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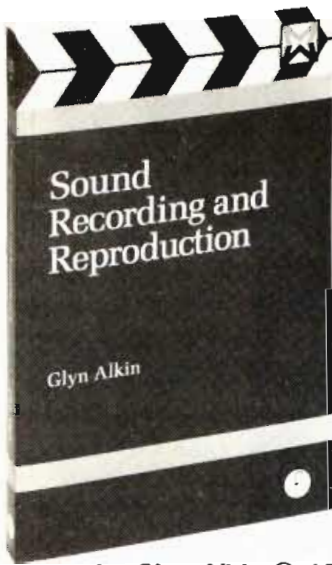
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# Television/Radio Age

August 22, 1988

Volume XXXVI, No. 2

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## CNN rides to the rescue

At the ripe old age of eight, the Cable News Network has become a standout in the news and information business not only in this country but around the globe. It began life in June 1980 as the upstart cable network, one that its competitors at ABC, CBS and NBC loved to poke fun at for its blunders, technical glitches and a host of other problems associated with any young upstart. But mostly they mocked CNN for its sheer audacity—"All news all the time? Come on, guys!" But in its coverage of breaking news—be it on Wall Street or the Middle East—spotting trends, or just the everyday human experience, CNN quickly earned respect, long ago reached parity with its senior network rivals, and today stands head and shoulders above the rest.

A viewer looking for a reason behind CNN's two Peabody Awards and most recently the Television Critics Association award for news and information programming, need look only at the cable network's coverage of the Democratic and Republican conventions. CNN went on the air last week in New Orleans with two primetime anchors (Bernard Shaw and Mary Alice Williams), three daytime anchors (Reid Collins, Mary Anne Loughlin and Ralph Wenge), two guest interviewers (Linda Ellerbee and Larry King), five guest commentators (Pat Buchanan, Tom Broden, Rowland Evans, Robert Novak and Mark Green), five floor reporters (Charles Bierdauer, Tom Mintier, George Randall, Frank Sesno and Mary Tillotson) and nine field reporters. CNN was everywhere; on the floor, in the hotels and even in the restaurants. The coverage was thorough, insightful and informative.

**The way it was.** In watching CNN, we recalled, "That's the way ABC, CBS and NBC used to do it!" That was when television was young and the network owners put a public interest responsibility above the bottom line—although even then not without some pain.

Today, the other three networks find themselves victims of fickle ratings and low consumer interest in gavel-to-gavel coverage of conventions that have lost their drama, conventions which themselves are victims of a political process changed by so many primaries and so very accurate polls. Well, all that may not make for exciting television, but why does thoughtful have to be equated with dull? Public broadcasting disproved that notion long ago, and today CNN has proven it works for commercial television.

Having CNN to depend upon, also must be comforting to those legislators who have a hard time accepting what around ABC, CBS and NBC have come to be known as the new economic realities of life. They no longer can be all things to all people. The scarcity of media concept put a burden or an obligation on the networks that simply is not applicable today. Thanks to CNN, public broadcasting, C-SPAN and individual broadcasters, there's no longer any need to force broadcasters to cover anything. It is ironic that CNN, born of Ted Turner's consuming desire to get at the networks, and that grew up in the shadow of "the Big 3," today has come charging in to their rescue. But no matter how, CNN has scored big.





**Editorial, Circulation  
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**Publisher  
S. J. Paul**

*Executive Vice President*  
Lee Sheridan

**Editorial**

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

**Washington**

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

**London**

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

**Advertising**

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

**West Coast Office**

Jim T. Moore, *Sales Account Executive*  
Eliot Tiegel, *West Coast Correspondent*  
6290 Sunset Blvd., Suite 315  
Los Angeles, CA 90028  
(213) 464-3552  
Facsimile Number: (213) 464-1956

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# Letters

## What's indecent?

It isn't surprising that in this industry sometimes you get the feeling that you're living in "never, never land." A struggling UHF station in Kansas City gets fined by the FCC for showing a movie considered to be indecent; meanwhile in the same house on a different set anybody, adult or child, can be watching a cable channel with the most outrageously foul comedy material available.

If the public's interest is really what's at stake, this situation makes no sense at all. It's time the commission and the Congress really understood what's going on in this world.

ROBERT C. WIEGAND  
*Executive vice president and general manager  
WPEC(TV) West Palm Beach-Ft. Pierce-Vero Beach, Fla.*

## Mission of freedom

Thank you very much for your *Publisher's Letter* (June 27). You certainly captured our mission and challenges very accurately.

One day, we hope, The Radio will work itself out of business. Meanwhile, several hundred dedicated people here are keeping more than 30 million listeners informed, thereby frustrating Communist censorship.

GREGORY WIERZYNSKI  
*Director,  
Radio Free Europe,  
Munich, Germany*

## Congress takes note

We professional farm broadcasters are grateful for the excellent special section devoted to our small segment of the industry in your July 11 issue.

It has been my pleasure to work with Fred Allen the past three years on information for his stories in the special section. He's a real professional.

It may be a surprise to you that the article titled "Farm broadcast to the rescue" was reproduced in the Congressional Record on August 1. Senator Jesse Helms used the entire feature in introducing

his S. J. Res. 354.

It is our intention to get enough cosponsors in both chambers of Congress to make Nov. 6 thru 12, 1988, "National Farm Broadcasters Week."

Any broadcaster willing to urge his congressmen and senators to cosponsor this joint resolution will be giving NAFB a big assist.

DIX HARPER  
*President,  
National Association of Farm Broadcasters and President,  
WRAL-TV/Tobacco Network,  
Raleigh, N.C.*

## First in Spanish

We were disappointed to read the Hispanic Market Section in your July 25 issue and discover that you have neglected to mention KWEX-TV, the first Spanish-language television station in the United States and the birthplace of the Spanish International Network (SIN), now known as Univision.

KWEX-TV paved the way for every other television station mentioned in your article. KWEX fought the first battles, took the first blows and made your Hispanic issue possible by making Spanish television a reality.

San Antonio ranks as one of the largest, most important Spanish television markets in the United States and it is unfortunate that your reporters have ignored it. Good writing and good reporting would have given KWEX its place in your article.

JOSE C. CANCELA  
*General manager,  
KWEX-TV San Antonio*

## Better than none

Thanks for the lengthy article on how Group W is faring in the up-front TV negotiations (*Programming*, July 11).

I would like to point out two errors, however. The title of the first Harmony Gold miniseries is *King of The Olympics*. Of more seriousness though is the typo re: *The Judge*. Instead of the correct statement, "Nine of the top 10 markets will run the show in early fringe," it

appeared "None of the top 10 markets . . ." Needless to say that positions the show entirely different from reality.

DAN COSGROVE  
*Vice president, media sales  
Group W Productions*

## The right targets

Thank you for including my viewpoint in your article *Radio sales people learning how to aim at the right targets* (*Station Report*, July 11). I enjoyed reading your article and seeing my comments recorded accurately.

JOAN HOMA SCHULTZ  
*General sales manager,  
WGMS-AM-FM Washington*

## Sales promotion

Thank you for using excerpts of my ANA/RAB Radio Day speech on sales promotions in the recent (July 25) TV/RADIO AGE. I appreciate your publication's interest in this area, since it is becoming such a critical issue to stations and clients both.

MADELEINE BOYER  
*Manager, advertising & promotion  
WYNY(FM) New York*

## It's a classic

Thank you for the attention you gave to WFCC in your May 30 Classical Music special section. I am amazed how you assimilated and distilled all that information about the classical format/market into such a concise and worthwhile feature.

JOSEPH A. RYAN  
*President, general manager,  
WFCC(FM) W. Chatham, Mass.*

## On target with ARF

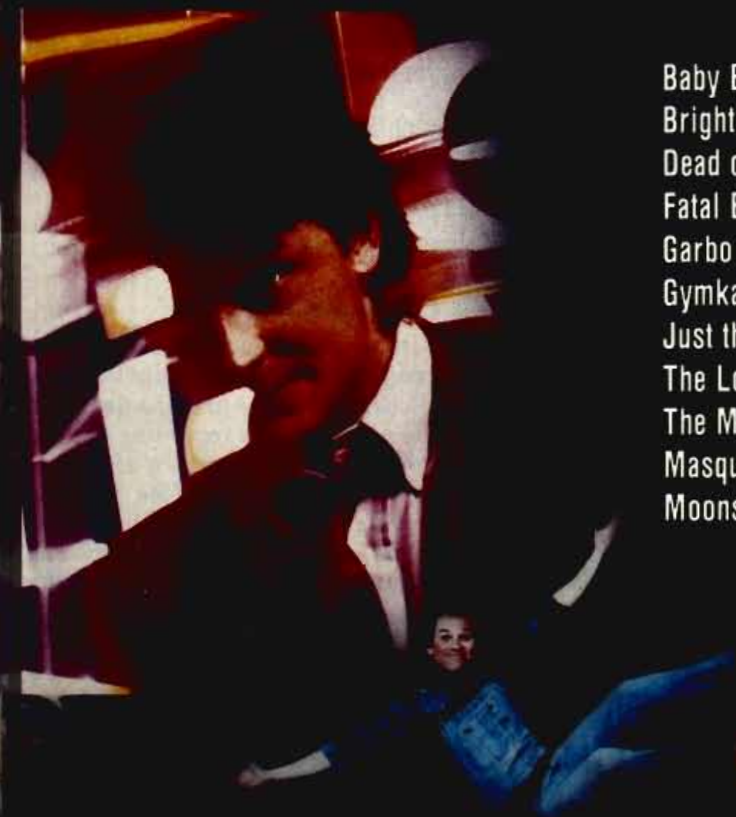
Just a note to say thank you for your very much on target article (*Radio Report*, April 18) detailing the ARF's efforts regarding the upcoming study of radio's effectiveness. The subcommittee work is moving along in good fashion, and I'll be sure to keep you informed as we move through our various stages. Again, thanks for your interest in radio and for the article which I'm sure will help to bring a positive focus on our efforts.

RON WERTH  
*Senior vice president, research  
United Stations Radio Networks*





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| The Manchurian Candidate | Spaceballs                     |
| Masquerade               | Still of the Night             |
| Moonstruck               | Wiseguys                       |



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## WPIX-FM bets on contemporary jazz and deep pockets from daddy Tribune to make New York station a winner

In a move sure to be felt throughout the radio and music business, New York's WPIX-FM has cast its lot with a new format—contemporary jazz.

Up to now a ne'er-do-well adult contemporary formatted outlet in a crowded market, WPIX is relying on the deep pockets of its parent company, Tribune Broadcasting, some very expensive research, new management, even a new call sign and a lavish promotional blitz to resurrect the station.

In a business jammed with all sorts of format nomenclature and a rush to get on "The New Age" express, Tribune thinks it's uncovered a diamond in the rough, so to speak, with contemporary jazz. The music includes artists such as Chuck Mangione, Sade, Anita Baker, Kenny G, David Sanborn, George Benson, Spyro Gyra, Sting, George Michael, Grover Washington, Michael Franks, the Marsalis Brothers, Bobby McFer-

rin, Herb Alpert, Terrance Trent D'Arby and even Manhattan Transfer. Many of these artists transfer back and forth into rock.

Armed with new call letters, WQCD, the station now bills itself as "CD-101.9." It swung into the new format Aug. 8 and will take a month or so to flesh out the new format before launching its promotional blitz in October.

**Couldn't be fixed.** "We decided the radio station couldn't be fixed, it had to be redone," said the new general manager Ray Gardella. "We were looking for programming voids in the market, a format musically distinct from our mainstream competitors that would attract an audience, was marketable and that we could grow with."

Several months earlier, Tribune Radio Group's newly appointed vice president Wayne R. Vriesman came in from Chicago to see if the station could be salvaged. In rapid



**Ray Gardella**—"We decided the radio station couldn't be fixed. It had to be redone."

order Vriesman dismissed WPIX general manager Marvin Seller and brought in Gardella who had been running Tribune's WICC-AM in Bridgeport, Conn.

Next Vriesman hired George Burns, perhaps the top radio format researcher in the country, to analyze the market inside out, and try to put his finger on a hot new format. The result was more than

*The format gaffe was like a breath of mustard gas that left Gardella gasping for air.*

## Philip Morris is top web TV client

Philip Morris Cos. moved into the position of top spender on the TV webs during May. The latest BAR report shows the giant package goods company in a clear No. 1 position ahead of the year-to-date top spenders—General Motors and Procter & Gamble. Also in the top 10 for the year to date, are Chrysler, ranking fifth with expenditures of \$102,232,700, and Anheuser-Busch, ranking ninth with spending of \$82,742,900. Philip Morris also moved into first place in cable network spending during May, though BAR-estimated expenditures were much less, of course.

### Top 10 network TV clients—May

Parent company	May expenditures	Year-to-date expenditures
Philip Morris Cos.	\$32,256,900	\$124,140,400
Kellogg	28,394,800	114,303,700
General Motors	27,767,500	144,953,100
Procter & Gamble	26,572,700	143,089,100
McDonalds	24,056,200	90,564,200
Ford	20,558,800	75,641,400
Unilever	18,532,800	90,439,600
AT&T	14,067,500	77,807,000
American Home Pdts.	13,978,600	75,802,800
RJR Nabisco	13,796,000	84,660,600

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four volumes of information with a single conclusion: contemporary jazz.

"It's the music they're paying money for in record stores," said Vriesman. "We're going to give it to them on one of the finest FM radio facilities in America." He said the "sophisticated adult listeners" would supply the station with a solid demographic to sell to advertisers.

**Say it ain't so, Bob!** With the format, management, new call letters and aggressive marketing campaign all lined up—plus Tribune's pledging "many millions of dollars" to the cause—the station's immediate challenge was to convince the record companies and the



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## LPTV stations swim for mainstream in current programming activities

With about 50% of all low-power TV stations now carried on cable, two of them affiliated with Fox Network and plans being made for cooperative program purchasing, the word from John Kompas, president of the industry's Community Broadcasters Assn., is, "We want to mainstream the LPTV industry as much as we possibly can."

Signs of this will be seen at the CBA convention at Caesar's Palace in Las Vegas Oct. 25-28, when two other industry associations will provide input. The National Assn. of Television Program Executives will sponsor a panel there, headed by consultant Dick Block, on how to negotiate programming. And Lance Webster, executive director of the Broadcast Promotion & Marketing Executives, will moderate a panel on "The Power of Promotion."

On its own, CBA continues to look into cooperative programming purchasing. Kompas says, "Syndicators have been receptive to our discussions," and that going ahead is "a matter of mechanics more than anything else at this point." One such matter is putting togeth-

*Kompas estimates 10-15% of LPTVs carried on cable are being charged for carriage.*

er reference material to show syndicators how the low-power stations fit into the various ADIs. Another is finalizing an uplink to deliver the programming by satellite. Kompas notes, "We have two valid offers for uplinking but haven't decided yet."

**Big leagues.** The most recent development pushing LPTV stations toward the big leagues is Fox Network naming its second LPTV affiliate—K49AZ Twin Falls, Idaho. The first to be named was K25AS Eugene, Ore. Cable carriage is another sign for recognition for the industry that Kompas points to, with major MSOs such as Tele-Communications Inc. and Warner now carrying the stations. He estimates, though, that 10-15% of

LPTVs carried on cable are still being charged for carriage, with the highest rate heard of being \$2,500 a month.

Kompas reports hearing of one station that offered a cable system \$3,000 a month to carry its signal but was turned down because the system was concerned with competition to its own advertising sales program.

Sixty new LPTV stations have signed on this year, according to Kompas, bringing the industry total up to 402. He hears from the FCC that about 25 per month will be added for the rest of the year, although about 30% of these will be translators.

In a recent survey by CBA of 210 LPTV stations, answered by 60, it was indicated that 42 of these were



**John Kompas**—*president of the Community Broadcasters Assn.*

## Web TV billings up slightly in June

Network TV revenues in June were up only 2.0%, the latest BAR figures show. Estimated revenues came to \$709.3 million, compared with \$695.1 million during the previous June. Weekday daytime continued its downward slide with a drop of 16.4% to \$105.3 million. But late-night was up 20.8% to \$47.4 million. Primetime showed a modest increase of 5.2%, rising to \$403.1 million.

Total network revenues were up 1.6% for the quarter, reaching \$2,280,100. For the first half, revenues came to \$4,735,300, up 9.2%, reflecting heavy Olympic billings for ABC in February. The first quarter was up 17.3%.

### Network TV revenue estimates—June

Dayparts	Estimated (000)	% change
Prime	\$403,122.9	+5.2%
Mon-Fri daytime	105,278.9	-16.4
Mon-Sun late night	47,411.0	+20.8
Sat/Sun daytime	83,615.6	+12.1
Mon-Fri early morning	21,181.9	-1.7
Mon-Fri early fringe	37,323.9	+2.9
Sat/Sun early fringe	11,358.2	-21.2
Subtotal early fringe	48,682.1	-4.0
Totals	\$709,292.4	+2.0%

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operating as commercial stations. Only 12 of all those responding said they had recorded an operating profit in the previous month. Thirty-seven said they carried local advertising and 28 national advertising. An average of 16 hours a week was dedicated to locally produced programming, and 29 of the stations reported having a locally produced news program.

Twenty-seven of the stations said they were purchasing cash or barter-syndicated programming. Among reported purchases were Twentieth Century Fox movie packages, Gaylord's *Hee Haw*, MCA's *Magnum*, *The Rockford*



artists that CD-101.9 was for real.

But here the whole train almost came off track.

One of Gardella's first appointments was to hire Bob Linden and make him music director, the pivot man at the station. Then just a week or so before the gala announcement, Linden, in a trade magazine interview, talked about the new format. What came out was "new adult contemporary," something akin to easy listening.

With the fresh smell of mustard gas in the air, Gardella was gasping for air. "It wasn't working out; we were going in different directions," understated Gardella. He was forced to put out a clarifying statement: "Regardless of what's been said, CD-101.9 is going to be the biggest and best-sounding contemporary jazz radio station anywhere."

Linden was sent packing and Gardella hopes to have a new music director in place within 10 days. Meanwhile assistant music director Wendy Leeds is working with programming consultant Kent Burkhart to keep the new contemporary jazz format running smoothly.

**Ad-promo guru.** The next thing Gardella did was to hire the top radio promoter in the country, Dale Pon of Lois, Pitts, Gershon, Pon. He of "I Want My MTV" fame is no stranger to WPIX, having or-

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*"We're going to make a joyous, loud noise. We're going to shake the town from the moment we enter the market."*

---

chestrated its enormously successful "Love Songs, Nothing but Love Songs" ad blitz several years ago. That theme propelled the station into the top-10 rankings in New York radio for the first time in its 24-year history.

"This is the tastiest, most exciting challenge in radio today," said Pon about his new assignment. "We're going to make a joyous, loud noise. We're going to shake up

## Black radio programmers moving heavily into syndicated television productions

Syndicate It Productions, programming specialist for eight years in black radio programs, is broadening its scope in syndicated television.

Its initial effort, *Story Of a People*, four half-hours which aired in 1987, has become the umbrella for a series of two one-hour specials which aired last winter and for an updated version for January and February of 1989.

Its second special, *The Other Side of Victory*, two one-hour profiles of the lives of America's most visible black athletes, is currently running on 91 stations. All the company's TV shows are distributed via barter by JM Entertainment of New York.

Bob Dockery, the company's 44-year-old founder and president, says that while the emphasis on the TV shows focuses on the black experience, the intent is to provide programming for a broadly-based audience.

*The Other Side Of Victory*, hosted by former tennis ace Arthur Ashe, looks at black athletes on and off the field. Among the notables interviewed are Hank Aaron, Wilma Rudolph, Tommy Hawkins, former UCLA basketball coach John Wooden and San Francisco 49ers football coach Bill Welsh.

Most stations are airing the show Saturday afternoons, notes Dock-

---

the town from the moment we enter the market."

For now, Gardella says, the station is trying to woo advertisers by "pricing attractively." He claims no major advertiser defections since the birth of the new format on Aug. 8.

"Right now they [advertisers] don't know enough [about the new format]. Radio advertising is a day-to-day business, they buy in short bursts and they buy fast."

Tribune insists it's into the format for the long haul, and so is keeping the research going, testing the limits of contemporary jazz on audience focus groups.

"We want to know just how jazzy we can get," said one station official.—**Jack Loftus**



**Bob Dockery**

ery, who adds the special will be the basis of a weekly 39 half-hour series for either June or September 1989 launching.

**Pilot budget.** Dockery says the pilot's budget was "more than \$200,000," and it took the company three-and-a-half months to put it together, using its own recently purchased editing equipment in its Burbank offices. The special was produced by Robert Feller and written by Ralph Wiley and Sam Young.

Syndicate It's next special is a 90-minute study of black comedy in America, *A Laugh, A Tear*, which has a \$500,000 to \$600,000 budget because of the heavy use of leased clips. Veteran variety-show producer Bob Henry will produce the show on how black comedy has "mirrored black America over the years."

Where Syndicate It has funded all its radio programs, it has a silent financial partner for *Victory*, Dockery says, and will have an investor for the comedy special.

While the company currently has 13 barter radio shows available on a regular basis, including *Story Of a People*, "Television offers the most financial potential to us," notes Dockery. "My personal objective is to get more deeply involved in television, where we are selling shows to the networks as well as syndication."

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



# News about news... News about news... News out news... News about news... News about news

## It's still the same old 'horse race', but TV networks are seen as justified

TV newscasters are still "horsing" around in their Presidential campaign coverage, according to a study by the Center for Media and Public Affairs, but there may be good reason for it.

Stating that the "horse race" aspect of the election is covered two-and-a-half times as much on TV as policy issues, this study by the nonprofit media monitoring organization isn't the first to draw this conclusion—or to offer evidence that Democrats get a somewhat more favorable press than Republicans. But on the former point, some justification is given.

Dr. S. Robert Lichter, codirector of the Center, gives his rationale in an analysis of the study in the July/August issue of *Public Opinion* magazine: "The media don't discuss policy issues in greater depth at least partly because the candidates don't, and the candidates don't because it's frequently counterproductive. It just didn't pay for Walter Mondale to be so forthright about raising taxes, and Dick Gephardt discovered this year how quickly his trade proposals became a lightning rod for criticism."

