. Speculation is that the Fox pact will switch to an exclusive status. . . . **Home Shopping Network** is moving into show business with a new entertainment service running 24 hours called *Show Business Today*. The advertiser supported network is hoping to debut next January sometime. Studios will be set up at the company's owned over-the-air TV stations in L.A., New York, Chicago and Dallas.—**Eliot Tiegel**

# In the Picture

## Karl E. Kaufmann



*Moves in from top marketing job at 3M to start up new midwest office for Corinthian Communications. Here he points to the growing number of advertiser options in both broadcast and print and says advertisers today expect buyers "to make full use of geographic and psychographic audience breaks as well as demographic."*

## Will focus on new business and showing clients how to plan media better

Karl Kaufmann says part of his new job as vice president midwest for Corinthian Communications will be to bring in new business and part will be consulting on marketing and communications. And part of the consulting job will be training advertiser and agency staffers to do better planning.

Better planning, he says, "can include looking at the opportunities and problems, setting goals, budgeting and choosing your tactics."

Kaufmann concedes there are quite a few other good media services operating in the midwest, many based in Chicago and some in the Twin Cities, which will be his headquarters. But he adds, "while most of our competitors are experienced in negotiating broadcast, print is something else. Once McCall's went off rate card and all these relatively new magazine networks became available, a whole new area of print negotiation suddenly opened up that not too many people at either the agencies or most media services know a lot about."

This, he says, means "a whole new area of opportunity for the few people who are familiar with it, at a time when more advertisers are looking for ways to stretch their media budgets. For many companies their media budgets represent their largest discretionary marketing expense."

## Efficiency, productivity

This is also a period, he notes, when "More companies are downsizing their staffs, looking for more productivity and efficiency from their remaining people. And many of their agencies are following their clients' lead looking more carefully at the services they can offer most efficiently."

Kaufmann points out, "These agencies often find they can deliver marketing, creative and media planning economically enough to return a profit but that media buying can be a labor-intensive and relatively inefficient operation unless the people who are doing

it have the background and years of experience to know how to do it right. But at too many agencies, media is the next stop after the mail room, and they have a lot of younger people trying to cope with an increasingly complex media world in which, aside from the new magazine complexity, it's no longer just three network affiliates in each market on the broadcast side."

He observes that an advertiser's choice in broadcast today "is wide open, with options from syndication, cash or barter, to more independent stations to the more targeted audiences we can find on cable and radio as well as in magazines." He adds, "Advertisers are sophisticated enough to expect whoever is doing their media for them to make full use of geographic and psychographic audience breaks as well as demographic."

Kaufmann got his start in the business selling radio and television, and notes, "Radio has come a very long way in a very short time. Today most radio stations specialize in an audience segment that fits a long list of products. And each station has a choice of networks and program services to draw on that can offer its particular set of listeners the very best of whatever type of music or news or sports or talk they like best."

## Follows listeners

He describes it as "favorite programming that can follow those listeners wherever they go. It's there weekdays, and it's there on weekends, whenever and wherever. And news, any time, all the time on both radio and cable."

Kaufmann observes that more and more advertisers like to buy into the news, "and on television there's only just so much to go around: in the morning, early evening, late evening, and on some stations a noon news. But with radio and CNN on cable, it's there all the time, any time."

"If you haven't visited a TV station lately, try it. Look in on the control room. You'll be surprised at the number of engineers who keep CNN coming in over one of their monitors, even at a lot of the network affiliates. They know what they like to watch. And it's around the clock, like an all-news radio station. It's not limited to just three or four half-hours a day."

In any event, Kaufmann concludes, "With all these options in broadcast, plus the new ones in print, a client needs the smartest people he can find to make the best buys for him—not some of the youngest people in the agency who are still feeling their way."

Kaufmann comes to Corinthian from St. Paul-based 3M Co., where he had been corporate manager of market communications.

That meant Kaufmann headed all corporate advertising, managed the work of 28 different advertising agencies, was responsible for advertising investments of \$75 million a year in both broadcast and print, supervised corporate design and was responsible for planning and implementation of 3M's advertising for the company's worldwide sponsorship of the 1988 Olympic Games.

## Broadcasters have uphill fight in staving off station transfer fee

If broadcasters are to stave off federal imposition of a tax on a television or radio station every time it is sold, it was made clear at the opening Senate hearing on the issue that they have an uphill fight.

The senators who attended the hearing, even those on the side of broadcasters, spoke of the inevitability of the tax. The only questions, according to them, was how much and how soon.

Sen. Robert Packwood (D-Ore.), the broadcasters' champion on the issue, made a weak protest that the wrong

Senate committee was considering the matter since a transfer fee "is indeed a tax," but then proceeded to opine that "there's no question but some form of tax is going to be levied on those who use the spectrum."

Increasing the appeal of the measure to most of Packwood's colleagues is the fact that the proceeds would be given to public broadcasting, obviating the need for the federal government to cough up funds to keep the system afloat. At a time when every entity dependent on appropriations from Con-

gress is facing tight budget constraints, and when Congress itself is facing unpopular budget-cutting choices, the idea is almost irresistible.

Even Sen. Jay Rockefeller (D-W.Va.), who opposed the idea when it was attached to the budget bill just before last Christmas, and who helped bring about its defeat then, said he likes the idea and acted as he did last December only because of the procedure under which it was brought up.

**Support.** As if that were not enough, Sen. Ernest F. "Fritz" Hollings (D-S.C.) chairman of the Commerce Committee and author of the legislation, noted at the hearing that the broadcasters' conservative savior, the former Sen. Barry Goldwater (R-Ariz.) "likes the trust fund idea" for public broad-

# the marketplace

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casting. He did not say Goldwater supports the transfer fee.