He adds, "Horse-race news predominates because it flows from news values. It concerns what just happened and what's about to happen. That's also why campaign is-

sues outstrip policy issues. The candidates' daily behavior on the campaign trail is less predictable, hence more potentially newsworthy than their stump speeches."

**The survey.** The Center's survey was conducted by examining all 1,338 election stories on the Big 3 networks from February 1987 through the final primaries on June 7. The study showed that 537 stories dealt with the horse race, 312 with campaign issues, 280 with strategy and tactics, 215 with policy issues and 88 with candidate politics.

Looking at coverage of specific candidates over this period, it defined which percentage of the coverage of each candidate was good coverage vs. bad, additionally separating out statements made by "nonpartisan sources—reporters, election analysts and voters vs. the candidates, their families and their campaign staffs. The study found that all Democrats received 57% good press from all sources and 56% from nonpartisan sources, while all Republicans got 54% from all sources and 49% from nonpartisan sources. This gives very slight credence to the common charge that TV journalists have a liberal bias.

To give an idea of what's considered good press vs. bad, the author

gave the example of CBS' Bruce Morton's closer on Jesse Jackson campaigning in Illinois as good press: "He's neon and fireworks. All the rest this week have been pastel." Bad press was political analyst Kevin Phillips calling George Bush "an overstuffed resume" on NBC.

And, as a matter of fact, Jackson was the standout in good press. The researchers found 250 clearly positive or negative evaluations of his

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*"The media don't discuss policy issues in greater depth at least partly because the candidates don't."*

---

desirability, and 74% were positive from all sources and 75% from nonpartisan sources. They found 249 such mentions of George Dukakis, of which 55% and 58% respectively were positive. Unsurprisingly, Gary Hart was low man, with 38% and 21% positive mentions out of 188 evaluative statements.

**Republican horses.** On the Republican side of the fence, Robert Dole was a clear leader on TV, with 64% and 65% positive, compared with 50% and 49% for George Bush and 49% and 37% for M. G. "Pat" Robertson. Bush's ratings were mainly negative throughout the campaign except for a brief spurt to 65% positive during the New Hampshire primary, while Robertson started out strong until controversies over his "funny facts" gave him more than two-to-one negative reportage for the remainder of his campaign.

When it came to on-air evaluations of journalists alone, Democrats received 65% good press, Republicans 51%, but most of journalists' comments were directed toward candidates' performances as campaigners rather than their professional qualifications, personal qualities or issue stands.

## Looking for 'patterns of bias'

The Institute for Applied Economics will be keeping a closer eye than most on the major networks' nightly newscast coverage of the upcoming George Bush and Michael Dukakis election campaigns.

The Institute will monitor the news reports on ABC, CBS, NBC and CNN each evening from Labor Day (Sept. 5) through election eve (Nov. 7) to determine "if patterns of bias, liberal or conservative, are developing on the TV networks," said Holmes Brown, Institute president.

The nonprofit educational organization will report its findings weekly to the press and the Democratic and Republican presidential candidates.

Without divulging the cost of this project, the Institute said it now has pledged for 75% of the necessary funds.

Walter Barlow, the former Opinion Research Corp. president who now heads Research Strategies Corp., is developing the methodology for the study.



*Files and Quincy*, Paramount's *Entertainment Tonight* and *Marblehead Manor*, SFM's *Zoobilee Zoo* and Tribune Entertainment's *At the Movies*.

Of the stations specifying their monthly programming budgets, 34 said they were under \$500, 13 from \$500 to \$2,000, four from \$2,000 to \$5,000, two from \$5,000 to \$10,000 and one more than \$10,000. Types of programs in greatest demand were topped by movies, followed by sports programs, mysteries, children's news, sitcoms, documentaries, action-adventure, science-fiction and game shows.

—Ed Rosenthal

## NBC viewers see the light—that's Cubs light

The Cubs' first night game at Wrigley Field did light up the Nielsen ratings among Chicago and New York baseball fans. The Aug. 9 telecast scored a whopping 19.9 rating and 35 share in Chicago and a 14/26 in New York. The only other overnight Nielsen markets where the game scored double-digit household ratings were Philadelphia and Detroit.

Viewers in other markets seemed less turned on about the Cubs emerging from baseball's dark ages in their first full night game at home.

**Highest rated.** The game, promoted in NBC newspaper ads proclaiming "Lights on at Wrigley!" averaged a 9.8 rating and 19 share in the national ratings. That was NBC's highest rated primetime game since fall 1983 and the highest rated regular-season baseball game on any network since August 1986.

Tribune announced after acquiring the Cubs in 1981 that it would install lights at Wrigley so night games could be played and lucrative primetime ad revenues generated for WGN-TV a la Yankees' games on Tribune's WPIX(TV) New York. Seven Cubs games are due under the lights this season and the team's journey into night games will continue with 18 slated for next year.

## Grimes accepts top job at Univision, will oversee network and station group

J. William Grimes, who as president of ESPN has moved the cable sports network into the major leagues, has been successfully wooed by Hallmark to head its newly acquired Univision Holdings, the big U.S. Spanish-language network and TV station group.

Grimes, 47, is to join the Hallmark Cards subsidiary on Nov. 1 as president and chief executive officer. Reporting to him, after a reorganization at Univision, will be the presidents of the network and the station group. Univision owns six TV stations.

The announcement that Grimes was jumping ship had to be rushed ahead of schedule last week when TV/Radio Age asked Grimes about his discussions with Hallmark's president Irvane O. Hockaday, Jr.

"We had a nice meeting," Grimes said, somewhat astonished that

he joined in 1981 and became president and ceo of a year later. In that time, ESPN's subscriber base has doubled to almost 48 million households, the amount of live or original programming has gone from 2,600 hours a year to 4,200 hours.

Roger Werner, who went from ESPN to ABC, moves back to succeed Grimes as president of ESPN.

## New CBS Radio execs begin making changes

CBS Radio has made a batch of personnel changes, including two that mark Nancy Widmann's first major appointments since becoming president of CBS Radio, and one that is Larry Cooper's first since becoming vice president of CBS Radio News.

Widmann said Bennett Zier is the new vice president-director of sales at CBS Radio Representatives. Replacing Don Gorski, who resigned, Zier has been eastern regional manager of the rep since 1986 and New York sales manager before that.

Widmann also named Anthony Masiello director-technical operations for CBS Radio, succeeding Larry Conti who took CBS' early-retirement package. Masiello, who previously had headed his own broadcast consultancy, developed the satellite delivery system for ABC Radio Networks in the '70s.

Cooper announced Larry McCoy, formerly executive editor at CBS Radio News, as director of news for the CBS Radio Networks. He continues running the network's news programming. McCoy succeeds Cooper, who had overseen RadioRadio's news.

Meanwhile in CBS Radio Networks' affiliate relations department, Rob Morhaim, formerly news reporter/weekend anchor at CBS affiliate WITI-TV Milwaukee, has become southeast district director. He reports to John Burrows, vice president-news and sports, affiliate relations.



**Bill Grimes**

word of his discussions had leaked out. He said such a move would be "a total departure from anything that I've done here." He went on to call the discussions with Hallmark "preliminary," adding "we'll just have to wait and see what is offered."

Apparently the offer was quick, good and firm, because a day later Hallmark officially announced it had landed Grimes for the job.

Grimes has already made quite a name for himself at ESPN, which

## Project Literacy: Duffy's Quest

Jim Duffy pauses in mid-sentence and apologizes. "I'm getting emotional," he says smiling.

But for this man who went through the emotional wringer as president of the ABC Television Network for 15 years, "Project Literacy U.S." has an emotion all its

own, and Duffy talks like a person with a higher mission.

"I was astounded when I realized the dimensions of illiteracy in this country," says Duffy. "This is an adventure; it's a quest for a more literate society."

He goes on to talk about the hu-

man misery affecting more than 23 million functionally illiterate Americans, bleeding the country by \$225 billion every single year in crime, lost wages, welfare, poverty and other social ills.

Being the point man for such a massive undertaking—really doing something about illiteracy in America—probably makes a lot of jobs in network television seem a little less demanding, a lot less important.

Duffy's done it all at ABC. He was in charge of sales and ran the network, struggled through the early days when ABC was the butt of the joke about two-and-a-half networks, and then basked in the glow of ABC's sudden and lengthy success.

**What's next?** But soon after Cap Cities took control of ABC in 1986, Duffy found himself serving in the awkward position of senior statesman, the company's front man, explaining to the public why television's really so good for you. The campaign was called "TV and You." And Duffy was good at it. He probably had more air time than many ABC News correspondents.

But it was tough to tell whether or not Duffy really had his heart in it. Being a defender of television, after all, is only a bit more respectable than explaining the good points about cruise missiles.

Anywhere else, Duffy probably would be in the consulting business by now. But the boys at Cap Cities, after all, were broadcasters before they became network owners, and they understood the meaning of giving something back to society.

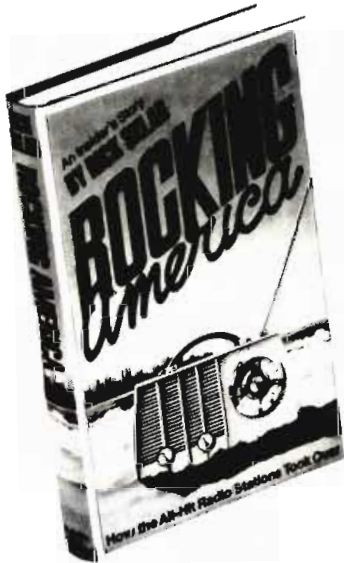
CBS used to have it. The CBS corporate philanthropy and community service campaigns rivaled Group W's when Don McGannon ran the show. But no more. The new owners at CBS and down the street at NBC have long since abandoned any meaningful role in corporate initiatives.

That's what makes Duffy stand out. But the powers that be at Cap-Cities/ABC had to realize that you can go just so far for so long chatting up television. If Duffy's position as defender of the faith was to have any credibility, something much more was demanded.

Project Literacy U.S.—PLUS

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Rick Sklar is a radio and music video program consultant and was formally a consultant for ABC-TV's music video programs. He has been program director at New York radio stations WINS, WMGM, and at WABC, which he built into "the most listened-to station in the nation."



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## MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

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### 1988

September 6-9	4th Pacific International Media Market, Sydney, Australia
September 14-16	National Association of Black Owned Broadcasters, Ramada Renaissance Hotel, Washington September 5 Issue
September 14-17	NAB Radio '88, Washington Convention Center September 5 Issue
October 14-18	MIPCOM, Cannes October International Issue
October 17-19	Television Bureau of Advertising Annual, Meeting, Las Vegas October 17 Issue
October 25-28	Community Broadcasters Association, Caesar's Palace, Las Vegas October 17 Issue
November 7	London International Advertising Awards, Royal Lancaster Hotel, London
November 9-13	National Association of Farm Broadcasters, Kansas City
November 30-December 3	Radio & Television News Directors Association, Convention Center, Las Vegas November 28 Issue
December 7-9	Western Cable Show, Anaheim Convention Center November 28 Issue

### 1989

January 4-8	Association of Independent Television Stations Century Plaza, Los Angeles, December 26, 1988 Issue
January 24-27	NATPE International Convention, George Brown Convention Center, Houston January 23 Issue
February 2-5	Radio Advertising Bureau Managing Sales Conference, Loew's Anatole, Dallas
February 13-18	29th International Television Film & Video Programme Market, Monte Carlo February International Issue
April 9-12	Broadcast Financial Management Association, Loew's Anatole, Dallas April 3 Issue
April 21-26	MIP-TV, Cannes April International Issue
April 29-May 2	National Association of Broadcasters, Las Vegas Convention Center April 17 Issue
May 6-13	Annual Golden Rose of Montreux Festival, Palais des Congres, Montreux
May 21-24	National Cable Association, Dallas Convention Center May 15 Issue
June 17-23	International Television Symposium, Montreux
June 21-25	BPME/BDA Association, Renaissance Center, Detroit June 12 Issue

# TV Business Barometer

## Local June biz increased 9.6%

While spot TV took a dip into the minus waters, local business in June actually picked up a little from May, in terms of rate of growth, if not in actual billings. It was a reminder of broadcaster expectations that the major concern of TV stations in the future will be local, not spot, business.

The June increase for local billings was a little bigger in percentage terms than in March and April, too, and almost reached the double-digit level.

The increase in June came to 9.6%, which compared to the following increases for the first five months: January, up 12.9%; February, up 12.7%; March, up 6.2%; April, up 8.5%, and May, up 6.6%.

Volume of local business in June came to \$435.9 million, compared

with \$397.7 million the year before. The June figure was down from the seasonal high of \$591.2 million in May.

Both June of this year and last were four-week Standard Broadcast Months, so the year-to-year data are essentially comparable.

The second quarter local business total was close to par for the year-to-date, rising 8.1%. Billings came to \$1,562.2 million as against \$1,445.5 million for the April-June period last year.

The local rise compares with the miniscule increase of 1.5% for spot in the second quarter, a rise kept down by the minus 2.6% figure for spot in June.

Year-to-date, local business was up 8.9%. The volume for the six months amounted to \$2,803.5 million vs. \$2,575.2 million in '87.

As for network compensation, it was practically flat in June, following a pattern set in March, since

which the biggest year-to-year monthly change was only 1.4%. The actual figure for June was plus 0.3%. The estimated take for stations came to \$36.4 million.

Network comp for the second quarter had an increase of 0.9%, with the total network contribution coming to \$116.9 million vs. \$115.8 million the year before.

The total network comp for the first half of '88 was down a sliver—actually minus 0.09%, with the money going to stations amounting to \$227.4 million.

## Grand totals

Grand totals for this year's *Barometer* data show that the combination of spot and local time sales plus network compensation for June was up 2.8%. Estimated volume for June was \$943.3 million in comparison with \$917.6 million.

The grand total for the second quarter was up 4.4%, with volume coming to \$3,357.8 million vs. \$3,214.8 million the year before.

## June

**Local business** +9.6%

(millions)

**1987: \$397.7      1988: \$435.9**

### Changes by annual station revenue

Under \$7 million	.....	+15.1%
\$7-15 million	.....	+8.2%
\$15 million up	.....	+9.2%

**Network compensation** +0.3%

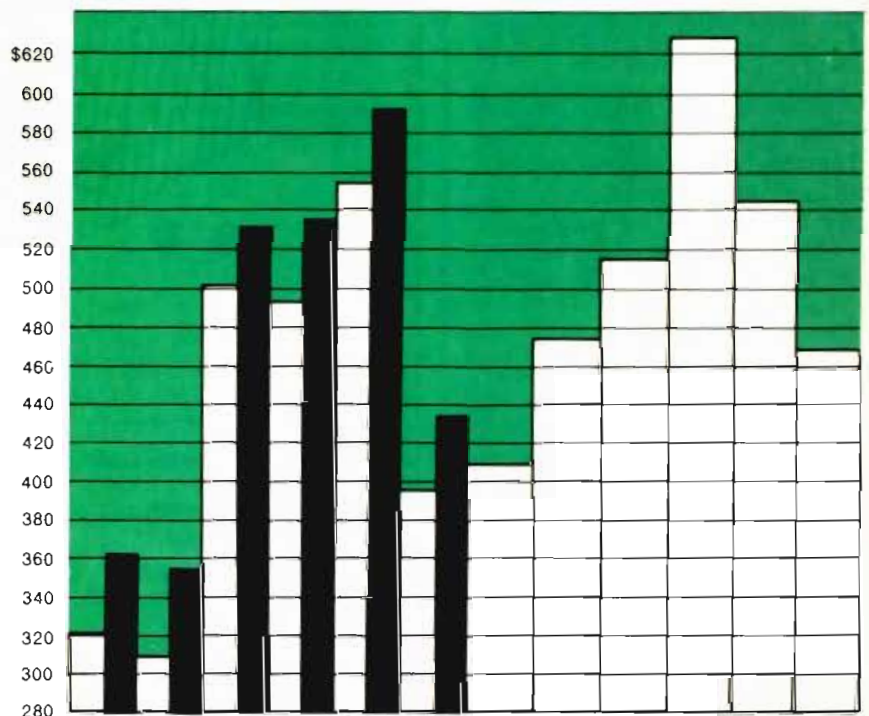
(millions)

**1987: \$36.3      1988: \$36.4**

### Changes by annual station revenue

Under \$7 million	.....	+0.8%
\$7-15 million	.....	-0.04%
\$15 million up	.....	+0.4%

Local (millions)



Network compensation (millions)





for short—is it.

For three years now, CapCities/ABC and PBS have teamed up in one of the most extensive and aggressive public service campaigns in the history of broadcasting, with Duffy the force behind dozens of primetime programs, news specials, story lines and hundreds of PSAs that have been running on the commercial and public networks and their affiliates since PLUS took to the air in September 1986.

ABC spearheaded it with the ABC News *Closeup* documentary *At a Loss for Words: Illiterate in America*, hosted by Peter Jennings. That was followed by a barrage of literacy-related programming in every ABC daypart.

But as Duffy was to learn quickly, it's one thing to get the public all stirred up but quite another to organize the machinery and manpower needed to support something like PLUS. Before either network could put a single program or PSA on the air under the PLUS banner, "Literacy Hotlines" had to be set up in every state.

"We couldn't just announce this thing, urge people to do something and then have no one for them to call," recalls Duffy.

Organizing that initial part of the campaign, involving more than 100 national organizations, federal, state and local governments put Duffy on the road for practically the whole year. The result was the creation of more than 366 community task forces.

**Focus on youth.** Two years later, PLUS shifts gears to focus on youth—Youth PLUS, and what Duffy calls "illiteracy's connective link" to other factors such as teen pregnancy, child abuse, drugs and alcohol abuse, school dropouts, poverty and crime.

The new PSAs—all produced by Duffy's Office of Communication at CapCities/ABC—feature young people describing in their own words their difficulties in dealing with problems related to illiteracy. The half-dozen or so 30- and 60-second spots are real grabbers, and both ABC and PBS will be running them at least 10-14 times a week; some affiliates may do more.

Supporting the campaign will be

a batch of programming and news specials, more storylines and special treatment for kids. Later in the season, the campaign will expand to include family reading and salutes to volunteers.

No doubt the campaign takes its toll on Duffy. He's still on the road four days out of almost every week, serves on more panels with more governors, government and academic types than he's really got time for, certainly is a familiar face around Washington and serves on

the President's Council on Private Sector Initiatives.

And while not taking sides in the presidential campaign, Duffy admits to having a special fondness for Barbara Bush "who has been a voice in the wilderness" in the campaign against illiteracy long before PLUS came along.

So why does he do it: the hours, the work?

Says Duffy: "It's something that simply has to be done."

—Jack Loftus

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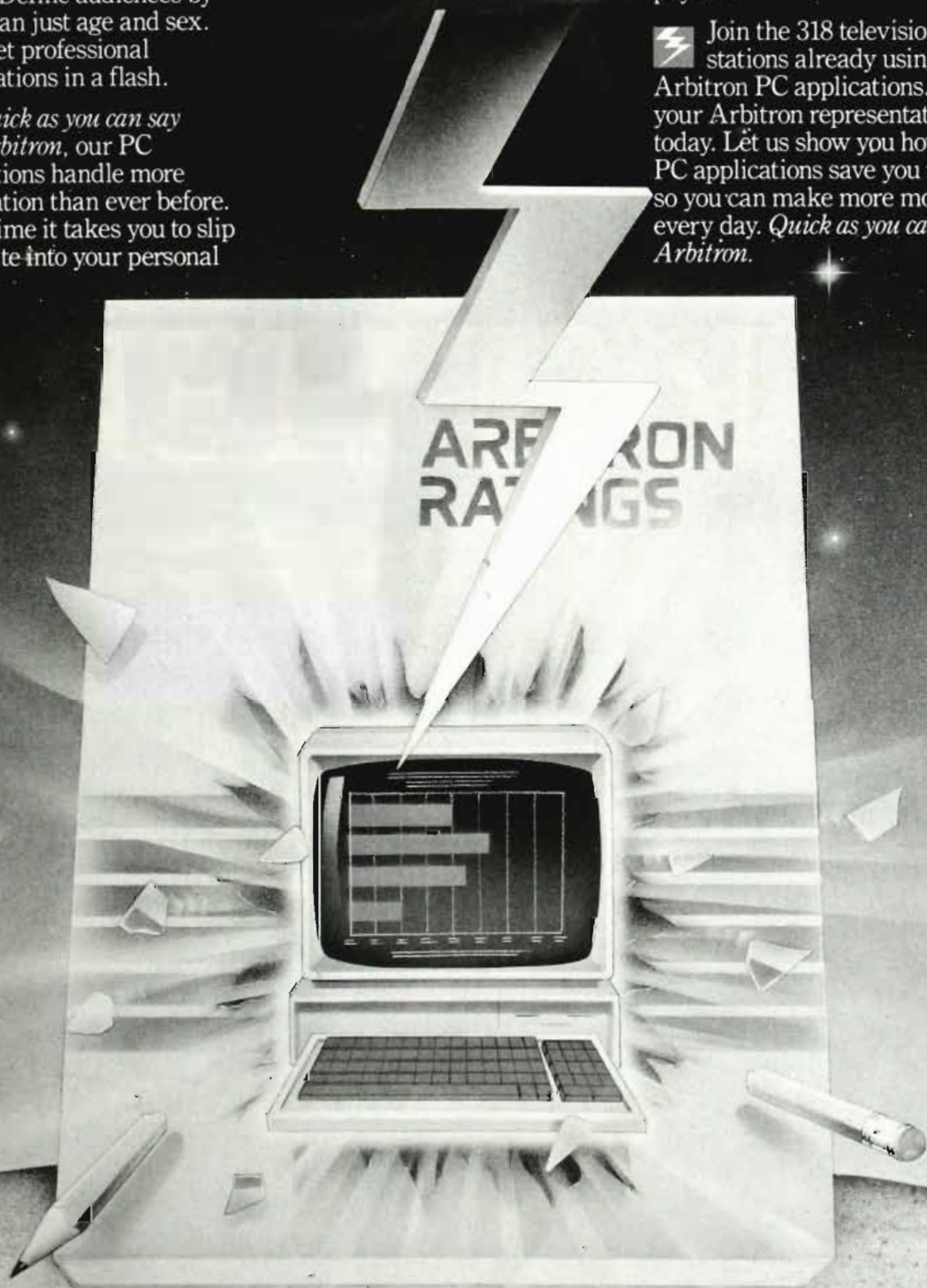
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# International Report

## European Children's Channel struggles to find right mix of money and kids

For the operator of a channel which caters to children, yet goes off the air at 3 p.m. just when most children are settling down to watch television, Richard Wolfe must be admired for his enthusiasm.

"We hope to remedy that problem in a year or so," declares Wolfe, chief executive of The Children's Channel, Europe's only English-language satellite channel devoted exclusively to broadcasting children's programs. The channel is among those negotiating with ASTRA and Eutelsat.

"It's our policy to move to a medium-powered satellite within the next year to 18 months," he says.

The four-year-old channel presently is transmitting 10 hours a day, beginning at 5 a.m. on Intelsat V, hardly the hot bird.

But Wolfe says he's encouraged by the number of children who do watch the channel. The skimpy European rating figures which do exist show that the channel gets respectable ratings in cable homes, particularly in the U.K. and Ireland. Unfortunately the number of



**Richard Wolfe**—Chief executive of The Children's Channel

cabled homes is low.

Also unfortunate is that Wolfe seems to be bucking the tide. He believes in receiving household subscriber fees from cable operators, which is not only relatively uncommon in Europe, but is not regarded as a great potential source

of income by most of the other satellite channels. In fact, the Irish government prohibits cable operators from paying such fees to broadcasters, which means The Children's Channel is on "extended preview" in that country.

"It's a hard slog," admits Wolfe. "People who give it away make our job harder." Nevertheless, he's convinced that Europe eventually will move closer to this U.S. system of reimbursement.

About 60% of The Children's Channel's current income comes from payments from cable systems based on sub, according to Wolfe, and 40% from advertising. He would like to see it equally divided between the two sources of revenue.

There does seem to be at least one positive aspect of not spending a great deal of money on distribution: "We're not so far in the hole," he muses, noting the large losses suffered by some of the other satellite channels. "We operate on a modest budget."

**Investing more.** Wolfe, however, says the channel is investing more

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*"It's a hard slog. People who give it away make our job harder."*

---

## Virgin squelches one rumor; going private next?

The Virgin Group has bought out London Weekend Television's share of Super Channel. The purchase increases Virgin's stake in the Pan-European satellite channel from 28% to 35%.

In addition to gaining a greater financial interest in the organization, it obviously puts "paid" to rumors that Virgin was trying to unload its own Super Channel holdings. Virgin stock has dipped drastically since being floated publicly and it is believed that company founder Richard Branson may attempt to purchase all outstanding shares and return the company to private hands.

In any event, Virgin Communications managing director and Super Channel chairman Robert Devereux, while not publicly acknowledging the various reports, made it clear he was going to at least scotch the one about Virgin's loss of interest. Devereux noted that the LWT deal was an indication of the company's faith in the future of Super Channel.

Although LWT received less than \$200 thousand from Virgin for an investment of close to \$9 million, it can gain certain tax benefits from the loss.

Super Channel was close to liquidation several months ago, but was refinanced by Virgin, which at the time also took control of the operation and four ITV companies, Granada, Yorkshire, TVS and Anglia. While costs have estimated to be about \$35 million a year, advertising revenue is said to be less than \$9 million.

in graphics, its on-air look, pacing and strengthening its weekend programming. He attributes current programming success to management philosophy. "We always have had an eclectic approach to our schedule," he says. "We believe we should have examples of all types of programs which children enjoy and learn from."

The Children's Channel essentially packages the various elements, ranging perhaps from drama to cartoons into magazine shows aimed at specific age groups. "It seems to be working," comments Wolfe. "We get continuity from the genre."

Although the programming is broadcast in English, there are some sub-titled programs in Dutch carried on a Dutch cable television





# INFLUENCE

## Radio Report

### Karmazin defends buyout of Infinity radio group, sees TV on the run

That \$340 million in senior bank debt Chase Manhattan arranged and underwrote so three top Infinity Broadcasting executives could make a leveraged buyout of all the rest of Infinity's outstanding Class A public shares and debentures was the last and largest chunk of the half-billion dollar-plus (\$530 million) being paid by chairman Michael A. Wiener, cochairman Gerald Carrus and president Mel Karmazin. That makes the deal the largest financing in the history of radio, according to Chase Manhattan Bank.

The \$340 million of senior debt comes on top of \$120 million subordinated debt through Shearson-Lehman plus \$70 million of the three partners' own equity.

Why would Karmazin & Co. be so bullish on radio—a medium that manages to capture only 7% of the media pie? Infinity is the largest operator of radio-only stations in the U.S., owning 15 stations in 11 of the largest markets, and says it's the only radio group offering advertisers listeners in each of the country's top 10 markets.

Says Karmazin: "We've been operating this company very successfully since 1972. During the past 30 years radio has shown steady, continuing growth without interruption. Now we see radio's future improving even faster, with every adverse factor that hits television. Commercial zapping and audience fragmentation, for instance. We think advertisers who have been discounting radio for so long, perhaps in part because of radio's own audience fragmentation, may now be



*"We see radio's future improving even faster, with every adverse factor that hits television."*

Mel Karmazin

asking themselves why TV has been picking up 20% of the media dollars. Part of the answer is that radio is worth more than the 7% it's been getting. We're optimistic that more advertisers will come to see the pros and cons of both radio and TV the way we do."

**Whale of a bargain.** That's the ad revenue component. Industry trackers like Larry Rosin, research director for Philadelphia based Bolton Research Corp., say there's more. Rosin explains that like John Kluge be-

fore them, buying and selling Metromedia, the Infinity trio, in buying back their company's stock, are picking up a whale of a bargain. That's because Wall Street continues to undervalue the real worth of broadcast stocks.

Rosin says that in a buyback like this, the broadcast group is bought back from shareholders at a price "only slightly over its drastically low level, as compared to actual worth." In Infinity's case the partners are buying back 56% of the stock because they already hold 44%.

Points out Rosin: "The perception of a stock being priced below the true value of a company is the prime reason for a buyout of any kind, be it management privatization or a hostile takeover bid. As long as Wall Street continues to misunderstand broadcasting com-



*Wall Street's misconception of broadcast's worth offers those buying and selling station groups a chance to "make big bucks."*

Larry Rosin

panies and their true worth, there will be opportunities to make big bucks by buying and selling station groups."

Back at Infinity, Karmazin says his stations are operating so successfully that he plans no personnel changes and no format changes: "Nothing is broken, so there's nothing to fix."

The stations involved are KROQ(FM) Los Angeles, WXRK(FM) and Spanish-language WJIT New York, WJJD/WJMK(FM) Chicago, KOME(FM) San Jose-San Francisco, WBMW(FM) Washington, KVIL AM-FM Dallas-Fort Worth, KXYZ Houston, WYSP(FM) Philadelphia, WBCN(FM) Boston, WOMC(FM) Detroit and WQYK AM-FM Tampa-St. Petersburg.

### Radio Express distributes Bishop Tutu concert

Radio Express has obtained the international radio syndication rights to the Bishop Tutu World Peace Concert scheduled to be held concurrently at the Los Angeles Memorial Coliseum and Madison Square Garden in New York on Saturday, Sept. 10. The 12-hour event is being billed as featuring more than 70 different music groups.

Radio Express, founded two-and-a-half years ago, claims to have more than 500 subscribing stations in more than 50 countries. Most recently, it produced and distributed the Monterey Pop Radio Concerts program.



system. The channel expects to soon expand that service, subtitled half of its programs in Dutch starting in October.

The Children's Channel produces about 30% of its own programming, and while the channel's chief buyer, program director Dan Maddicott, has a small budget, he has acquired a variety of widely respected programs, many from the U.S.

**American programming.** American buys include 26 episodes of *Pinwheel House* from Nickelodeon, the half-hour animated series *He-Man and Shera* and *BraveStar* from Filmation, the half-hour series *My Little Pony and Friends* and *Transformers* from Sunbow, the hour-long dramas *Rookie of the Year*, *Bridge of Adam Rush*, *Hewitt's Just Different*, *P.J.* and *the President's Son*, *The Amazing Cosmic Awareness of Duffy Moon* and *Ace Hits the Big Time* from the Los Angeles distributor, Jim Philips; shorts from Phoenix Films and half hours and hours from Learning Corporation of America pretty much rounds out the Children's Channel offerings of American Programming.

**Jumping the gun.** Recently The Children's Channel appointed Thames Television International, one of its shareholders, as its exclusive overseas distributor. While that may be jumping the gun, TTI reports some sales and is particularly looking forward to handling the English-language teaching program *The Children's Channel* is set to launch on Oct. 1.

In spite of all the obvious problems which small audiences engender, many observers are looking closely at The Children's Channel. They recognize that it moves at a far slower fiscal and audience growth pace than some of the more flamboyant, free-spending pan-European channels. It really has more in common with its successful U.S. counterparts—the Nickelodeon or Discovery channels—targeted at a specific audience.

As such, in the long run, The Children's Channel may be a barometer to gauge whether the future of pan-European television can be profitable.

## BSB mounts all-out D-MAC attack in high-tech dogfight for Euro skies

Although British Satellite Broadcasting officials have yet to even announce programming purchases, for the time being the battle for satellite channel viewing is being fought on technical terms: who has the best and cheapest system of receiving the signals which aren't there yet.

At a news conference, BSB executives broke ground on several fronts. First they announced that BSB will match Amstrad's price for a low-cost receiver. They also claimed to have obtained exclusive television rights to a newly developed 25 cm flat aerial, and they demonstrated for the first time ever a satellite-delivered D-MAC transmission of a motion picture.

If things go well, BSB will be on the air late next year, almost a year

ment that he had leased the four ASTRA transponders.

As they are now constituted, neither receiver is capable of picking up transmissions on satellites other than the ones for which they have been designed. Therefore, anyone who installs an Amstrad receiver will only obtain PAL pictures from ASTRA, while those who buy the BSB receiver will only receive the D-MAC transmission from BSB.

BSB chief executive Anthony Simonds-Gooding made it clear that there wasn't space for Murdoch and him in the same skies. "There will be one winner and one loser," he declared.

## Gershman batting two for two with World Int'l

World International Network, the consortium put together by Larry Gershman, has taken delivery of the \$3.3-million two-hour film *The FBI Murders* and has begun shooting on the \$7.2-million three-hour movie *Day One*.

If ever there was any doubt that Gershman could pull off his ambitious plan to link up some of the biggest international broadcasters in the world, these two major productions have made WIN a winner.

Both *The FBI Murders*, produced by Telecom Entertainment, and *Day One*, from Aaron Spelling Productions in association with Paragon Motion Pictures and David W. Rintels, were sold to NBC-TV and CBS-TV, respectively, for airing in 1989.

According to Anita Van Petten, head of business affairs for the Beverly Hills-based company, *Murders* and *Day One* may be released first theatrically in some countries, then go into the home video window before their television run. Gershman hopes to have home video deals wrapped up by the time the MIPCOM market opens in Cannes next October.

Spelling indicated that other productions will be forthcoming.

*Day One* has been pre-sold in 28 countries for telecasting in 1989.



**Anthony Simonds-Gooding,** BSB chief exec: "There will be one winner and one loser."

after the ASTRA launch. Rupert Murdoch has booked four transponders on ASTRA, including Sky Channel. All his channels will be transmitted in the conventional European standard, PAL. Murdoch and his ally, Alan Sugar, chairman of Amstrad, are banking on their ability to eliminate BSB as serious competition before it even goes on the air.

Sugar first announced his low-cost receiver—approximately \$370 for the standard model and \$450 for the remote control version—in tandem with Murdoch's announce-

# Radio Business Barometer

## Networks up 5% during July

Network radio, which has not exactly been going great guns this year, fell in the plus column in July. It was the third month this year that gave rise to such glad tidings.

The increase was modest, only 5.0%, but it was welcome and it was a little better than some network people expected. The July revenue total, reported by the Radio Network Association and based on data assembled by the accounting firm of Ernst & Whinney, came to \$34,144,707, compared with \$32,522,859 last year.

Not all parts of the country were up. In the four sales territories reported by RNA, two were up and two were down. The biggest-billing territory—New York—was up 13.0% to \$20,300,820. Sharing the happiness was Detroit, fueled by heavy auto billings. The Motor City territory climbed a hefty

43.0% to \$2,806,632.

On the downside was Chicago, which had been doing pretty well, and Los Angeles, which hadn't. The Windy City territory was off 13.8% to \$8,940,554, while the West Coast area was down 5.6% to \$2,096,701.

For the seven months to date, network radio overall is now down only 0.4%. The revenue total is \$210,430,255.

As for the sales territories, New York, after seven months, was still off 6.0%, with a revenue total of \$123,435,313. Chicago was up 8.2% to \$60,036,565, Detroit was way up 38.1% to \$15,623,119 and Los Angeles was down 13.2% to \$11,335,258.

Peter Moore, president of the RNA, expects another small increase in August. At mid-August, September looked "lousy" to Moore, but he was hopeful since July and August likewise hadn't looked good at all during the months before.

At the ABC Radio Networks, which also sells for the Satellite Music Networks and which together represent over a third of all network radio billings, according to BAR, the picture was moderately upbeat.

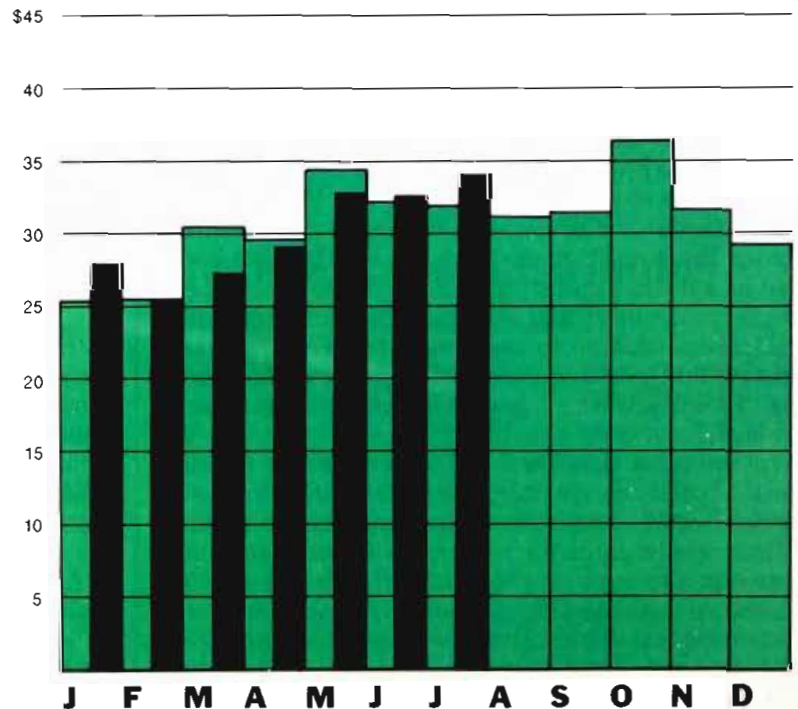
Lou Severine, senior vice president, sales, for the ABC audio webs, figured that his sales would be up about 5-6% for the third quarter. In mid-August, ABC/SMN orders were running about 5% ahead of last year for the fourth quarter. "The fourth quarter could be decent," said Severine. "There's a lot of stuff out there."

Regarding specific brand activity, Moore found that Buick and K-Mart have been "strong," but AT&T "soft."

Severine said the strong ad categories for his networks have been automotive and retail. "We got a hit from General Motors (in the summer quarter) and autos should carry over into the fourth quarter. Sears and other retailers have been strong."

## July

Network (millions \$)



**Network** **+5.0%**

(millions) **1987: \$32.5** **1988: \$34.1**

### Changes by territories

Territory	Billings (000)	% chg. 88-87
New York	\$20,300,820	+13.0 %
Chicago	8,940,554	-13.8
Detroit	2,806,632	+43.0
Los Angeles	2,096,701	-5.6

Source: Radio Network Association



## Listener credit cards spread fast and far, coast-to-coast

Jacor's ideas on "bonding" listeners closer to its radio stations are spreading. One of those ideas is the affinity credit card for a radio station's listeners (TV/RADIO AGE, May 16, 1988). The Stamford, Conn.-based Monogram Bank, one of several banks Henry Kavett's IGC/Direct Marketing Group has been negotiating with, has agreed to offer "The Radio Credit Card," a comprehensive marketing and bank card promotion program, to radio stations across the country.

The Radio Credit Card is a Visa or Mastercard that displays a radio station's call letters and is issued to listeners of the radio station participating in the plan.



*"With radio's broad consumer reach, we anticipate a significant enhancement of our credit card base."*

**Henry Kavett**

Listener benefits for card carriers include special discounts from local retailers, a special low interest rate, and the annual fee waived for a set period, plus a 25 day grace period in which the listener-cardholders may pay their bill without finance charges.

IGC president Kavett sees the card offering radio stations "an excellent opportunity to increase market share. It can expand a station's cume audience through strong retail participation, which in turn can increase a station's retail sales revenues. And it generates a new category of nonsales income for the station."

**Ocean research.** Meanwhile, in Westerly, R.I., IGC client WRX(FM) has introduced a novel and timely pro bono benefit. WRX also says its new WRX Monogram MasterCard comes with dozens of special cardholder discounts from participating retailers but adds that as a further incentive: WRX will contribute part of the proceeds from the program to charities and agencies committed to ocean research. General manager Philip Urso says "Hospital waste and other trash that recently washed ashore indicates a significant problem."

At the same time, in San Diego, Fairwest Promotions, an IGC competitor, has inked First Financial Savings of Wisconsin to a five-year deal to handle affinity credit cards for leading 25-54 radio stations. Fairwest also says its program includes insertion of station advertising with the monthly bank statements and offers "other incentives for longer listening."

Back across the country in Stamford, Monogram Bank vice president Craig Gibson predicts, "With ra-

dio's broad consumer reach, we anticipate a significant enhancement of our credit card base. The Radio Credit Card program creates an affinity consumer group: a station's listeners. The station reaches that audience on a continuous basis to create an ideal marketing environment."

**Different idea.** Another station bonding approach is the Frequent Listener Club. In Houston, CBS-owned KLTR(FM) reports its Frequent Listener Club growing stronger every day, with over 10,000 Houston-area listeners registered. Program director Ed Scarborough reports club members are offered opportunities to win tickets to concerts, sports events and trips, among other benefits that draw club members into closer involvement with the station.

He says station management looks to the listener-club members for input on programming ideas. This, he adds, "makes the listener directly involved in our personalized light rock style. Club members have expressed interest in more tunes from the '60s and 30 minutes of continuous light rock favorites every hour after 9 a.m." He says club members have also encouraged KLTR to offer more "K-LITE Starsets"—three songs in a row by top light rock artists—and that this has led to "Starset Saturday," featuring a Starset every half hour.

Other markets where radio stations operate listener clubs include Philadelphia, Boston, San Francisco and Dallas-Fort Worth.

## NBC Radio picks a winner



The reason Bill Battison, l., president, Westwood One Inc., and Richard Bonn, r., executive producer, Summer Olympics, NBC Radio Network, look happy is they've just signed former Olympic gymnastics champion Mary Lou Retton, c., to NBC Radio Network's team of expert commentators for its coverage of the Summer Games from Seoul, South Korea. Other broadcast team members will be NBC Radio's Bob Berger, Ed Coleman of WFAN New York and Olympic historian David Wallechinsky.

A key feature of NBC Radio's coverage will be what Battison says is the first time listeners across the U.S. will be able to talk to the athletes and NBC's experts daily by calling a toll-free 800 number. NBC will present 26 ninety-second updates from Seoul daily.





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up in the ABC/Bortz report undoubtedly have been talked about, formally or informally, at recent CBS and NBC affiliates gatherings as well.

### On their minds

Among the topics on their minds, if not always on the agenda, are these:

- Compensation and preemptions;
- Revising the way commercial time is sold and formatted;
- A new emphasis on marketing efforts;
- Joint financing of major sports and entertainment program costs, with affiliates sharing in the risks and also in the ad revenues.

Here is what the network and key affiliates have to say about their partnership as it prepares for the 1990s:

### NBC

Pierson Mapes, network president, hinted before the "peacock network's" affiliate gathering in June that changes were afoot by saying, "Change is in the wind" in the network business and that "we need to look at every element in our relationship . . . How can we sell together the unique value of our medium? How can we share the risks and rewards in an increasingly high risk business?" A onetime head of affiliate relations, he also men-

tioned in passing an affiliate survey NBC conducted "to gauge the values of the numerous services we provide for you."

John Damiano, NBC's vice president of affiliate relations operations-east coast/corporate affiliate relations, says, "There's really no timetable" for changes. "We're working on a lot of fronts . . . Comp is always part of the package, certainly a part of any new relationship [though] we're unsure if it will be as important or less important."

James Sefert, chairman of the NBC affiliates board and president of Cosmos Broadcasting Corp., Greenville, S.C., says that the board and NBC "have for some time been going through a reexamination of the [network/affiliate] relationship."

However, Sefert declines to get into details about those talks. "There have been no recommendations from either side that we're ready to lay on the table," he says, "but I suspect within six months there may be." When asked about restructuring comp fees, he says, "I haven't heard for some time from NBC about cutting comp."

For the most part, Sefert notes, the issues discussed were "not economic-minded."

Just such a thorny issue arose in late July, when the networks asked the FCC to be allowed once again to operate national sales representative companies. Affiliates, independent TV reps and groups like

the Assn. of Independent Television Stations and the Station Representatives Assn. objected, urging the FCC to keep the prohibition intact.

Though NBC argued that lifting this ban would benefit affiliates, SRA and affiliates feared they would be pressured by a network owned rep against preempting network programming or developing non-network program options.