Hollings expressed the frustration of many when he said, "We've been spoonfeeding public broadcasting," and it still is not meeting the goals it was created to reach.

Although his measure proposes a scale of fees from 2% to 4%, Hollings said, "the fee should be greater" in light of a "runaway FCC" that has been steadily deregulating the broadcasting industry.

Anticipating the broadcasters' arguments, Hollings conceded much of the expressed objection to the fee centered on the trust fund for public broadcasting that his bill would establish. But he countered, "Remove the trust fund from the bill, and the opposition to the fee would be just as strong."



Sen. Ernest F. Hollings (D-S.C.)

For its part, the National Association of Broadcasters rolled out a "white paper," the last project of John Summers, who departed the organization last year as chief lobbyist. The paper compares the American broadcasting industry favorably with systems in other countries.

For its part, the Reagan administration, through the National Telecommunications and Information Administration, rejected the transfer fee idea, pushing instead its proposal for an auction of any part of the spectrum that becomes available.

Hollings, in turn, rejected that idea, saying that there was no support in Congress for the auction but there was a lot for the transfer fee, even by some of those spectrum users who would be hit by it.

## the marketplace

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# Washington Report

## Study of Canadian holdings in U.S. cable is Wilson's tit-for-tat

The timing could not have been much worse for the cable industry. Just when it was facing congressional hearings expected to concentrate on the growth and influence of the industry, along with the movie industry's charges it is monopolistic, comes a government report that offers more food for thought.

It seems that not only is the industry growing in leaps and bounds, has been successful in getting itself largely deregulated, has shrunken in overall ownership because of a spate of mergers and acquisitions, now it comes to light that a big chunk of it is owned by Canadians.

According to the General Accounting Office, the investigative arm of Congress, five Canadian corporations own U.S. cable companies that in the aggregate boast nearly 1 million subscribers, with an estimated value of nearly \$2 billion.

Ironically, the source of the study is a would-be cable nemesis even though cable was not the target of his effort.

### Rooted in trade agreement

Sen. Pete Wilson (R-Calif.), probably the movie industry's strongest supporter in Congress, sought the study because he opposes the Free-Trade Agreement signed earlier this year by the Canadian and U.S. governments.

His—the movie industry's—objections to that agreement center around its failure to do much about the Canadian government's policy of protecting Canadian culture by strictly limiting foreign investments in such cultural activities as publishing, cable TV, and movie making. Those industries are largely exempt from the agreement that breaks down other trade barriers between the two nations.

The open investment policy of the U.S. allows Canadian companies to invest billions of dollars in U.S. cable TV systems, newspapers, magazines, and book publishing," Wilson says. "Yet, despite this clear example of the benefits of free trade, Canada has plans to tighten the screws on similar U.S. operations in Canada."

The GAD report compiled a list of Canadian corporations that own U.S. media. It found that Rogers Communications, Inc., alone owns systems that have nearly 500,000 subscribers and are worth about \$1 billion. Maclean Hunter systems have just over 300,000 subscribers and are worth an estimated \$600 million.

To be sure, the GAD says its estimate of worth of the systems is based on the industry's own rule of thumb that a cable system is valued at the rate of \$2,000 per subscriber.

The values may actually be worth more in some

cases. Rogers, for example, had gross revenues during its fiscal year that ended last Aug. 31 of just under \$352 million.

The principal U.S. holding company of the Toronto-based corporation is RCA Cablesystems Holding Co., which in turn owns Rogers Cablesystems of America, Inc., and Rogers U.S. Cablesystems, Inc. "These cable systems had a total of 495,000 basic subscribers as of December 1987," the report says.

The actual systems it owns are: Rogers Cablesystems of the Southwest, Inc., which operates three systems, in Orange County, Calif., San Antonio, Tex., and Laredo, Tex.; Rogers Cablesystems of Minnesota Limited Partnership, the southwest suburbs of Minneapolis; Rogers Portland Cablesystems, Portland, Ore.; Dickinson Pacific Cablesystems, Orange Coun-



Sen. Pete Wilson (R-Calif.)

*"... despite this ... example of the benefits of free trade, Canada has plans to tighten the screws on similar U.S. operations in Canada."*

ty, Calif.; Rogers Cable TV, Inc.; Rogers Cablesystems of Mulnomah, Inc., which owns most of the system serving the eastern suburbs of Portland; Rogers Cablesystems of Minneapolis, Inc., which owns most of the system serving Minneapolis itself; Rogers Cablesystems of Alamogordo, Inc., part of the suburban San Antonio system; Rogers Cablesystems of West Texas, Inc., another part of suburban San Antonio; and Laredo Microwave, Inc., which supplies microwaves for the Laredo system, although it does not operate a system itself.

Maclean Hunter Ltd., also based in Toronto, is into all sorts of media companies, according to the report. On the cable side, it owns cable systems through the U.S. firm of Maclean Hunter Ltd. GAD says it had just over \$97 million in revenues and just over 302,000 subscribers.

Maclean, through its Chicago-based holding company, owns: Maclean Hunter Cable TV, Inc., which operates three systems in the Detroit suburbs; Suburban Cablevision, which serves 42 franchise areas in northern New Jersey; Cable TV of Jersey City, Inc., 80% owned by Maclean Hunter and building a system in Jersey City; and Barden Cablevision, 59% owned by Maclean Hunter and building in Detroit.

Moffat Communications Ltd., of Winnipeg, Man., was still growing when the GAD stopped counting on March 31, but at that time, it owned two U.S. cable companies that in turn owned several cable systems. Its sales as of last Aug. 31 were over \$42 million and its subscribers about 18,500.

Other Canadian concerns with U.S. cable interests are Selkirk Communications and Amzak Corp.

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