Among the station groups protesting the networks' move were Multimedia Broadcasting, whose president Jim Lynagh is the immediate past chairman of NBC's affiliates body, and Group W Television.

### CBS

CBS recently took the once unthinkable step of phasing out the network presidency in favor of putting the affiliate side in stronger focus. Anthony Malara became president of the new CBS affiliate relations division and Thomas Leahy president of the CBS marketing division.

"Discussions go on all the time," says Malara, but "I have no plan for the [affiliates] board on any change in the basic way we do business." Mindful of the gist of the Bortz report, though he has yet to see the report itself, Malara promises to discuss it with the CBS affiliates board shortly. "We expect to talk about it [and ask,] 'How do you

### Major League Baseball on ABC

*Bortz borrowed the risk-sharing concept from ESPN, which last year asked its cable systems to contribute toward rights fees for its NFL games and share in ad revenues.*





On the menu: compensation shifts,  
joint financing of major programs

# TV web-affiliate relationship seen changing with times

By JAMES P. FORKAN

**A**s the Bob Dylan song says, "The times they are a-changin'," so the Big 3 TV networks and their affiliates are starting to earnestly explore changes that will better equip them to survive and prosper in an increasingly competitive environment.

Though execs at ABC and NBC especially have hinted strongly that affiliates should expect changes in the way they and the networks do business and even be willing to think the previously unthinkable about their longtime partnerships, there do not appear to be any imminent shakeups in those partnerships. More than anything, the discussions to date have been little more than food for thought—most notably a media

consultant's report for ABC which, among other things, suggested affiliates join ABC in paying megabuck sports rights or financing lavish miniseries. Yet even in such a preliminary phase, such food for thought is giving some affiliates indigestion.

ABC has been the most vocal about altering the network/affiliate partnership, as when John Sias, ABC Network Group president, suggested "the whole contract" should be scrutinized to determine whether it is "serving us well in today's environment." ABC also presented the most detailed list of options that could be acted upon in the future, via a report, "The Network/Affiliate Relationship, Now and in the Future," compiled by Paul Bortz, Denver-based media consultant.

Still, many of the topics brought

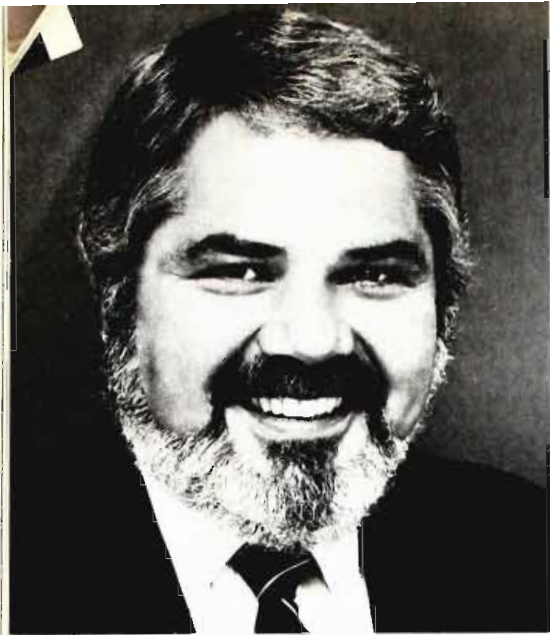
## "War and Remembrance"



**Television/Radio Age**

August 22, 1988

*Spreading the risk  
on programming  
like the \$105  
million "War and  
Remembrance" was  
recommended to  
ABC by consultant  
Paul Bortz.  
Affiliates would  
contribute and  
share in ad  
revenues.*



*"I have never met an affiliate who wants to be an independent. . . . What that says to me is that these are smart, shrewd business people."*

phasis on marketing. "I think CBS has taken steps, along with its affiliates, in expanding the marketing function, and that seems to be scoring some results."

Smith, noting that CBS has done no study similar to ABC's Bortz project, dismisses one of that report's suggestions, on "risk sharing" in event programming. "We're already sharing costs on those shows for which no comp is paid," he feels.

Although "there appears to be more pressure on the relationship" to outsiders, Malara concludes, "I am convinced affiliates are more aware of the relationship. . . . I never met an affiliate who wants to be an independent. That to me is the real question. What that says to me is that these people are smart, shrewd business people" who know the value of what they have.

Affiliates' "second most important piece of paper" is the network-affiliate agreement, Malara feels, noting the first is the FCC station license.

## ABC

Since the Bortz & Co study was presented to affiliates last June, George Newi, vice president of ABC's affiliate relations, says, "Nothing's been rejected." On the other hand, he notes, "We're looking at all kinds of things [but] we [at ABC] don't necessarily agree with everything [Bortz] is saying."

Without delving into what ABC

agrees and disagrees with, Newi says, "Whatever happens, it's going to be a lengthy process," with no "immediate" action likely on any of the subjects. "Nobody is going to dictate to the affiliates," he adds.

David Lane, chairman of ABC's affiliates board and president of WFAA-TV Dallas, says, "The way I read the [Bortz/ABC] report, it is theoretical, philosophical, what may be in the future. . . . Not proposals, just food for thought."

Discussions about changes in the network/affiliate partnership "will continue to occur" for some time before any decisions are made, he notes. Lane agrees with the point made in the report about marketing but questions two other points, on comp and "risk sharing." Involving affiliates in helping finance bids for the Olympics, specials like the Academy Awards or contributing toward the production of a massive miniseries like *War and Remembrance* is "not workable," in his opinion.

"We would be constantly chasing the ever-escalating price of those events. [Better to] do what we have historically done, networks bidding for events," he maintains. "If those [promoting such events] understood another pocket of money was available, we would never be able to see the top of the spiral."

Bortz borrowed the risk-sharing concept from ESPN, which last year asked its cable systems to contribute toward the rights fees for its NFL games as well as share in 40%

of that package's ad revenues.

As for overhauling comp, Lane says, "Most [veterans] in our business would say this issue will continue to be discussed over some period of time and some new relationship will evolve. Having said that, I don't know of any plan at ABC [to do so]. The issue will continue to be front-burner, but I don't see anything dramatic happening in the near future. Some things will probably be considered in lieu of comp, but I don't see that happening in the next year or two."

Among other Bortz suggestions are basing station comp on clearances, market size and/or program ratings—with slow to build series, for instance, bringing affiliates higher comp. A low-cost, low-rated show like *Our World* is "the kind [of show] a network shouldn't do," Bortz says, because it hurts affiliates and their preemptions erode the network—so neither short-term strategy leads to long-term success.

## Time for changes

ABC should also consider more creative selling tactics, Bortz says. It should vary "pods" of national/local time to better appeal to clients worried about clutter, for example, and expand inventory in some dayparts while shrinking it in others.

ABC has suggested its stations take back Saturday 8 to 9 p.m. (ET) a low-rated time slot already ravaged by heavy preemptions. But the stations reportedly rejected the idea. At NBC, talk of "givebacks" of program time to affiliates centered on daytime, an area in which NBC has long lagged behind its two rivals.

Bortz also urges ABC to sell 15s at more than half the 30-second rate. Otherwise, the 15 rate will remain depressed, particularly in daytime, he warns. He is hopeful the networks will "rectify" this "major mistake" in "the next year or two."

In his view, "Broadcasting simply is a medium that doesn't know how to sell itself." Networks and affiliates must "get away from the commodity sell" because selling time like bushels of wheat makes ad sales as volatile as the commodities business. □



... feel about [its main points]?"

Regarding comp, he says, "We've had no long conversations about that lately." On the other hand, "I think there will always be conversations about comp. It's an important issue and a very big item on both sides of the table... \$500 million for the three networks."

Malara, who has been trying to hold down preemptions in various departments, lately has been urging stations to clear the forthcoming late night show hosted by Pat Sajak. Due Jan. 9, this show is designed to appeal to those stations that have been bumping the current repeat fare. Despite the fact that some affiliates have their own revenue-producing late night hits locally, Malara says, "We need to work together to improve our clearance. There is no choice here... It's the tough call that's necessary to move beyond the short term and build for the future."

Leahy, meanwhile, will lead the charge for more dollars from alternative media as well as from advertisers' burgeoning promotion budgets. Besides pursuing TV and cable ad dollars, Leahy will be targeting all national ad spending (including print) as well as promotional budgets. The latter, he has noted, totaled about \$100 billion in 1987 alone (TV/RADIO AGE, July 1).

**Major marketing thrust**

David Poltrack, vice president of marketing, is calling attention to affiliate marketing as an added element in CBS' "new marketing initiative." In this two-pronged attack, "the network would work with the manufacturer on a national [sponsorship] level" with the National Collegiate Athletic Assn. basketball tourney, for example. In the meantime, the affiliates would work with retailers on the local aspects of such a sponsorship, he adds.

CBS also is seeking advertiser support for several other promotional notions, which Poltrack labels "the 900 number test," "the direct mail test," "the daytime project" and "the children's Saturday morning clubhouse."

Working with CBS, an advertiser could ask viewers to call a 900 num-

*"Whatever happens, it's going to be a lengthy process... Nobody is going to dictate to the affiliates."*



**George Newi, ABC**

ber for an informational pamphlet, a batch of cents-off coupons and the like. The phone number, exclusive to CBS for 90 days, can handle 120,000 calls a minute, at \$2 each, with Poltrack noting, "The level of viewer response will provide an important gauge to network TV's effectiveness and immediacy as an advertising medium."

The direct mailing would be pegged to a specific event or certain program, he adds, while the clubhouse idea would involve CBS, kiddievid advertisers, affiliates and viewers "on both a national and local level."

Leahy is reluctant to discuss the timing for linkups along these lines, noting they require careful planning and respecting client confidentiality for competitive reasons. "There's a lot of good conversation going on and desire on the part of advertisers," he says. There are "good opportunities," he adds, noting advertiser/retailer and network/affiliate matchups will be

dictated by each client's structure. "For some companies, it may not apply."

Promotion, in fact, was the hot topic at CBS' last affiliates meetings. Affiliates were quite vociferous about the inadequacy of CBS' recent promo support for the schedule, so much so that Laurence Tisch, CBS Inc. president/CEO, acknowledged, "We must do better with promotion—much, much better."

Tisch also conceded, "We have missed the boat on sales and marketing, selling our product as a commodity the same way we did in the glory days... This is not a time for business as usual."

The fact that changes in comp did not come up does not surprise E. Berry Smith, secretary and treasurer of the CBS affiliates board and president-general manager, WSBT(TV) South Bend, Ind. "I think the current compensation arrangement is satisfactory."

Smith lauds CBS' increased em-

**Pierson Mapes, NBC**



*"Change is in the wind... We need to look at every element in our relationship."*



*“As the medium becomes less efficient, it’s going to be less attractive from a planning standpoint.”*

while the differential means a lot to the station, the advertiser is making the buy at a certain cost per point, and if that objective is met, it’s irrelevant that shorter units are being charged at the 60 rate.

While the practice is primarily on FM stations now, Butrum says, “If I were running an AM station, I think I’d do the same thing.”

Charlie Colombo, president of Banner Radio, meanwhile, counters the agency complaint that unit pricing gives network radio a greater edge in efficiency: “I know it bothers them that 30s on network go at 50% the 60 rate, but spot rate cards are driven by what a station can get for its time. Network is a barter situation; stations clear the spot because they clear the programming. You have to look at it in a different light. There’s a huge difference in accountability [for clearances] between network and spot.”

But Jack Deitchman, senior vice president, director of local broadcast at Ogilvy & Mather, counters, “This certainly has discouraged a number of advertisers who use network radio, where they tend to use 30s for a definite cost advantage. In many cases, clients are using 30s as fill-in, and if I have to pay the same rate as a 60, I’d think twice.”

Deitchman indicates his agency isn’t going to take it lying down: “We’d hope to test the waters with the leverage we have because we’ve consolidated all spot radio buying out of one unit in New York. I think we’re now the largest spot radio spender combined.” He says he hasn’t put this clout into motion yet, “but we expect to get into it as we get into the fourth quarter.”

Richard Cotter, vice president, regional broadcast manager at J. Walter Thompson, also hopes to negotiate around the issue. He



**Phil Guarascio**

says, “We might agree that a limited number of units is good for the medium, but I don’t think the advertiser should foot the bill.”

Cotter notes that his agency’s direction is to work out a package on a discounted cost-per-point, and if unit-priced 30s fit into that package, “we don’t care what they say they’re pricing 30s at.”

One concern of Schultz at Lintas is that advertisers may be required to have two sets of commercials in order to get full value on stations charging premiums for 30s. He adds, “Just the same, a 60 may be inferior to a 30. Sometimes brevity communicates more than length.” He resents the idea of padding a commercial.

Schultz so far hasn’t discouraged buys on unit-priced stations. He says, “Overall, for most of our clients, we’ve been encouraging them to use 60s. We’d rather see good 60s and fewer of them. The 30s our clients have are usually cut down versions of 60s.”

He doesn’t believe the stations are charging the 60 rate just to make money. With many charging even as high as 90% of the 60 rate for 30s already, he observes, “If

**Tom Fuld**



they were just going for more bucks, it would be to their advantage to jam in as many 30s as they can.” And he sees more AM stations following the FMers into unit pricing because, “They have a real problem bringing listeners back and have to think in terms of a better sounding station.”

Tom Fuld, vice president, associate director of network programming at BBDO, observes that, in addition to The Source, some syndicators have been talking about going to unit pricing. The latter, he says, are mostly those with lineups of stations that need to be clutter-free—for the most part, AOR stations.

But he doesn’t see the concept going anywhere with networks in general: “The market is soft enough that it would seem to be the wrong time to institute a ruling that would curtail creativity. It might make a lot of sense for a certain type of station or advertiser; it depends on the value of the audience. I can see it differing by type of product. If you’re selling a Cadillac or Mercedes, you might like the premium position.”

One agency observer, who declines to speak for attribution, points to the reason The Source can get away with unit pricing while other networks can’t: “The stations it affiliates with have very low commercial loads, and their contractual obligation is for units—126 units a week. Most other networks have contracts for a certain number of minutes.”

“Since The Source’s inception in 1981,” says Greg Batusic, executive vice president, director of sales, Westwood One, “it has always been a unit network. But the price of units has always been subject to negotiation.” □

*“The market is soft enough that it would seem to be the wrong time to institute a ruling that would curtail creativity.”*



# Double-dealing in radio buys?

## Unit pricing grows, cleans up environment at a price

by EDMOND M. ROSENTHAL

**R**egarded by some as a means of cleaning up the radio environment and by others as a new excuse to clean out advertisers' purses, unit pricing is taking hold rapidly in the medium. The practice involves selling 30s at the same rate as 60s, and industry estimates are that 15–20% of radio stations are now doing so—with many more to follow.

The practice is most prevalent on FM stations with formats like album-oriented rock, geared to a light commercial load, but that hardly seems to be the end of it. A significant example, according to Lou Schultz, executive vice president, director of media services at Lintas USA, is that an AMer like WJR Detroit has moved to unit pricing: "It's one of the top stations in the country, and the idea is to make a cleaner sounding broadcast [via fewer commercial units]. But my own point of view is that stations perhaps are going to discourage some people from using spot."

When it comes to actual buying, none of the agencies queried say they are refusing to pay 100% of the 60 rate for 30s as such, but many say the differential between that and the typical 80% rate that has been paid in the past can be overcome in negotiating the entire schedule. Where they say it will be most important is in the planning

Lou Schultz



process, where spot radio in general will tend to look less efficient—particularly in comparison with network radio, which still charges 50% of the 60 rate for 30s. The principal exception among networks is Westwood One's The Source, which has been unit-priced since its inception in 1981.

### Removing flexibility

"Stations have to look at the longterm," asserts Phil Guarascio, executive director, advertising services, General Motors Marketing and Product Planning. "As the medium becomes less efficient, it's going to be less attractive from a planning standpoint."

Guarascio earlier made his point at the recent Annual Radio Workshop, sponsored by the Association of National Advertisers and the Radio Advertising Bureau, where he said, "There is no longer an incentive for using a 30 or a 10-second spot. That reduces the advertiser's flexibility. The rationale we hear is that fixed unit pricing will lead to fewer commercials and unclutter the medium. But this is perceived by many advertisers as a transparent attempt to raise prices without increasing real value."

Where others point to the comparative values of spot and network radio, Guarascio says unit pricing could also move some advertisers back toward TV, where "we can get

roughly the same audience count using a 30-second TV spot as 60 seconds in radio."

Guarascio tells TV/RADIO AGE he's heard reports from agencies around the country that place unit pricing usage as low as 15% of stations and as high as 30–35%, although he believes it's currently on the lower side. He sees it moving quickly to stations with high sold-out positions. While GM is taking issue with the practice, he notes, "We're not going to cut off our nose to spite our face" by refusing to deal with unit-pricing stations. He notes buys will be looked at in terms of overall efficiency.

At Eastman Radio, Carl Butrum, president, understands how advertisers feel the policy "restricts access to the medium," but he contends that, while it makes a very significant dollar difference to the operator, it doesn't make that much difference overall to the advertiser. He points out that the practice became most prevalent with FM operators because they were only selling eight to 12 minutes per hour—and an extreme high of 14—against 16–20 minutes per hour on an AM station.

### Less for more

Butrum points out unit pricing is the second means these low-inventory stations have used to optimize revenue. The first, more than a decade ago, was to extend their definition of their primetime—morning and afternoon drivetime—making morning from 5:30 a.m. to 10 a.m. vs. 6–10 a.m. and afternoon 3–8 p.m. vs. 3–7. "This concept still meets some resistance," he notes, "but it's generally accepted now."

As for unit pricing, Butrum says it can mean 3–5% more gross for the station. He notes that, if 20% of the spots sold are 30s at the usual 80% of a 60, the 30s only represent 16% of revenue. But if the spots are charged at 100% of the 60 rate, "The impact in terms of overall efficiency is only 4%." He holds that,

*"If they were just going for the bucks, it would be to their advantage to jam in as many 30s as they can."*



## Films colored by AFT

Title	Client
Key Largo	Turner
David Copperfield	Turner
Miracle of the Bells	Republic
Thirty Seconds Over Tokyo	Turner
*Body Snatchers	Republic
*Miracle on 34th Street	Fox
*King Kong	Turner
Just Around the Corner	Fox
Gunga Din	Turner
Stand Up and Cheer	Fox
Casablanca	Turner
Flying Tigers	Republic
Curly Top	Fox
Sands of Iwo Jima	Republic
Wake of Red Witch	Republic
*Mr. Peabody & Mermaid	Republic
*Rio Grande	Republic
*Fighting Kentuckian	Republic
*Magic Town	Republic
Boomtown	Turner
They Were Expendable	Turner
Catered Affair	Turner
They Drive by Night	Turner
*Captain January	Fox

Films do not include those from AFT distributed by Orbis Communications and Multimedia, consisting of 12 films each. \*Planned Colorimaged films.

the station that's No. 1 in the market is discriminating because of its image factor. "They want a quality color movie; otherwise they feel their image will suffer."

When it comes to ties with syndicators, both AFT and CST recently have made some major deals for distributors to handle the clearances and sales of their owned product. AFT reached separate agreements with both Orbis Communications and Multimedia Entertainment for both syndicators to handle its Colorimage films, which in most cases contain public domain movies. In Orbis' case, according to Weitzman, there are 12 films for which AFT owns the color copyright and which Orbis will distribute via barter on a monthly basis beginning in October.

Films include *Angel on My Shoulder*, *Gung-Ho*, *Eternally Yours* and *Outpost in Morocco*. The series is being marketed as Orbis Color Classics. At Orbis, a spokesperson says the package has been cleared to date in 37 markets,

representing 28% of the U.S. Markets include WPWR-TV Chicago, WBNX-TV Cleveland and WZLZ-TV Miami.

The Multimedia agreement calls for Multimedia to market four *Sherlock Holmes* movies to which AFT owns the color copyright and 12 other films that are being acquired and also copyright-owned by AFT. The films will be sold on a barter basis with availability beginning in early 1989, says Weitzman. The four *Holmes* films will run as two three-hour specials with wrap-arounds.

As to CST, it recently made a new agreement with Columbia Pictures Television that includes a settlement of the litigation related to the 1987 joint venture formed by CST with what was then Coca-Cola Telecommunications. Under the new accord, CST's library of 90 features, which includes both color and black-and-white films, plus the *Abbott & Costello* TV series and three animated series including *Felix the Cat*, will be distributed worldwide by CPT.

Also, the contract provides for 12 black-and-white films in the library to be color-converted, with financing coming from CPT. The first of the new color films to be delivered for syndication was *Africa Screams* (a public-domain film). Three others, *The Corsican Brothers*, *Miss Annie Rooney* and *Kit Carson*, are to be delivered by CST by the end of October.

### Quintex-MCA deal

Others in the 12-title arrangement are to be colored during the succeeding eight months. Just how CPT will market the films was not yet determined as of presstime. But the speculation is they will be offered on a barter basis to commercial TV stations as a monthly syndication package.

Besides the worldwide distribution rights, CPT will have the home-video distribution rights to the color-converted films, subject to pre-existing home video agreements with RCA/Columbia International Home Video and with Video Treasures.

One of the more recent color agreements made by Quintex was with MCA TV, says Rob Word, se-

## Films colored by CST

Title	Client
Miracle On 34th Street	Fox
The Absent-Minded Professor	
Yankee Doodle Dandy	Turner
Rebecca of Sunnybrook Farm	Fox
The Maltese Falcon	Turner
Forty-Second Street	Turner
Our Little Girl	Fox
Heidi	Fox
Captain Blood	Turner
The Sea Hawk	Turner
Little Shop of Horrors	Vestron
Dark Victory	Turner
The Fighting 69th	Turner
Farther of the Bride	Turner
White Heat	Turner
Destination Tokyo	Turner
Prince and the Pauper	Turner
The Shaggy Dog	Disney
Carbine Williams	Turner
San Francisco	Turner
Across The Pacific	Turner
A Christmas Carol	Turner
The Stratton Story	Turner
The Fastest Gun Alive	Turner
Little Miss Broadway	Fox
The Asphalt Jungle	Turner
The Gazebo	Turner
Adam's Rib	Turner
The Roaring Twenties	Turner
Young People	Fox
High Sierra	Turner
Philadelphia Story	Turner
Charge of Light Brigade	Turner
Susannah Of The Mounties	Fox
Bataan	Turner
The Poor Little Rich Girl	Fox
Action In North Atlantic	Turner
Sergeant York	Turner
Stowaway	Fox
The Little Colonel	Fox
Bright Eyes	Fox
They Died With Their Boots On	Turner
The Postman Always Rings Twice	Turner
Arsenic and Old Lace	
Dr. Jekyll And Mr. Hyde	Turner
Baby Take A Bow	Fox
Knute Rockne-All American	Turner

Does not include films owned by CST or films to be distributed by Columbia.



Coventures, syndication subsidiaries  
being set up by color converters

# The color's green as black-and-white gets a paint job

by ROBERT SOBEL

**W**ith close to a hundred black-and-white movies and a growing number of television shows currently available or on the drawing board for color-transfers, and with thousands of both to eventually wind up in public domain, the color-conversion market has become a high-takes, color-them-green money game, filled with vast revenue potential.

One current estimate puts the market for coloring films and TV shows on the part of the color-makers at about \$5 billion, enough money to make other entertainment industries green with envy. The three major players, the two-year-old fledgling American Film Technologies; Colorization, a Toronto-based company owned by Quintex (Roach and Halmi); and Color Systems Technology, all are experiencing wide growth. A fourth company, which is smaller than the others, is Tintoretto, Canadian-based formed in 1986 by some former Colorization employees.

Only Colorization, through Quintex, has its own syndication setup for distributing both its own and other syndicators' material. However, one of the major expansion plans set by both other companies is to form their own syndication operation for their owned product. In fact, AFT is already headed in that direction by setting up AFT Entertainment Group, headed by Nat Leipziger, which at present acts as liaison between AFT and syndicators that distribute AFT-owned Colorimage films. At some point, according to Bernard Weitzman, AFT president, AFT Entertainment will do its own syndication.

Also, all three major players are looking for coventure arrangements, obviously as a means of obtaining additional revenues and widening their client bases. At CST, Joseph Adelman, president of CST Entertainment, notes the division is talking to people about coventures whereby they would supply the films and "we would do the coloring at our cost and share in the distribution revenues."

Another scenario, he continues, "would be that they or we would find another distributor on a joint-venture basis." At AFT, Leipziger says the company is "open" to joint ventures with people who can't afford colorimaging. "We would work out a deal to Colorimage them for a participation in the profits."

Quintex is not shutting its doors to coventures, if a company has the rights to a very good film and if

decent financial arrangements can be worked out.

But the color picture is not all rosy for the color-makers. Not only is Washington breathing down their necks via "purist" writers, directors and producers, as lobbyists against color, but in many cases the client demand can't keep up with the production facilities, creating a large backup in orders or causing changes on the part of clients in scheduling the specific film on air.

The major obstacle in the backup situation, according to one observer, is that the color people are looking continuously to introduce better state-of-the-art technology in quality than they have at present. The observer notes, "If they have poured a lot of money into one technology, it may be obsolete the next day, and all the money they have invested in the operation will have gone down the drain. So they have to be careful of how much and what kind of equipment they bring in. Consequently, they want to keep their facilities for their assembly line down to a minimum.

"Also, they are looking for ways to speed their output, which also means looking at new ways to do so." Whether the viewer knows the difference between one color movie's quality vs. the other is questionable. But, the observer adds,

*CST has already colored  
50 films, including 35  
for Turner in a deal that  
calls for 75.*

"The Maltese Falcon"





1989.”

On its own production line, CST has already colored 50 films, including 35 for Turner, in an arrangement that calls for about 75 features to be delivered at a rate of one per month. Other contracts call for 16 films with Twentieth Century Fox, Disney movies on a picture-by-picture basis and a film owned by Vestron, the original *Little Shop of Horrors*.

At this point, Turner represents the majority of AFT's work, in a two-year agreement that carries an option of 36 films per year. The initial batch has been completed and delivered. Titles are *Boomtown*, *They Were Expendable*, *The Catered Affair* and *They Drive By Night*, which are part of Turner Program Services' syndicated Color Classics II, after having run on WTBS. Being colorimaged by AFT at this point is *The Americanization of Emily*.

In November, Turner is looking for a biggie to make its Colorimage debut, *Casablanca*. (For product,

see separate table, on both color-makers and clients. Data are provided by Seltel's Frank Cicha, program coordinator.)

Other AFT colorimage deals include Republic Pictures Television, which calls for 10 pictures to be color-converted over the length of the contract; for 20th Fox, a minimum of 24; and with Disney. For Republic, AFT has colorimaged *The Bells of St. Mary's*, which aired last holiday season, and *Sands of Iwo Jima*. For Fox, AFT did three Shirley Temple films, *Captain January*, *Curly Top* and *Stand Up and Cheer*.

### A better 'Miracle'

Also with Fox, AFT will recolor *Miracle on 34th St.*, originally colored a few years ago by CST. Regarding the AFT assignment on *Miracle*, CST's Edelman notes that the movie was one of the first pictures CST colored and came at a time when the process was in its infancy. Since that time he points

out, the process has improved noticeably.

He continues that *Miracle* was similar to Hal Roach's *It's a Wonderful Life*, in that "both are not as good as what we are turning out today." As to why *Miracle* went to the enemy color camp, Edelman says CST's production schedule couldn't make time for the recoloring.

Besides movies, AFT colorimaged one of 26 hours of *The Judy Garland Show*, which was shown on CBS a number of years back in black-and-white. The series is owned by Sid Luft, who was Garland's husband, notes Weitzman. Luft expects to package and market the series for syndication and/or cable exposure, and if he gets enough interest, the other shows will probably get the AFT treatment as well.

Also, AFT is working with the Disney studio on colorimaging some of the old *Mickey* and *Minnie Mouse* films, which were originally done in black-and-white in the 1930s.

In still another project, AFT is colorimaging 10 minutes of World War II footage to be used in the ABC upcoming miniseries *War and Remembrance*, to air in mid-November. Says Weitzman, "we can do this for a lot of old movies and newsreel footage that are very old but which still have great quality elements. Also, we are doing a special, which I can't name, that was originally shot in color, but about six or seven minutes were lost.

### Restoring faded color

"The only thing they could find was an old black-and-white print of the missing version, which we will match in color." Restoration is seen by Weitzman as being another vital part of AFT's business. "We can take old films which have lost their color and restore them to look like the original."

Also, AFT is exploring colorimaging some old commercials which aired some time ago in black-and-white. Weitzman notes, "We're talking now with an advertiser who wants to color the commercials rather than making new ones in color. To produce new ones

## Turner Program Services

Color Classics Network II—24  
Titles, barter, 11/11 split

Title	Avail
San Francisco	1/88
Fastest Gun Alive	2/88
Asphalt Jungle	3/88
Adam's Rib	4/88
Bataan	5/88
Boom Town	6/88
They Were Expendable	7/88
The Catered Affair	8/88
Postman Always Rings Twice	9/88
Dr. Jekyll & Mr. Hyde	10/88
Philadelphia Story	11/88
David Copperfield	12/88
Thirty Seconds Over Tokyo	1/89
Somebody Up There Likes Me	2/89
Westward The Women	3/89
Huckleberry Finn	4/89
Command Decision	5/89
All Fall Down	6/89
Mutiny on The Bounty	7/89
Captains Courageous	8/89
Treasure Island	9/89
Picture of Dorian Gray	10/89
Woman of The Year	11/89
Boys Town	12/89

Color Classics Network III  
1989 through 1990\*

Title	Avail
Americanization of Emily	1/89
Key Largo	2/89
Hunchback of Notre Dame	3/89
Bachelor and The Bobby Soxer	4/89
King Kong	5/89
Big Sleep	6/89
Allegheny Uprising	7/89
Suspicion	8/89
Angels With Dirty Faces	9/89
The Thing	10/89
Treasure of Sierra Madre	11/89
Mighty Joe Young	12/89
Out of the Past	1/90
Objective Burma!	2/90
My Favorite Wife	3/90
Father's Little Dividend	4/90
Gunga Din	5/90
Tall In the Saddle	6/90
Fort Apache	7/90
Jailhouse Rock	8/90
To Have and Have Not	9/90
Jezebel	10/90
King's Row	11/90
Christmas in Connecticut	12/90

\* Tentative schedule.



Senior vice president, production and marketing. Part of the arrangement entails producing *New Leave* episodes for fall availability, in conjunction with MCA, in exchange for Quintex obtaining the worldwide colorization distribution rights to the original b&w *Beaver* episodes (234 half-hours) and to the black-and-white *The Munsters* (70 half-hours).

Quintex will select about 130 *Beaver* episodes to be colorized in a "best of" *Beaver* package. Both *Beaver* and *Munsters* will not be available in color until 1992, under the contract's terms. However, to avoid conflict, if *Munsters Today*, the new MCA series that bows in the fall, does well and continues in first-run syndication in 1992, the colorized oldies will be delayed, according to Word.

In addition, a part of the arrangement involves the colorization of 138 half-hours of *McHale's Navy*. The launch date for *Navy* in color has been moved up from a January 1991 to a fall 1989 start, says Word. This is because of the "great response in the marketplace for the series. Luckily, the barter movies and the features are wrapped up," so the assembly line is clear for the colorization of *Navy*, "and delivery of the comedy will take place as scheduled," he says. Staffing at Colorization is being beefed up for *Navy*.

Word emphasizes, however, that colorization is a small part of the company's business. "We are a sales and distribution company, and Colorization is just one of the edges of our umbrella. We produce network and syndicated shows as well."

Colorization's initial foray into

the color-conversion market occurred a few years ago with some short features. And in 1986, it introduced a three-film color package for syndication under the Colorization Network I banner: *It's a Wonderful Life*, *Topper* and *Night of the Living Dead*.

Last fall, the company brought out 14 colorized films for barter syndication under the name of Colorization Network II, which winds up on stations in November with *Advise and Consent*. Other films in the monthly package are *Angel and the Badman* and *Made For Each Other*.

Both Colorization I and II cleared a large number of markets, points out Word. Colorization I had a lineup of 170 stations, representing 96% of the U.S., and II's lineup is 150 markets, reaching 87% of the country. Both packages, plus two *Sherlock Holmes* films which were colorized more than a year ago, are being resold for cash, for availability next year as Colorized Classics Volume I.

Among Quintex's array of film stock in its library are a number of Laurel and Hardy short features that have been introduced in a syndicated 90-minute package, *The Laurel and Hardy Show*. Some of the titles were colorized, explains Word. The package is expiring in syndication in January and will probably be distributed by Quintex after the remaining titles are colorized. "The titles were formatted as movies, rather than as short subjects, which was a big plus," says Word. "It gave stations the ability to run them as they pleased. Most of them were 18 minutes each, and you can't program those in a half-hour."

## Films colored by Colorization

Suddenly  
 Topper Returns  
 D.O.A.  
 It's a Wonderful Life  
 Something to Sing About  
 Angel and The Badman  
 Topper Takes a Trip  
 Saint Joan  
 Made for Each Other  
 The Stranger  
 My Favorite Brunette  
 Second Chorus  
 Santa Fe Trail  
 The Outlaw  
 Advise and Consent

*Syndicator is Quintex, parent of Colorization.*

As to activity as "fee" players, which represents about \$300,000 per movie for the color-makers being shelled out by syndicators and others such as the Turner Broadcasting's WTBS, both AFT and CST report heavy business as well. AFT, which at present is colorimaging three films per month, will be doing five by the end of the year, and will step up the colorimaging pace to 10 monthly as of 1989, says Weitzman. All-told, AFT expects to Colorimage 140 films over the next two-and-a-half years, with 110 coming from outside companies and the remainder stemming from public-domain films for which AFT will own the copyright.

But CST's Edelman calls the projected turnout of colored films as "optimistic" on the part of AFT. "We are turning out about four pictures a month now, and by this time next year, it will be probably six pictures a month. I think what they are projecting is unrealistic, unless they have a credible unknown process that can turn out 10 pictures a month.

"To get the quality is time-consuming. It's not just putting a blank video tape into a machine and it coming out colorized at the other end. There is a human, artistic element that selects, coordinates and supplies the color and sees that it fits well into the action. It's not a mechanical process, although a computer is used. I would be surprised that they [AFT] can turn out the total they say by

### "The Sands of Iwo Jima"



*AFT has set up a group to act as liaison with syndicators but has plans to do its own syndication.*

# Republicans win video race

Capitol studio facilities not political, but . . .

By HOWARD FIELDS

**T**he scene before the viewer is the usual—the local anchor on the evening news talking “live” with one of the state’s senators in Washington. The scene behind the camera can be quite unusual—three senators in the same studio, each talking to a different camera at carefully timed intervals.

The casual viewer also may think the local station has a lot of clout. After all, the senator has bothered to leave his office to go in front of the cameras and be available for the anchor’s few seconds of questions at a busy time of the day.

Actually, if he or she is a Republican, the senator probably is available thanks to an ingenious public relations project orchestrated by the Senate Republican Conference at taxpayers’ expense. The Democrats have nothing approaching the

GOP setup, but word is things probably will change after the new Senate Democratic leader is chosen in December.

J. Robert Vastine, staff director of the Senate Republican Conference, one of several arms of the GOP leadership in that body, took over in 1985 when Sen. John Chafee (R-R.I.) became conference chairman. Using the conference’s \$600,000-a-year share of the GOP leadership’s publicly appropriated funds (equal to the Democrats’), Vastine transformed the conference’s public relations focus from “95% print oriented” to a system that allows senators to “communicate using the latest technology, not bother with the print so much.”

His operation now has its own uplink, complete with a dish on the Hart Office Building, where the conference’s studio is located, three studio cameras, three field

cameras complete with crews, two editing suites, control room, and studio. A staff of about 18, including six interns used primarily to phone the stations, runs the operation.

This year, Vastine has begun sending the crews with senators to their home states to tape special events primarily for supply to the news operations of local stations. It and much of the other material the studio supplies also are available for schools, libraries, and local organizations in the home state, but the vast majority of the focus is TV news.

Vastine notes that there also has been a change in attitude among news directors since the conference began supplying senators on video.

“When we started out, we encountered a lot of resistance from the metropolitan affiliates to taking our feed,” he says. “It was the

*Since it is taxpayer dollars that foot the bill, care must be taken not to use the facilities for blatantly political purposes.*

**Sen. Steve Symms (R-Idaho), l., is wired for discussion with Howard Baker, former White House chief of staff.**







"McHale's Navy"

*Colorization has moved up launch date for "McHale's Navy" from Jan. '91 to fall '89 due to marketplace response.*

now would be very costly for them. The whole idea will be a new opportunity for advertising agencies to renew old commercials, particularly the animated ones, or ones which had stars that are dead now."

Still another avenue being eyed by AFT is high-definition television as it relates to coloring films. "Feature films that were in black-and-white can be put back into theaters by our process, once the high-definition cameras they are developing get into the marketplace," says Weitzman.

Meanwhile, how the color-converted films have been performing is not easy to track. One rep, John Dorkin, a director of programming at Petry Television, believes that while most color-transferred films enhance the value of the movie in their initial run, the repeats slip.

He says that the colorized *Yankee Doodle Dandy*, for example, probably got a better rating the first time it ran than the black-and-white film. But, he adds, "That's guesswork. You really have to have kept a record of what the black-and-white film did to come up with any conclusions. But it seems to me that when WTBS runs a movie and then a local station runs it in syndication afterward, a lot of people in those markets have already watched it on the superstation.

"I have seen color-converted films on Turner and on stations the same week, so that has to have a negative effect on the syndicated performance." But Quintex's Word notes that network made-for-TV movies are even in a worse boat. "A TV movie may do a 20 rating, but on the second and third runs, they

will go down sharply. Our movies are classic movies with major stars and will have a longer life than made-fors. Made-fors have no life in multiple runs. In a classic film, you know you are at least getting quality entertainment, and ultimately the viewer will be there in bigger numbers than the TV movies."

Word notes that the three films introduced as Colorization Network I all did quite well in ratings. *Wonderful Life* racked up a cume 9.9 NTI rating, *Topper* did a 9.7 and *Night of the Living Dead*, a 5.6, he says. Each film aired in three different months, October and November, 1986, and in a January-February window in 1987.

At Republic, Steve Beeks, senior vice president, notes that both *St. Mary's* and *Iwo Jima* performed well. *Mary's* did a cume 7.1 and *Iwo Jima*, shown during the last May sweeps, registered a 9.1. Two-

For an up-to-date listing of Turner Program Services syndicated color-converted features performances, table, as supplied by Seltel.

Meanwhile, the players are looking to the international arena for their color wares. Black-and-white films and series are not easy to sell overseas, it's noted, but color versions are seen as attracting new audiences abroad. At Quintex, Word says that *McHale's Navy* has large foreign potential, "because, internationally, people can relate to men in uniform. It's probably better internationally than as a domestic comedy."

Word continues that Quintex's international division, which is based in New York, is handling international sales on *Navy*. Also, Word notes, Regina Dantas, president, international marketing and acquisitions at Quintex, recently made "an enormous deal with our features for Japan."

CST's Edelman says the company is seeking to establish its color systems technology in Europe, "under some joint venture or franchising basis." He adds he's had a number of discussions along those lines with key people in the United Kingdom, France and Italy. □

### How they perform in color

Turner Program Services (Color Classics Network) \*

Date	Title	AA rtg	# sta	Cov
Jan-87	Yankee Doodle Dandy	5.6	147	91%
Feb-87	Maltese Falcon	6.8	146	90%
Mar-87	42nd St.	5.5	151	92%
Apr-87	Captain Blood	6.6	153	92%
May-87	Sea Hawk	6.8	155	92%
Jun-87	Dark Victory	6.6	157	92%
Jul-87	The Fighting 69th	5.9	161	93%
Aug-87	Father of The Bride	6.5	168	93%
Sep-87	Charge of the Light Brigade	4.8	163	92%
Oct-87	White Heat	5.3	155	91%
Nov-87	Destination Tokyo	6.1	164	92%
Dec-87	The Prince & the Pauper	6.5	167	92%

\* Unduplicated average audience, original and repeat combined.





**Sen. Charles Grassley (R-Iowa), l., goes in front of the camera with U.S. trade representative Clayton Yeutter.**

*Republican interests hold the next step is to wire the Senate, but the Demo majority is resisting.*

“talking-head reactions, hearing coverage, press conferences, meetings with important constituents, major announcements, any sort of news-related thing that the senator is doing. Sometimes we’ll just take the debate off the Senate floor and feed that.”

That last service can save a station a lot of effort. The Conference tapes the Senate coverage that is provided live by C-Span and holds the tapes for two days. When it receives a request for a snippet of a certain senator who appeared on the Senate floor, the request can be accommodated immediately. Often, however, the use is initiated by the senator’s press secretary, sometimes after being prodded by a Conference staffer.

“We operate like a news bureau,” Vastine says. “We’re quick, fast-responding. A press secretary can call up here and say, ‘I need a camera,’ and if we can possibly do it, we’ll send one of our two or three cameras to their office, or anywhere in Washington. And we even go home with them.”

The home visits, however, are primarily for documentaries about the senator or the legislative process to be supplied to school systems or libraries.

But some of the visits prove newsworthy. Sen. Don Nickles (R-Okla.) recently was taped christening the Oklahoma at a Navy shipyard in Norfolk, Va., and Sen. Charles Grassley (R-Iowa) hosts an international gathering in Iowa each August, attended by representatives from dozens of the foreign embassies. Both events were fed to stations in the states for their news value.

The Conference on occasion has even made GOP senators available to stations from foreign lands. In those cases, the cost of sending a crew would be prohibitive, so the Conference arranges a link with a facilities in the other country and ties in the stations through its Washington facilities.

But Vastine, perhaps facing some competition from Democrats, is not about to rest. He has other plans for the Conference’s facilities.

He has hired Carlos Gonzalez, a Hispanic broadcaster, as a consultant to help senators communicate with their Hispanic constituencies, forecast by some to soon be the nation’s largest minority population.

Senators, primarily those in Florida and the Southwest, will tape a statement, with Gonzalez

providing the intro and outro in Spanish, and doing a light, voice-over translation of the senator’s words. “I think our next step is to wire the Senate,” Vastine says. The Senate has its own closed coaxial system with a capacity for 36 channels. The Conference wants one, but the Senate is now controlled by Democrats who are resisting.

Vastine also would like to take advantage of the 1,700 outlets spread around the Capitol that allow TV and radio crews to patch into a direct line to satellite transmitters. “They are in the hearing rooms, each senator’s office has them, they’re in the hallways,” Vastine says.

“We could go into the senator’s office, plug in and talk live to his local stations just from his desk, or standing in front of memorabilia,” he adds. But the Democrats have blocked that, too, on grounds the cable system is not to be used for partisan broadcasting.

“That’s crazy,” Vastine says, “because everything we do around here is partisan, including the feeds we do.” He hastens to add, “as opposed to campaign-related.”

But Vastine expects that system, too, to be available soon, just as soon as the Democrats catch up. □



smaller market stations that responded with most eagerness to getting this material. We found that they were delighted not to have to spend the money for a stringer, when and if they could afford it anyway."

Now, he says, "we have made inroads into the metropolitan stations and many of them are willing to deal with us and take our video press releases and use them as well as material that they taped themselves."

But Vastine says that the press secretaries of the individual senators have been an even harder sell. Most of them have a print background and don't understand the electronic media, he says. Although 27 Republican senators now make heavy use of the Conference's facilities, there are 19 who don't, despite a self-promotion videocassette supplied to every incoming press secretary, explaining the operation and the advantages of it.

#### Other facilities

Actually, those 19 Republicans and 54 Democrats are not left out of the video picture altogether. Equipment prices have come down to within the reach of many offices, and a myriad of production facilities are dotted all over the capital, as are uplink facilities.

But for decades the U.S. Senate has supplied senators with audio and video studio facilities in the basement of the Capitol on a non-partisan basis. Democrats and many Republicans still use those facilities to tape weekly public affairs shows that are offered to TV and radio stations, or other productions for home consumption.

The old Senate studio, however, lacks an uplink capability. It and the Democrats' own rudimentary operation are vastly overshadowed by the Conference's sophisticated setup.

Since it is taxpayer dollars that are paying for the promotional material, through the appropriations to fund the legislative branch, Vastine and his crew have to be careful that the facilities are not used for blatantly political purposes.

That means, he says, that none of the material can be used in campaign advertisements, the senator

cannot say anything political about an opponent for reelection, and the event being shown has to be free of political overtones.

Vastine notes the irony in always-political members of a political body being limited to allegedly nonpolitical events but says the ethics rules of the Senate are precise. When there is a question, his staff will call the appropriate panel for a ruling, and if the proposal is found to violate ethics against using public facilities for campaign purposes, then the proposal will be denied, Vastine says.

But the irony cannot be overlooked when Vastine reads off figures that show a heavy use of the Conference's facilities during this, a reelection campaign year for one-third of the senators.

*Total use of the facility has grown constantly, but the senators facing reelection this year are working harder to get their messages out than those who aren't yet facing reelection.*

This year, he says, the facility will outproduce last year's "2,000 separate video events. We made 55,000 radio calls in the last Congress [a two-year period], but we're going to make 52,000 just this year." Calls are made to radio stations to supply actualities with their senator's comments on late-breaking news for inclusion in newscasts.

"Total use has grown constantly," Vastine says, but the class of senators facing reelection this year "has been working harder these two years to get its messages out than the other classes. In fact, you'll find that in the case of two Republican senators from the same state, one will pull back and not make as intensive use of the facilities because he's not up."

On a typical day, about a dozen "shoots" will be marked on the grease-pencil board outside the Conference studio. Most of them will be taped, to be fed at conve-

nient times either to over-the-air broadcasters on Westar 5 or to cable systems on Galaxy or Satcom.

The conference has a daily half-hour reservation on Westar 5 from 3:45-4:15 p.m. (ET) to feed videos around the country. But it also buys half-hour chunks on Westar or other satellites where transponder space is available.

The shoots vary, with some senators holding forth with "town meetings" with constituents calling in over the telephone, usually taped to be fed later; other senators being interviewed by a reporter on the issues of the day, to be supplied to stations that might want to use it for public affairs programming; and others who may simply be responding to a local station's request for an interview.

Later in the day, beginning at about 5 p.m. (ET), senators begin drifting into the studio to be available for prearranged "live cut-ins" with their home-state stations. On an especially busy news day, the scheduling can get hectic.

Vastine paints a picture of placing three senators in the small studio at once, each facing a different camera and each talking past the other as if he weren't there. At set times, stations from one senator's state will take him live, with one local anchor asking a question and then another. After precious few minutes, that operation is completed and another senator is patched in with his stations to repeat the sequence.

"The best use of our facility is live cut-ins," Vastine says. "We try to treat the market very hard." After that, the Conference promotes use of the facilities for video press conferences, either live or taped.

Next in line of usage, he says, are

# Programming

## King World's ad-supported program unit gets admen's qualified approval

The recent formation of an advertiser-supported network programming division by King World is getting fair to warm greetings by ad buyers at some of the major agencies.

Robert Igiel, N W Ayer executive media director, calls the concept interesting, but nothing new. "There are lots of people now making programs for clients such as Chrysler, Hallmark, AT&T and GE. We go to different suppliers for different projects, depending on our clients' needs. The King World venture simply provides another program supply, so there's nothing really new about it. If they are thinking of doing movies, that's already been done. But we are always looking to ideas for our clients."

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*The appetite for original programming is increasing, says KW's Grant.*

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One agency buyer, who declined to comment for attribution, says he doesn't see the need for the introduction of such a division at this time. "With all the hundreds of syndication programs out there, advertisers can find their way to program what meets their needs. If anybody goes to NATPE, there are applications whereby packaged goods advertisers with multiple brands can buy the show. Or they could conceptually design a show together.

"It's very ambitious on the part of King World, with syndication at \$800 million and all the programming available. If you buy a certain number of units, you get your billboards anyway and don't have to take the risk of ownership of worry about the backend rights or reselling it to cable. There are people out there doing that. Bristol Meyers is

a major underwriter of new programming that ultimately winds up in cable. However, if King World comes to me, I will explore any ideas they have, but I'm not certain as to whether I would recommend anything for my clients."

**Division necessary.** But Jeffrey S. Grant, appointed president of the new division, says the division is necessary and that its success depends upon how good the programming ideas are. "We are a supplier of ideas and original programming to the advertising community, and I think we will become necessary only if our ideas justify that. This is a business that is driven by good ideas. Hopefully, the community will perceive us as another opportunity for programming that's qualitative and commercial at the same time."

Also, he continues, he understands the economic as well as the creative needs of many advertisers because of his own agency background. "In fact, the appetite for original programming is increasing. My feeling is that, while there are production companies servicing the needs of these advertisers, many producers think of the advertisers as last. We are considering advertisers first." That was part of



Jeffrey S. Grant

his philosophy as president of Readers Digest Entertainment/Taft Entertainment Television, which he headed before coming to King World.

Tom Winner, executive vice president, media director at Campbell-Mithun-Esty, says he welcomes the announcement of the KW new division. "It's always nice to have a different media form available for use for our clients." However, he adds, there are some problems: A show has to be produced that fits the nature of the client's commercials "so that it's an appropriate environment;" the show has to be worth the investment, meaning "the time-buy will get the client the audience it wants;" and that the advertiser has to have enough different products to run a fully-sponsored program.

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*Winner says KW has an "in" with all the stations*

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On this latter point, Winner stresses it would make sense for an advertiser with many package goods products to get involved, even on a year-round basis. On the other hand, he points out, a car company with a few models may not want to get involved in sponsoring a program because the same commercials would play over and over again.

**Advertising changes.** But Grant says that things are changing rapidly in broadcasting and in advertising as well: "The way advertisers want to get their message across is becoming very untraditional. Look at the schedule and you will see AT&T supporting a two-hour movie. But they are using the advertising time within the movie to basically tell their story. So I don't necessarily believe that you have to have enough brands to support the units that exist within that two-hour movie. Advertisers use special events for a variety of reasons.

"Basically, they are calling the shots, so we are trying to develop programming that will be the vehi-



# Viewpoints

## Kay Koplovitz



*President and CEO, USA Network, in a recent speech before the Seattle Advertising Federation.*

## Ad-supported cable continues to do a number on broadcast networks

It looks now as if the just-completed second quarter of 1988 is on track to be the first second quarter ever to see a three-broadcast network primetime share of below 70% and a daylong share below 60%. And we don't believe the current quarter is going to be any great shakes either, because we presume ABC, CBS and NBC will be playing less attractive reruns now in order to save the better reruns for the fourth quarter. Last third quarter the broadcast networks together only managed 65 share points in primetime and 59 share points for the total day. What can this fourth quarter bring?

In cable households the story is even grimmer for the networks. Last summer the nets did a 48 share, the first full quarter ever in which broadcast network programming comprised less than half of all viewing in cable households.

### Basic cable quadruples

From May 1982, to May 1988, the advertiser-supported cable network share of all viewing has quadrupled from 3 to 12%. In primetime our share has risen from 2 to 10%. In other words, as the three broadcast networks lost 11 share points day-long, we gained 9; and as the networks lost 7 share points in primetime, we gained 8.

In order to keep pace with the losses of broadcast network share in cable households, national advertisers have moved to advertiser-supported cable networks.

Last fourth quarter the three networks lost 9% of their previous year's share of primetime audience. And ad-supported cable networks increased their share by 19%. But that was last fourth quarter, when the networks had new programs to introduce. This coming fourth quarter we believe ABC, CBS and NBC will post their largest year-to-date loss ever, and we'll have our greatest gains ever. We're looking for a 15 share of

all primetime viewing for ad-sponsored networks in fourth quarter, which will be an increase of 50% from a year earlier.

This viewership migration is taking its toll right here in River City, too. For example, if an advertiser bought 100 primetime rating points on the Seattle ABC affiliate last February, she got 105 rating points in noncable households but only 91 rating points in cable households. Since 60% of Seattle households have cable, the problem is a significant one.

There is a solution, however, and the solution is to use cable networks to remedy the inherent shortfall of broadcast television impressions in cable homes. The Northwest Cable Interconnect in Seattle accesses more than 600,000 cable households, just about one-half of all Seattle households.

It presently sells seven cable networks, several of which are effective vehicles for reaching any target audience you require. Two primetime spots on each of those networks provide a total of 11 rating points in cable households, more than enough to make up the 9 rating point shortfall that resulted from the KOMO-TV buy I mentioned.

### Cable's big season

I think it's clear that cable is going to enjoy its highest viewership levels ever in the upcoming '88-89 season. We're projecting 40-50% increases in total cable viewing in key time periods in the upcoming season.

National and local advertising will register exponential growth in the next two years. Advertising revenues are projected to be up from \$1.1 billion in 1987 to \$1.5 billion in 1988. I know that the national revenues in the first half of 1988 are up industrywide 25% over last year at this time.

At USA, ad revenues are pacing 40% ahead of this time last year. In 1989, I predict we'll see a watershed year in cable advertising. We are looking for significant double digit increases, and I think it is certain this industry will reach the \$2 billion level next year, a full year ahead of earlier expectations.

Advertising and promotion will improve dramatically. Cable companies are beginning to see the payback of tune-in advertising for popular programming on basic cable. This is a switch in strategy from earlier dollar allocations by cable companies, which previously spent the majority of their advertising dollars on pay TV subscriber TV acquisition.

Programming across the industry has improved so dramatically in the last five years we're light years away from where we were then. I predict that in the next two years the improvement in programming on cable will make the last five seem like ancient history. As well as supporting improved programming, tune-in advertising will become an acquisition tool for the cable operator. That, of course, will deliver even more viewers to advertisers.

Cable has become the third network. Advertisers can no longer reach their target audiences by buying the three broadcast networks. I predict the large national advertisers will commonly begin buying only two of the three broadcast networks, using cable as the third vehicle to reach increasingly elusive viewers.

time to give something back. I have the time, and I can afford to do that."

Dick Robertson, of the office of the president, takes over McGillen's responsibilities and the 20-person department. McGillen held the president's post two years. He previously was president and senior vice president of first-run syndication each for three-year periods.

## 'Hall Show' gets 40% of U.S. in its pre-sell

Paramount Domestic Television's first-run, one-hour late-night talk strip, *The Arsenio Hall Show*, which is being offered to stations for January 1989 availability, will go the barter route via a seven-minutes-local and seven-minutes-national sales split.

Similar to handling other first-run product from Paramount, International Advertising Sales will handle barter sales of the new show. IAS' other barter ties with Paramount include *Star Trek: The Next Generation*, and *Friday the 13th* and the upcoming *War of the Worlds* and *Wipeout*.

The Hall show has already been presold in 23 markets representing 40% of the country, according to Lucille Salhany, president of the Paramount division. Licensees include the ChrisCraft/United and TVX station groups, along with KCOP-TV Los Angeles, KBHL-TV San Francisco, KMSP-TV Minneapolis, KPTV(TV) Portland, KUPT-TV Phoenix, WBBM-TV, CBS-owned station in Chicago and XETV(TV) San Diego.

The deal with Hall, who hosted *Solid Gold* and *The Late Show* and will head the upcoming *MTV Awards* show, is a continuation of his two-year association with Paramount Pictures, which calls for Hall to star in theatrical motion pictures. He has already appeared in *Coming to America*, starring Eddie Murphy.

Salhany says, "Arsenio is one of today's fastest rising stars and we believe his popularity will only continue to increase. We're proud Arsenio is part of Paramount's family."

## ITC tightens structure in moving hq., 20 of staff relocating to West Coast

Some 20 persons in New York will relocate as part of ITC Entertainment's plan to tighten its operation and move its headquarters to the West Coast.

"We now have our group management here as part of our game plan," explains Jerry Leider, president and CEO. "We realize we were unwieldy and needed to correct some archaic systems which were carryovers from the previous Lord Grade management. We had three separate accounting departments, three residual offices and public relations and marketing strategies developed at several places at one time."

Now all the administrative functions will be located in new quarters across the street from ITC's suburban Studio City location. The company maintains offices in New York, London, Toronto, Tokyo and Perth, Australia, and under its umbrella are ITC Productions, ITC Entertainment, ITC Theatrical Distribution and ITC Home Video. ITC Entertainment is the TV distribution wing.

The New York office will wind up with about 10 people looking after sales in Latin America and the Far East as well as the New York scene.

**Dozen not going.** "About one dozen of the support staff in Manhattan chose not to come to Los Angeles," notes Leider. All the technical services and post-production work done in New York are now in L.A. Leider estimates the company will wind up with a staff of 120, down from a high of 175, including 35 who worked for ITC Technical Services in Denham, England, which was sold earlier this year to Filmbond. That company now provides ITC with its post-production technical services in London.

Among the execs coming west are Edward Gilbert, legal and business affairs vice president; Mitzy Anderson, controller; James Stern, executive vice president and general sales manager; and James Marrian, executive vice president and general manager, international distribution.

Leider who joined ITC Productions as president in 1982 and assumed his current overall management post in October 1987, had owned his own production company and held major positions with Warner Bros. TV and CBS-TV.

He says the impact of the recently concluded five-month old scriptwriters' strike has largely been felt on the ITC Productions side, not in TV or theatrical film



**Jerry Leider**

distribution. "That comes later when the pipeline is understandably diminished. We were the last company to suspend our seven producers under contract. We asked all our staff to take their accrued vacations prior to Sept. 1."

In what was a strike environment, which Leider calls a "no-win situation," ITC had been "very active in the last three months in acquiring other people's finished product for TV miniseries and theatrical films.

**TV movie for NBC.** "We are doing a TV movie for NBC called *Over the Edge*, with Melissa Gilbert, directed by Waris Hussein, and the movie *David* for ABC, with Bernadette Peters, directed by John Erman." ITC also has two theatricals in post-production. *A Summer Story* and *Without a Clue*.

Miniseries and TV movies "are our business," stresses Leider, adding, "during the 1987-88 season we had 26 hours of primetime long-



cles for their commercials. Traditionally, when television was beginning with *Texaco Star Theatre* and *Armstrong Circle Theatre*, the programs were supported by advertisers that didn't have multiple brands."

A plus for the new King World division, says Winner at C-M-E, is that it will be able to cut through the long preproduction steps in Hollywood. Hallmark and AT&T both have an operation set up to deal with getting productions rolling, he points out.

"Other advertisers who may be considering similar sponsorship may be daunted by the prospects of going to Hollywood to get scripts, actors and the producers. So if King World is going to perform these functions for the advertiser, it makes some sense."

Winner advises that if KW were smart it would go to the advertising agency and submit certain programming proposals in conjunction with what makes sense for the client or clients, and then work together to create a package that is as nice a fit as possible.

What KW brings to the party, says Winner, is not so much programming expertise but distribution, "They have the 'in' with all the stations and have some clout with them, so that's very important. And if there is a show that they can come up with that's mutually agreeable on both the agency and King World's, it could work."

**Table is full.** What Grant says the division brings to the table is the marketing, promotion, muscle and legacy of King World, which he describes as unique. "Nobody has that going for them," Grant asserts.

Meanwhile, Grant says he's speaking with advertisers and agencies, which is a fun part of the job. "The work has been coming up with the ideas and concepts, whether they be movies or series or anything else which we are developing and will be taking out to the advertisers over the next month or so." Grant says he's reluctant to identify the specific projects, but as to genres, "movies and miniseries are staples, but my objective is to also involve advertisers in series programming."

Part of Grant's career back-

ground included a stint at Benton & Bowles, where *Nurse*, a series, was developed for CBS and ran for a season or two. "I don't see why we can't come up with similar shows that can work on a creative as well as a financial level with the advertiser and work closely with the networks or with whichever market where we plan to distribute the property."

Primarily, the projects may be designed for networks, but also of interest to Grant are syndication and cable.—**Robert Sobel**

## McGillen looks to teach, consult

Jim McGillen's recent career change will have him spending more time at home in Pebble Beach, Calif., and less time in Los Angeles, where he worked for Lorimar Telepictures for eight years. The former president of station

sales for Lorimar Syndication, McGillen, 45, had commuted to his home on weekends.

Now he plans to do consulting work and teach marketing and radio-TV courses at UCLA eight hours a week.

"I'm going to be involved in projects of my choosing," he says. "I will also act as a consultant, for want of a better description, if someone needs my expertise in developing a TV-show marketing plan. After spending a few years in first-run, I've also got some ideas for first-run shows. The projects won't be driven by how much money I can make from them.

"The Lorimar job got so big that it necessitated me being in Los Angeles seven days a week, and I thought it was time to make a change. This had absolutely nothing to do with the upcoming merger with Warner Bros." McGillen, who is financially secure, says he looks forward to teaching "because it's

## Ex-DEG Rich talking to TV producers

Paul Rich, former executive vice president of the De Laurentiis Entertainment Group, has initiated talks with several Hollywood TV producers about representing their works for domestic and overseas release.

Under the banner of Rich International Communications, Rich says his company's TV operations will encompass securing distribution for independent producers with completed projects or producers looking to develop programs for networks.

"We're only looking to do one or two network series initially to help the company grow in the next year or two," Rich explains.

Rich says his rates will be lower than most distributors when dealing with foreign markets. "We do not hold the rights for 20 years. We're only holding them for from one to four years, depending on license per country. The producer gets the rights back after the initial contract. We're just borrowing the negative for a short time."

Rich, who spent two-and-a-half years with De Laurentiis, has set up offices in the De Laurentiis building on Wilshire Blvd. in Beverly Hills and has DEG and Parafrance of Paris as his first two clients. Parafrance, owned by L'Oreal, purchased DEG's 350-film library for \$54 million. Rich says he'll also be handling TV sales for DEG Sales Co. of London, a firm started by London financial firm Michael Stevens, which has no association with U.S.-based DEG.

"DEG and Parafrance have given me an established positive cash flow on which to build the company," Rich says. In repping his initial clients, Rich says, he'll be securing worldwide distribution as well as collecting revenues for licensing.

Rich notes he has a one-year pact with DEG. He says it's taken him six months to set up his own company and his departure has nothing to do with DEG's escalating financial problems. Interestingly, DEG holds a minority share in Rich's company.

While at De Laurentiis, Rich headed the TV division, handling sales and distribution of worldwide TV rights to the library. From 1982-85, Rich was executive vice president for worldwide sales for Metromedia Producers Corp.



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## Music production house plans TV theme series entry

Elias Associates, New York based music production house that is highly successful in being the musicmaker for loads of TV campaigns and movie trailers and as producer of hit records, is tuning up to prepare for making theme music for TV series and perhaps miniseries as well.

According to Scott Elias, president, the company has been diligently plying its trade and he now believes its established track record in other entertainment configurations will be the key to unlocking TV series doors. The shop, whose billings have grown steadily, has already held discussions with King World on a project or two.

One of Elias' plans to get the company into the theme music swing is to hire an agent on the West Coast to represent his new interests, says Elias.

Elias believes in getting in on the creative edge from the very beginning of a project. In this sense, it's his view that programming, records and campaigns are intertwined by

communication and dynamics.

He continues that the company has a partnership with its clients in solving problems during preproduction, whereby a series of diverse musical concepts are presented to help set up a common reference. And, he points out, musical solutions are evaluated centering on what represents the most effective form of communication.

Elias has six fulltime writers on staff, with a lead writer chosen for each specific project. His partner is Jonathan Elias, who also acts as executive creative director.

Among Elias' campaign credits have been Pepsi, Mercedes Benz, ITT, Home Box Office, E. F. Hutton, Dr. Pepper, Adidas and Michelob Beer. In commercials, Elias has produced for Schweppes, *Discover* magazine, Kodak and Polaroid. One of its latest efforts has been writing the theme music for the CBS new logo. Feature promos number more than three dozen to date, including *Back to the Future*, *Ghostbusters*, *The Dresser* and *Passage to India*.

Awards include Clio, International Broadcast, International Radio Festival, the One Show and the Cannes Film Festival.

## Telemundo novela to Anglo market?

Telemundo Group's expensive new primetime novela, due Sept. 12, may eventually be syndicated to the Anglo market, according to Len Forman, senior vice president at the Spanish-language TV network.

This as-yet untitled serial about Hispanic life in the U.S. is the first ever produced on location in this country for Latin audiences here (TV/RADIO AGE, July 25).

Telemundo is considering dubbing this in-house production for possible syndication to the general TV market some time after its September debut for Hispanics, he said. Should that occur, it would be the reverse of yesteryear's modus operandi whereby much Hispanic TV fare was American-made programming dubbed into Spanish.

Although both Telemundo and rival Univision are owned by Anglo companies (Reliance Capital Group and Hallmark Cards respectively) and most of their program-

ming is not produced by U.S. Hispanics, Forman emphasized at a recent New York Television Academy luncheon address that Telemundo soon will be producing 40% of its fare in the U.S. rather than in Latin America.

**Recognizable names.** Moreover, by making agreements with Cable News Network, MTV Networks and Barry/Enright Productions for Spanish-oriented news, music and game shows, Telemundo is offering names recognized by the U.S. advertising community, Forman noted. Once they succeed, Telemundo will be better able to do more with Hispanic producers in the U.S., he explained.

The main reason these shows from Anglo companies resemble those in the general market, Forman said, is that Telemundo is targeting the younger, second-generation U.S. Hispanic viewers who are



form programming, including three miniseries, *Poor Little Rich Girl: The Barbara Hutton Story*, *The Billionaire Boys Club* and *Windmills of the Gods*.

"Now we have accelerated our production activities in the U.K. under David Cunliffe, the managing director of ITC Productions Ltd. He's been approached by the three networks to see if we can redo several of our series in our library like *The Saint*, *The Prisoner* and *The Persuaders*. He's been up to his ears rereading scripts." These series were produced in the 1970s by ITC, formed in 1958 by Lord Grade and Jack Wrather. In 1978 the company formed Marble Arch Productions, and in 1982 Grade sold all the companies under his Associated Communications Corp.

*"We realize we were unwieldy and needed to correct some archaic systems."*

to Australian Robert Holmes a Court's Bell Group International.

Leider notes the budgets for ITC's TV movies fall in the \$2.5-\$3 million range, while they can cost anywhere from \$1.5 million to \$3 million an hour for a miniseries. For theatrical films the budget is in the \$10 million range.

**Staying Alive.** The trick to staying alive in the volume TV business, Leider believes, "is to do enough movies and miniseries well and have enough marketable product for the distribution company so you can withstand the cycles by staying at the table long enough with chips in play."

"My job is to protect our domestic side, to proceed as profitably as possible, and to have a lot of luck."

When the company celebrates its 30th anniversary this month, it will unveil a new logo "without impacting on the identification of the past 30 years."

One impacting area Leider says wasn't there two years ago is basic cable, which now has the money to buy programs. The company al-

ready has a five-year, 12-picture coproduction deal with HBO. Three films have already aired, and four more are in development.

Notes Leider: "We're in conversations with Turner, USA Network, Disney and Showtime. They're looking for film packages and original new programming. Eighteen months after the films air on HBO, ITC gets them for syndication and home video."

ITC Entertainment has more than 2,500 hours of films and TV

shows for global distribution. Among the movies currently available for licensing to U.S. TV stations are *Sophie's Choice* with Meryl Streep, *All of Me* with Steve Martin and Lily Tomlin, *Halloween*, and *High Road to China* with Tom Selleck.

Although ITC is owned by an Australian firm, Leider finds it curious the company has filmed all over the world but not in Australia. It's something he hopes to eventually accomplish.—**Eliot Tiegel**



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and 80% during 1989. A sixth owned station is likely in an unspecified top 10 market by the end of next year, he disclosed.

Meanwhile Telemundo has put WKAQ-TV San Juan, Puerto Rico, up for sale. That decision was made not for financial reasons, Forman said, but because the station "doesn't fit our strategy." It will never run Telemundo network shows, he said, since it aims at a different audience than the stations in the U.S.—**Jim Forkan**

### Syndication shorts

**King World** has licensed about 20% of the U.S. through 1993 for renewal of *The Oprah Winfrey Show*. Recent renewals, including ABC-owned stations, are WABC-TV New York, KABC-TV Los Angeles, WLS-TV Chicago, WPVI-TV Philadelphia, WGO-TV San Francisco, WTVD-TV Raleigh-Durham and WFSN-TV Fresno.

**Genesis Entertainment** has cleared 35 additional markets for *The Great Escape*, weekly video travel magazine show. Among the new stations signed are KRON-TV San Francisco, WDIV-TV Detroit, KDAF-TV Dallas, KYW-TV Philadelphia, KPRC-TV Houston, KOMO-TV Seattle, KPLR-TV St. Louis and WISN-TV Milwaukee. Stations clearing the show to date number 85, including nine of the top 10.

**SFM Entertainment** is offering two specials that provide behind-the-scenes looks at two features to premiere in the fall, Universal's *Gorillas in the Mist* and Tri-Star's *Tap. Taking it to the Gorillas: The Making of Gorillas in the Mist* is available via three minutes national and three-and-a-half-minutes local in the half-hour show, in a window from Sept. 10 through Oct. 23. *Tappin*, an hour special, is available from Oct. 1 through Nov. 30, with six minutes for local and six minutes for national sale.

*Public People/Private Lives* has been cleared in four markets by **Orbis Communications**: WTFX-TV Philadelphia, WKEF-TV Dayton, WIVB-TV Buffalo and WTEN-TV Albany. Premiere date for the hour

weekly interview series is Oct. 1.

**Orbis Communications** will handle the ad sales for *On Trial* in an agreement reached with the On Trial News Service, joint venture of Reeves Entertainment and Republic Pictures Corp. One minute of barter time is available in each episode.

**Turner Program Services** has cleared *Portrait of the Soviet Union*, seven-hour documentary series, in 110 markets representing 80% of U.S. TV households. Top 10 markets include WPIX(TV) New York, KCOP-TV Los Angeles, WGBO-TV Chicago, WGBS-TV Philadelphia, KOFY-TV San Francisco and WLVI-TV Boston.

Production on **MCA TV's** *My Secret Identity*, weekly half-hour sitcom, has begun in Toronto. Clearances top 84%, including all top 12 markets and 42 of the top 45.

**GGP** has sold its *NFL Pre-Season Special* in the top 20 markets and sold all the ad spots in the one-hour special. The 30s went for \$35,000 per spot. GGP retained six minutes. Markets cleared include WNBC-TV New York and WCAU-TV Philadelphia.

WFXT-TV Boston is the latest station clearing **Select Media Communications'** *Relatively Speaking*, half-hour game/panel strip which will premiere on Oct. 3. Other stations joining the lineup recently are KFTY-TV Santa Rosa, WXMI-TV Grand Rapids, KTUL-TV Tulsa, WXGZ-TV Green Bay, WVFT-TV Roanoke, WBAK-TV Terre Haute, WMSN-TV Madison and KVRR-TV Fargo. All top 10 markets are now covered.

### Zooming in on people

**Laurie Scheer**, coordinator/story analyst at Viacom Enterprises, has been promoted to manager, acquisition and first-run programming. She joined the company in 1985.

**James A. Miller** has been named vice president, Act III Communications. He joins Act III from GTG Entertainment, where he was a member of the program develop-

ment team. Between 1984 and 1986, Miller was producer at CBS, covering the 1984 presidential campaign.

**Sal Sardo** has been promoted to vice president, creative services at Buena Vista Television. He began his career at BVT in 1985 as promotion manager and most recently was director of promotion.



**Sal Sardo**

**John Rohrs Jr.** has been moved up at Columbia Pictures Television to vice president, syndication, midwestern region, after having been midwestern sales manager since 1986.



**John Rohrs Jr.**

**Tracey L. McCarthy** has joined Multimedia Entertainment as sales promotion manager. McCarthy's previous positions included manager of advertising and promotion at NBC Radio Networks and account executive at Don Jagoda Associates.

**Jose Manuel Pagani** has been appointed executive vice president, administration and finance at Coral Pictures. He also continues as general manager and CEO of two other U.S. companies which are divisions of Coral Entertainment Group—Somotone Music and All American Records.



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## PROGRAMMING

bilingual and watch much general  
market TV. Thus, Telemundo sees  
its network competing more with  
Anglo TV networks and stations  
than with Univision, he noted.

The sales efforts of both Span-  
ish-language networks continue to  
be hampered by ratings biased by  
the underrepresentation of His-  
panics in the samples, as Univision  
and Telemundo executives have  
long complained. Both networks  
now are in discussions with Arbi-  
tron, Nielsen and other ratings ser-  
vices about improving measure-  
ment of the Latino audience. For-  
man said that his company hopes  
to sign an agreement with at least  
one of the researchers "in Septem-  
ber or October" to conduct a pilot  
people meter study in an undis-  
closed major U.S. Hispanic market  
and perhaps be able to offer adver-  
tisers and agencies regular data "in  
1989 or '90."



**Len Forman**

Though Telemundo now has  
such accounts as Procter & Gam-  
ble, Anheuser-Bush and Pepsi-  
Cola, it found the going tough in its  
early 1987 infancy, Forman said.  
Recalling an unsuccessful sales  
presentation to Revelon at that  
time, Forman said, "It was a pain-  
ful experience. We frankly didn't  
have a story to tell."

**65% coverage.** Telemundo, which  
began its network with three out-  
lets and a half-hour of weekly pro-  
gramming in early '87, now has 17  
stations carrying 50 weekly hours  
of programming. That translates  
into 65% coverage of the U.S. His-  
panic market, which Forman pre-  
dicted will hit 70% by September

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# The Fundamentals

(They make a great foundation)

For almost 4 decades, Nielsen has consistently maintained a record of excellence in media research by tending to the fundamentals.

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Combined with the Nielsen People Meter system, AMOL gives us the technology to tell our customers precisely which household members are watching which program. Even when announced program schedules are interrupted by special sports events, news bulletins, or unscheduled programs. Even for syndicated programming with scattered market distribution.

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**Nielsen**  
**Emphasizing the Fundamentals.**

**Nielsen Media Research**

**DB** a company of  
The Dun & Bradstreet Corporation

Nielsen



## OLD PITCH IN ALL-NEWS

Happy sponsors  
state their case  
in the air/55

## BUYER'S OPINION

Plenty of fodder  
for hungry buyers  
during web drought/57

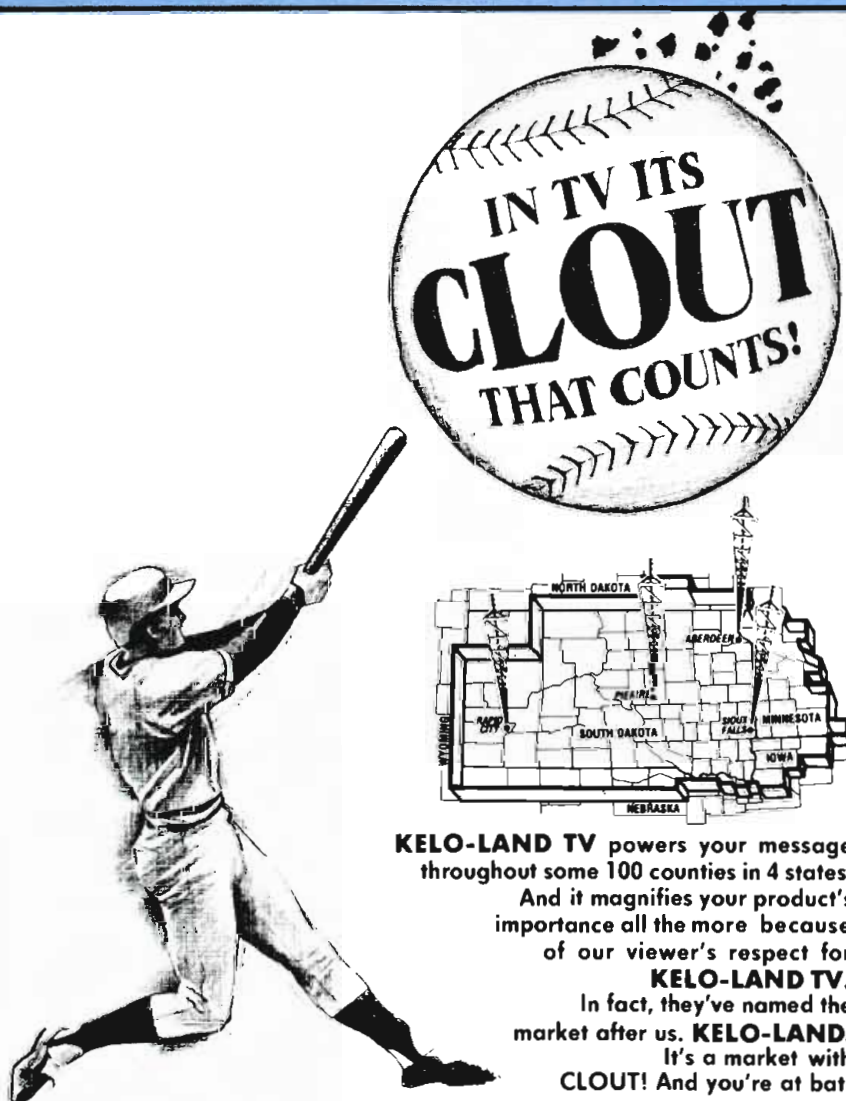
## SPOTLIGHT ON...

Be realistic  
in developing  
media plan/59

# TELEVISION/RADIO AGE


# Station Report

August 22, 1988



**IN TV ITS  
CLOUT  
THAT COUNTS!**

**KELO-LAND TV** powers your message throughout some 100 counties in 4 states. And it magnifies your product's importance all the more because of our viewer's respect for **KELO-LAND TV**. In fact, they've named the market after us. **KELO-LAND**. It's a market with **CLOUT!** And you're at bat!

 **kelo·land tv**

KELO-TV Sioux Falls, S.D. and satellites KDLO-TV, KPLO-TV plus Channel 15, Rapid City

Represented nationally by **SEITEL**  
PERFORMANCE IS THE BOTTOM LINE

## It's graduation day!



**TvB's third Harvard faculty-taught general management program for general sales managers included these smiling graduates:**

*Front row l. to r.: Bill Katsafanas, KSDK-TV St. Louis; Doug Short, WRCB-TV Chattanooga; Dick Daggett, KPRC-TV Houston; Lise Markham, KMPH-TV Fresno; Teddie Gibbon, KXLY-TV Spokane; Professor Martin V. Marshall, Harvard Business School; Bill Stanley, WITN-TV Washington, N.C.*

*Second Row: Ellen Bramson, WKBD-TV Detroit; Larry Landaker, WEVU-TV Ft. Myers; Hank Oster, KHJ-TV Los Angeles; Tony Vinciguerra, WBZ-TV Boston; Ron Longinotti, KCRA-TV Sacramento.*

*Third row: Jamey Halpin, WAGT-TV Augusta; Sue McDonnell, WOTV Grand Rapids; Rick Henry, WTAE-TV Pittsburgh; Bob Glover, KING-TV Seattle; Gary Bogart, WPXI-TV Pittsburgh; Jerry Whaley, WWL-TV New Orleans.*

*Back row: Goston Freeney, WMAZ-TV Macon; Mike McCollum, KFVS Cape Girardeau; Mike Kibbey, WDSU-TV New Orleans; Lamar Reid, WAFF-TV, Huntsville. Missing from photo was Dave Summers, WXII-TV Winston-Salem.*

## Newsfeed expands late-night feed

The Newsfeed Network has expanded its late-night transmissions to member stations by 15 minutes nightly.

The Group W Television-owned Newsfeed, which supplies its 100 station subscribers with three newsfeeds each weekday, now delivers 45 minutes of material at 10 p.m. (ET) for their late-night newscasts, up from 30 minutes previously.

The increase is due to greater demand from the broadcasters for news video on late-breaking stories and for file footage, according to Richard Sabreen, vice president and general manager of the satellite newsgathering service.

Besides the 10 p.m. feed, the network schedules daily satellite transmissions at 4 p.m. (for the outlets' early-evening newscasts) and at 7:45 p.m.

## Guy Gannett Group joins Conus News

The four-station Guy Gannett Broadcasting group has joined the Conus Satellite News Cooperative.

The Portland, Me.-based group owner chose the service for its "localized news and information."

This brings to 78 the number of subscribers to the Minneapolis-St. Paul-based Conus Communications' cooperative.

## Testimonials work for all-news radio; a 'win-win situation'

(Continued from page 55)

scribed, call Joe Doubek here at WBBM at 944-6000."

At WCBS the announcer instructs prospective advertisers to call Wayne Brown at 975-5846. Then he adds a line that fits right in with the promotional tagline used so frequently by WCBS' own news anchors:

"Don't let someone else tell you what the newsmakers are saying. Hear them say it." Thus, each testimonial spot closes with: "Don't let anyone else sell your product. Hear us sell it!"

Meanwhile, Don Macfarlane, director of marketing for the two stations' rep, CBS Radio Representa-

tives, notes that with television's "new" fall season delayed, national advertisers, too, would do well to look at the local successes chronicled by testimonials.

**New ideas.** Macfarlane says many clients and their agencies are looking for new ideas and that, while spot radio is usually not used to cover every market as network television does, "Spot radio is perfectly suited to win battles in individual markets. And copy that helps the advertiser's prospects solve their problem by using the advertiser's product is one of the surest ways to win."

He points out, for instance, that

no computer company seems to address the issues of "What will a personal computer do for its user?" or "What would the user like it to do?"

"These are the questions that come up in business and at school," says Macfarlane. "A series of 60-second announcements, scheduled each day in 'soap opera' fashion, dramatizing just what the PC can do for the user, with a different use featured by each spot, is an idea looking for a sponsor."

"Good radio commercials aren't that hard to come up with and clients should demand nothing less. As David Ogilvy says, 'Clients get the advertising they deserve.'"



## Testimonials work for all-news radio, they're a 'win-win situation all around;' WCBS & WBBM tout strong ad draw

Television stations use their own air time to promote upcoming shows. Radio goes 'em one better by promoting the benefits of advertising in their all news programming environment via testimonials from their own satisfied customers.

Like this spot on CBS' owned all-news/talk AMer WCBS New York: "Hi. I'm Rick Liebert of consumer appliance in Westchester, and I've been advertising on WCBS since 1985. People like to come into our stores and say that they've heard us on WCBS News 88. There's been a cumulative effect as time goes on. We seem to be getting better and better results, the more we advertise on this fine station."

**Started in '85.** In Chicago, CBS' WBBM(AM) started airing spots like this in 1985. General sales manager Rod Zimmerman says the station has kept at it ever since because it works: "It's a win-win situation all around. It's a little more visibility for an advertiser who's already glad he's on WBBM. For the president of this company, or its marketing director who does the testimonial, it's a great ego booster. He tells his family and friends to be sure to tune in and hear him. And it develops a lot of good leads for the station and for the sales people. One more thing: We run these in soft time—January and February, July and August—not when we're sold out. So it doesn't eat up our most valuable inventory."

Rod Zimmerman



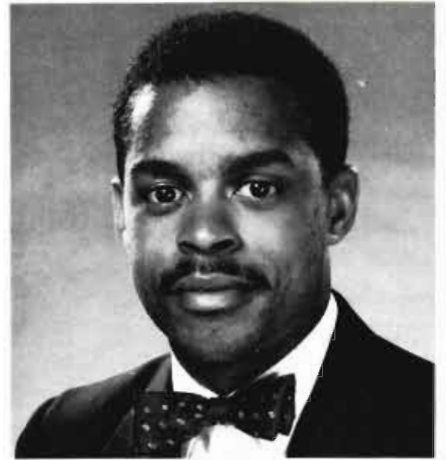
*"Don't let anyone else sell your product. Hear us sell it."*

Zimmerman reports that when WBBM runs the testimonials, "We'll get 10 to 15 inquiries a week, convert three to five into at least one-shot advertisers, and usually two of the people who try us once become consistent, regular advertisers."

At WCBS-FM local sales manager Wayne Brown reports that, while his people get inquiries every day from prospective advertisers, "That roughly doubles and we get about twice as many inquiries right after we run our testimonial spots."

**Conversion rate.** About two of every 10 inquiries are converted into advertisers, Brown says, adding "Most come back for more once they've tried us the first time. That's because the advertising works. It works for the same reason it worked so well for the companies doing the testimonials—not just because all-news builds up such big cume audiences. That's just one part of it. The other part is that all these listeners have a need to know what's happening. They tune in for information, so they pay attention. News is not just nice background sound, and the listeners are still paying attention when the commercial comes on."

Brown says this is why AM news stations don't have to keep hyping



Wayne Brown

themselves and running giveaway contests like music stations do to hang on to listeners.

**Follow the leader.** Brown also observes, "One convert often leads to another—usually a competitor in the same category. The testimonials will attract a retailer who specializes in, say, oriental rugs. He goes on the air, and his competitors hear him. Before you know it, we

*"It's a great ego booster. He tells his family & friends to tune in."*

have two oriental rug outlets running a variation on the old Jack Benny-Fred Allen feud. It's creative use of humor. That's one more of the many things AM radio does so well."

WBBM closes each testimonial spot with instructions like: "If you'd like to enjoy the same kind of sales increase Rick Liebert just de-

*(Continued on page 56)*

## Mater joins D.C. consulting firm

Gene P. Mater, former senior vice president of the CBS Broadcast Group, has joined the Washington-based international public affairs consulting firm of Adams Associates. He'll be a senior consultant specializing in media and communications issues.

Adams provides marketing, editorial and other services for a number of broadcast and publishing clients. It is a partner in the Worldcom Group, a worldwide partnership of public affairs consultants.

Over the years Mater developed a reputation as one of the best executives in public policy issues in the broadcasting business.



**Medal of Honor ceremony** participants for Franklin Phillips, a McKeesport, Pa., native, were, l. to r.: Joe Berwanger, vice president-general manager, KDKA-TV Pittsburgh; Lt. Gen. Louis Buehl, chief of staff, U.S. Marine Corps; Wes Slusher, whose efforts uncovered Phillips' dual identity; and William Hunter, Jr., president, McKeesport Heritage Center. KDKA-TV editorials helped restore Phillips' reputation.

## Emergence of 'deserter' as hero aided by KDKA-TV Pittsburgh

Group W's KDKA-TV Pittsburgh just might have the makings of a TV movie or special about a soldier with dual identities—one a hero, the other a deserter.

So far, the station has limited its role to crusading to restore, posthumously, the reputation of the Pennsylvania soldier, killed in action during the William McKinley administration. An on-air editorial and letters to Washington paid off late last month with a formal dedication, at which Franklin Phillips was named Congressional Medal of Honor recipient. He had originally been honored under an assumed name, "Harry Fisher."

In 1900, Phillips had fought in the Army under his true name until he left the Spanish-American War in Cuba, complaining that his malaria was not being properly treated. For that, he was declared a deserter.

Two months later, as "Fisher," he served as a shortlived Marine private, until his death in the Bat-

tle of Peking during the Boxer Rebellion.

More than 80 years later, a retired accountant and, like Phillips, a McKeesport, Pa., native, Wes Slusher succeeded in having "Fisher" honored as a hometown hero in 1982. Three years later, Slusher was asked to do a background check in connection with plans to christen a ship in "Fisher's" honor. After stumbling across his dual identities, Slusher sought to set the records straight, but the Marines refused to change "Fisher's" name and the Army would not alter Phillips' dishonorable discharge.

**Enter KDKA.** That's when KDKA-TV entered the picture. Slusher asked Dane Topich, KDKA's public affairs and editorial director, to look into the case, and Topich later arranged for Joe Berwanger, vice president-general manager, to do an on-air editorial and write letters to Frank Carlucci, Secretary of Defense, and others.

When the Marines put the Medal of Honor in Phillips' name and agreed to have the ship rechristened, and the Army revised his dishonorable discharge, KDKA-TV ran a followup editorial on its success in the matter. KDKA last month also had its newscasts cover the dedication ceremony, at which Slusher and Berwanger presented the medal to the McKeesport Heritage Center.

Asked if a special had been done on the strange case, the station's spokeswoman said, "Not yet, but it is an interesting story." KDKA officials also have mentioned the potential for a truth-is-stranger-than-fiction TV movie that could air locally and then be syndicated nationally by Group W, as other Group W outlets have done. One obstacle, the spokeswoman said, is the lack of sufficient biographical information and photos on Phillips other than military and medical records.

## Volunteer award at KCOP-TV



**Marilyn F. Solomon**, director of corporate relations and executive producer at KCOP-TV Los Angeles, receives the outstanding volunteer service award from Gilbert Cardona, president of the L.A. Human Relations Board.



## WTVJ boosts Latin news team to cover Miami

WTVJ(TV) speaks English. But it's in Miami, where half the population speaks Spanish and its president and general manager is a bilingual exnewsmen, Richard Lobo, whose many awards include the Hispanic Executive Award from the Wall Street chapter of IMAGE and the Leadership Award from Chicago's Latino Committee on the Media.

So it should be no surprise that WTVJ's news team, which already boasted three Cuban-American on-air journalists, now has a fourth reporter and stand-in anchor, Jose Diaz-Balart. He was one of the founding members of Gustavo Goley's Hispanic-American Broadcasting Corp., which produced Telemundo's news reports before its inkup with CNN.

**On the spot.** As HBC Madrid bureau chief, Diaz-Balart covered such events as Spain's student riots last year and flew to London to cover the Terry Waite kidnapping.

The other Cuban American journalists with WTVJ News are reporters Ileana Bravo and Jose Grinan and Ana Azcuy, the first Cuban anchor on an English language station in Miami.

Before joining WTVJ earlier this year, Lobo had been vice president, general manager of NBC-owned WMAQ-TV Chicago, and before that was general manager of WKYC-TV Cleveland.



**Richard Lobo** **Jose Diaz-Balart**

## One Buyer's Opinion



### Plenty of fodder for hungry buyers during web drought

**Caplan**

**This year's new fall season** could be the most interesting we've seen in years, for both the viewing public and for broadcast buyers, just because of the apparent lack of good new programming for the television networks until late October or November. However, if we take a closer look, we may come up with a variety of unusual programs that could pull more viewers back from cable to the networks during the early part of the new season, if only out of curiosity.

The most obvious and freshest choices will be live sports, notably the summer Olympics from Seoul, on NBC this time around. Then, following last month's Democratic national party convention in Atlanta, will be the Republican get-together in New Orleans, plus all the news specials on the race for the White House between then and Election Day.

This Presidential election year may also add more interest to broadcast buyers' lives as well as to the lives of the voters if, as many of the experts predict, it turns out to be a close race rather than the walkaway for the winner the most recent Presidential contests have turned into. That's because, if both candidates' advisers believe the experts, they're very likely to want more commercial time than was needed in the last two Presidential campaigns, particularly in those states with the largest blocks of electoral votes at stake. That will mean tighter avails and tougher negotiations.

Meanwhile, the networks have already talked about their "reserves in the can," extra episodes of shows like *The Smothers Brothers* that have never been seen before. And they've publicly discussed moving some mini-series around and airing them sooner than planned to fill in for some of the new series that would have kicked off the new season but for the writers strike that's delayed the season's start.

**Of course there have been** some less-than-exciting moves discussed as well: NBC's revival of *The Hardy Boys* that died after three seasons on ABC 11 years ago, ABC's revival of *Mission Impossible* by reshooting old scripts with new actors in Australia, and CBS exhuming *Candid Camera* after 20 years—a show even the syndicators gave up on.

Given all of this though, the networks just may have one secret weapon no one's mentioned yet: This is all the programming produced overseas by English-speaking countries from Britain to Canada and Australia. Not all of it has been seen in this country on PBS.

Finally, let's not forget all the locally produced programs turned out by network affiliates and independents alike. These could represent an area of opportunity for the stations as well as for advertisers—but only if local stations could see their way clear to cooperate in providing advertisers with the rating point guarantees advertisers have come to expect with their network schedules.

Just as upfront buying on the networks turned out much brisker than many had predicted, spot buys have been moving faster, too, than is normal during early summer, with more stations confirming schedules earlier than usual. So the stations seem interested. There's more business available to stations if more of them will take that extra step and bend on guarantees.—

**Jack Caplan**, executive vice president, *Time Buying Services*, New York

## Seltel's 'Direct Impact' sales idea has WMDT-TV dancing in the aisles

At WMDT-TV Salisbury, Md., general manager Frank Pilgrim is ecstatic over Seltel's Direct Impact on Sales Program.

"You go to a supermarket and offer them so many free spots on your station, which they can use when they see fit, in exchange for some end aisle display space for our target client, in this case, Dr Pepper," says Pilgrim.

When Seltel's people first came to WMDT to explain the plan, Pilgrim thought it would be a much tougher sell. "I thought there'd be advertisers standing in line to buy end aisle locations in every food store in town. But it turned out the store managers are happy to make the trade."

The station's next step was to go to the local Pepsi Cola bottler, who also handles Dr Pepper, and offer to turn over the store's end aisle space if the bottler would increase

WMDT's share of his ad budget.

"It turned out our timing was perfect. By luck, we happened to hit him just as he was looking for something he could do to counter a promotion Coca Cola was pulling off at the time, so he was happy to see us. His extra advertising, plus the prominent point-of-purchase displays in the stores, plus our closer relationship with the store managers as the result of our arrangements, makes it possible for the bottler to force distribution he couldn't have gotten otherwise."

**Seltel's deal.** What Seltel gets out of the deal, says Pilgrim, is a case history of local-station success it can use to pitch multimarket deals to major national advertisers on a regional or national basis.

At Seltel it was Jim Murtagh, senior vice president, marketing, who invented DIS. He reports Dr Pep-

per's Salisbury test of the idea boosted two-liter bottle sales 40% on regular Dr Pepper and 21% on Diet Dr Pepper. And Tony Brocata, vice president, sales and marketing for Pepsi Bottling of Salisbury, testifies, "It created tremendous goodwill with our retail customers, who benefited from increased sales."

Kelly Porter, Seltel marketing manager, says both Dr Pepper and Clorox are Young & Rubicam clients who became involved in the program on Y&R's recommendation after Seltel presented DIS to the agency. Clorox is testing the plan with KIFI-TV Idaho Falls as part of its new product rollout of Clorox Super Detergent.

Porter says the success of both products in both test markets turned on the green light for Seltel to roll out DIS to as many of its 100 represented stations as possible. He says the rep anticipates selling an unwired network of stations offering the program by late summer this year.

### *Looking for small-market affiliates*

## Broad Street firm re-forms as television station group



**Richard L. Geismar and Fred E. Walker**, formerly the principal executives of Broad Street Communications, have teamed up with **Allen R. Adler**, a one-time senior vice president at Columbia Pictures, to form Broad Street Television. The group is hunting for TV stations to buy in small to mid-size markets and recently purchased WTVM-TV, the ABC affiliate in Evansville, Ind., and CBS outlet KLBK-TV Lubbock, Texas, from Charles Woods for just under \$80 million. Adler, who is the financial wizard behind the operation, says the group has eyes for affiliated stations only. Walker is in charge of overseeing the station management, especially sales, while Geismar handles the strategic planning. The company is located in Riverside, Conn.



## Spotlight On . . .

### Leonard Kay

Senior vice president  
Director of Media Operations  
Kelly, Scott and Madison, Inc.  
Chicago



Leon Kay recalls the cartoon that appeared in *The New Yorker* some years ago: "It showed two emaciated prisoners, chained hand and foot to the wall of a dark dungeon, several feet above the floor. Said one prisoner to the other: 'Now here's my plan.'"

Kay reminds us that the purpose of a media plan is to establish a direct connection between the marketing objective and the means to achieve that objective. "A plan can be elaborately crafted with all kinds of bells and whistles. Or it may be a simple one-page description and cost estimate. In either case it may be a good plan or a bad plan."

"Our two desperate chained prisoners have a clear objective: they want out. They might come up with a plan for one of them to grab the guard and hold him while the other takes his key. On paper that may sound logical until you remember that neither is in a position to do any such thing. Regrettably, advertisers often act the same way . . . 'We'll drop a coupon on week one and run our TV on weeks two through seven, take a four week hiatus then come back with another four weeks of TV'—until someone remembers that half the markets won't have enough distribution to support the program. Or the coupon drop will miss half the retail outlets. In effect, their business is chained up there on the wall and the media plan can't get them down."

**Two easy lessons.** Thus, says Kay, "Lesson One is, execute a plan only if and when it has a reasonable chance of success. Lesson Two is, there is *no* single plan that is the *best* plan!"

Kay adds, "Advertising uses many scientific disciplines, but it's not a science itself—as much as some people try to imply. It's a skill, or craft if you will, based on logic, psychology, communication, persuasion and lots of trial and error and judgement."

"For any given situation there could be several good media plans, all of which have a reasonable chance of success. There will also be many more plans that will obviously have little or no chance to succeed. Knowing the difference between what may or may not succeed is the job of a professional media planner working in close harmony with the client."

## In a word... Quality



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WMAQ, Chicago KODA, Houston KQZY, Dallas/Fort Worth  
KQXT, San Antonio KEZW (AM) and KOSI, Denver KMEQ-AM-FM, Phoenix  
KAER and KFBK (AM), Sacramento KFWS, Los Angeles KJQY, San Diego

Westinghouse Broadcasting Company

## New season DMA rankings include changes in top 10

The new season rankings of DMAs by Nielsen shows changes in three top 10 markets, including one moving into the top 10 and one moving out. All told, there were ranking changes in 136 out of the 210 DMAs, though most were minor.

The new estimated total of TV households is 90.4 million as of September 1.

Coming back into the top 10 DMAs was Cleveland,

which ranks 10th for the 1988-89 season. It was 11th last season. Cleveland knocked Houston out of 10th into 11th place by 6,350 TV households.

By an even smaller margin—650 TV households—Washington traded places with Dallas-Ft. Worth, moving from ninth to eighth place.

Part of the changes were affected by county re-assignments.

88-89 Rank	Dif.	DMA	1989 TV HH
1		New York	6,921,240
2		Los Angeles	4,800,200
3		Chicago	3,106,690
4		Philadelphia	2,610,400
5		San Francisco-Oakland	2,166,970
6		Boston	2,062,500
7		Detroit	1,694,670
8	+1	Washington	1,665,470
9	-1	Dallas-Ft. Worth	1,664,820
10	+1	Cleveland-Akron	1,438,180
11	-1	Houston	1,431,830
12		Atlanta	1,325,390
13		Tampa-St. Pete-Sarasota	1,275,400
14	+1	Minneapolis-St. Paul	1,274,820
15	-1	Seattle-Tacoma	1,253,980
16		Miami-Ft. Lauderdale	1,249,430
17		Pittsburgh	1,177,020
18		St. Louis	1,089,920
19		Denver	1,018,110
20		Phoenix	973,280
21		Sacramento-Stockton	961,440
22		Baltimore	911,260
23	+1	Hartford & New Haven	884,310
24	-1	Indianapolis-Lafayette	865,410
25		San Diego	838,270
26	+1	Orlando-Daytona Bch-Melbrn	823,710
27	-1	Portland, Ore.	799,260
28		Kansas City	730,730
29		Cincinnati	721,140
30		Milwaukee	705,150
31		Nashville	693,450
32		Charlotte	686,030
33	+2	Columbus, Oh.	650,680
34		Greenville-Spart-Asheville	644,810
35	-2	New Orleans	638,600
36		Raleigh-Durham	632,860
37	+1	Grand Rapids-Kalmzoo-B. Crk	610,230
38	-1	Oklahoma City	597,480
39		Buffalo	595,590
40	+1	Memphis	592,580
41	+1	Salt Lake City	581,640
42	+1	San Antonio	555,350
43	+2	Norfolk-Portsmouth-Newpt Nws	550,770
44	-4	Birmingham-Anniston	550,390
45	-1	Providence-New Bedford	549,490
46		Harrisburg-Lncstr-Leb-York	537,630
47	+1	Louisville	526,920
48	-1	Wilkes Barre-Scranton	521,260
49		Dayton	505,050
50		Greensboro-H. Point-W. Salem	504,720
51		Charleston-Huntington	491,240
52	+2	West Palm Beach-Ft. Pierce	488,650
53	-1	Albany-Schenectady-Troy	484,610
54	-1	Tulsa	459,900
55	+4	Jacksonville	457,000
56	+1	Little Rock-Pine Bluff	453,930
57	+1	Flint-Saginaw-Bay City	449,260
58	+2	Mobile-Pensacola	444,670
59	-3	Shreveport	443,110
60	+2	Fresno-Visalia	427,820
61		Whichita-Hutchinson Plus	425,810
62	-7	Richmond-Petrsbg, Charltsvl	424,890
63		Knoxville	423,880
64	+1	Albuquerque-Santa Fe	420,740
65	-1	Toledo	405,270
66		Green Bay-Appleton	376,310
67		Syracuse	372,070
68		Rochester	365,770
69		Des Moines-Ames	363,830
70		Roanoke-Lynchburg	356,900
71		Omaha	346,970
72	+2	Honolulu	341,810
73		Austin	340,860
74	+1	Champaign & Sprngfld-Decatur	326,540
75	+1	Lexington	325,150
76	-4	Paducah-C. Girardeau-Harrbg	324,850
77		Spokane	323,620
78		Cedar Rapids-Waterloo & Dubq	316,740
79	+1	Portland-Auburn	315,600
80	-1	Davenport-R. Island-Moline	308,560
81		Springfield, Mo.	306,340
82		Chattanooga	298,450
83	+1	Tucson (Nogales)	298,430



## WNBC-TV counts on big events to boost '88-89 sales

Event programming is proving a lucrative draw in the 1988-89 selling efforts of WNBC-TV New York.

The biggest of the big events is the Seoul Summer Olympics, Sept. 15-Oct. 2. According to Louis Abitabilo, director of sales at the NBC flagship, the station has passed the 95%-sold mark, compared with 90% on the network.

Packages already sold include such categories as financial (banking and credit cards), automotive and airlines, he said. The latter two groups are nonexclusive, with several companies in each category having bought time. Some clients in the network coverage also have bought availabilities in WNBC's local breaks—as have some of those advertisers' competitors, he pointed out.

Consequently, Abitabilo, a one-time Long Island cop who has worked at WNBC-TV for 10 years, will be policing the scheduling of Olympics spots—taking special care that rival marketers do not air too closely to those buying major chunks on the network.

**Trips to Seoul.** Initially, WNBC-TV packages offered 91 spots for much less than what 50 units went for on NBC. Incentives included nine-day trips to the Olympic site, offered in WNBC's original "Gold" package.

Some accounts plan to use those



**Lou Abitabilo**, a former cop, now polices WNBC-TV's Olympics scheduling.

Seoul trips as contest prizes for consumers or suppliers.

The Olympics telecast is attracting interest from politicians both local and national, Abitabilo reported. Already feelers have come in from New Jersey's Frank Lautenberg and New York's Daniel Moynihan, both Democratic senators, and from the presidential contenders' camps, he said.

The Olympics is not the only big event programming sold for the fourth quarter. There's also the World Series, due for an Oct. 15 start and now more than 50% sold at WNBC-TV (versus about 70% on the network level). The World Series will attract still more commitments as the autumn approaches, especially if it appears that the New York Mets and/or Yankees will be playing.

The next big event will be the Super Bowl in late January.

Currently in development at the station is a variety series pilot starring Al Roker, the station's jovial weatherman (who also handles similar chores for NBC's *Sunday*

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*WNBC will have the most local news avails next fall.*

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*Today*). The Roker pilot, *Al's Open House*, was taped Aug. 10 as a mix of entertainment and information. "It'll be like a visit to Al's house, with various segments on health home care and the like," said an NBC spokeswoman. The pilot will be an hour, but the length of the series is not yet determined, she said. No air date or specific daypart has been set.

When talk turns to the station's local 6 p.m. evening newscast, Abitabilo's, enthusiasm falters somewhat. The newscast, coanchored by Chuck Scarborough and Pat Harper, has been lagging behind its local rivals, thanks largely to slippage by its lead-in soft-news show, *Live at Five*. That show's own lead-in, the syndicated *Donahue*, has been hurt in the local Nielsens by



**Al Roker** may get a show for himself at WNBC, which may then go into syndication.

WABC-TV's *Oprah Winfrey Show*.

The Scarborough/Harper newscast's decline has in turn contributed to the ratings woes of the network's *Nightly News*, anchored by Tom Brokaw—which had been that daypart's Nielsen leader until the people meters went into effect last fall, when it slid to No. 3.

More importantly, the WNBC newscast's decline in key demographics has hurt the station's pricing, Abitabilo conceded. However, with WCBS-TV going ahead with its shift of Dan Rather's *Evening News* to 6:30 p.m. and the insertion of the syndicated *Win, Lose or Draw* at 7 and the resultant elimination of a half-hour of local news—combined with WABC-TV's similar reduction last season in local news to make way for *Jeopardy* at 7, in turn bumping ABC's *World News Tonight* to 6:30—could benefit WNBC's sales efforts, he maintained. WNBC this fall will have the most local news avails in early evening and could perhaps raise rates.

The downside, he added, is that if WCBS' move scores in the ratings, that could ultimately convince WNBC to move Brokaw head to head with his network counterparts at 6:30 and similarly insert a syndicated series at 7.

## Nostalgia will reign at KCBS-TV as it celebrates 40th as Channel 2

KCBS-TV celebrates its 40th anniversary as Channel 2 in Los Angeles with a two-hour primetime special Sept. 14.

The CBS-owned station is inviting 500 persons to a party Aug. 31 at the Hollywood Roosevelt Hotel, site of the first Academy Awards presentation in 1928, which will feature past and present on-air personalities and a talent show which will be taped and blended with clips of a historical nature for the edited broadcast, explains Joel Tator, producer/director of *The Big For O*.

Among the entertainers performing in the Roosevelt's Blossom Room who appeared on the inaugural program when CBS bought the outlet, called KTSL, in 1951 from Don Lee, are Steve Allen, Alan Young, Bob Crosby and Martha Tilton. Also appearing: Morey Amsterdam, who had his own show when the station was broadcasting experimentally in the 1940s as W6XAO, and Jack Jones, who appeared on a variety show in 1955 when the station's call letters were KNXT. Contemporary music will be provided by Billy Vera and the Beaters.

"The broadcast actually celebrates three things" notes Tator, who worked there for eight years

from 1978 as executive producer and director of the weekly half-hour strip, *2 On the Town*. "We're honoring the 40th anniversary of the station as Channel 2, the 10th anniversary of *2 On the Town* and the start of the new local season."

**Host lineup.** The 8-10 p.m. special will be hosted by Melody Rogers, cohost of *2 On the Town* for eight of its 10 years; Ralph Story, host of *Ralph Story's Los Angeles*, the market's first magazine show from 1964-71; Terry Murphy, current news anchor; and Howard Stevens, host of *Friday at Sunset* which ran for two years. Geraldo Rivera will host the segment on the station's new program lineup.

Among the clips shown for the first time since they originally aired are a 1948 episode of *Queen For a Day*, a 1971 segment of *The Wonderful World of Rod Serling*, a 1953 episode from *Bachelor's Haven* with Zsa Zsa Gabor, and a segment from *Johnny Carson's Cellar* from the early 1950s, when he was a staff announcer at the station.

There will also be segments on children's and news programming, with the special reuniting the team from *The Big News*, which dominated the market for 10 years starting in 1960. Appearing together on

the same stage will be newscasters Jerry Dunphy, Ralph Story, Gil Stratton, Bill Keene, Paul Udell and Maury Green.

Former KNXT news anchors Connie Chung (now with NBC News) and Brent Musburger (now with CBS Sports), as well as Dan Rather and Kathleen Sullivan, CBS News personalities, will offer remembrances of the station's history. Chung was also the original host of *2 On the Town*, whose history will be explored in a 20-minute segment which will encompass such major name music acts as The Rolling Stones; The Who; Peter, Paul and Mary; Rick Nelson and Liberace. Boasts Tator, "We'll also feature the highest rated segment on the show, nude skydiving, which drew a 15.9. The show normally averaged an 8 rating."

Tator is also reuniting such past and present personalities to recant funny moments as sports reporters Bill Symes, representing the '40s; Tom Harmon, the '50s; Gill Stratton the '60s; Jim Hill, the '70s; and Jim Lampley the '80s; and weathercasters Bill Keene, Maclovio Perez and Kevin O'Connell, the latter two currently appearing on the station's *Action News* broadcasts. Keene does traffic reports for KNX-AM and KCBS.

Veteran news reporters Ruth Ashton Taylor and Bill Stout, both with the station since the 1950s, will be showcased.

88-89 Rank	Dif.	DMA	1989 TV HH	88-89 Rank	Dif.	DMA	1989 TV HH
181	-4	Biloxi-Gulfport	65,590	197		Lima	40,780
182		Great Falls	61,900	198	***	Charlottesville	39,120
183		Parkersburg	61,870	199	-1	Laredo	34,380
184		St. Joseph	59,780				
185	+9	Jackson, Tn.	57,580	200	-1	Harrisonburg	33,700
				201	-1	Zanesville	31,580
186	+2	Marquette	55,060	202	+3	Twin Falls	30,690
187	***	Tuscaloosa, Ala.	52,860	203	-2	Presque Isle	29,480
188	-3	Grand Junction-Montrose	52,660	204	-1	Fairbanks	26,210
189	-2	Mankato	52,140				
190	-1	Eureka	51,310	205	-1	Bend, Ore.	26,090
				206	-4	Victoria	25,600
191	+1	Cheyenne-Scottsbluff	50,540	207	-1	Helena	20,690
192	-1	Bowling Green	49,460	208	-1	Alpena	15,520
193	-7	Casper-Riverton	48,770	209	-1	North Platte	14,490
194	-1	Butte	46,540				
				210	-1	Glendive	5,180
195		San Angelo	44,220				
196		Ottumwa-Kirksville	43,840				

\*\*\* Not a DMA during both years.  
Source: NSI



88-89 Rank	Dif.	DMA	1989 TV HH				
84	-1	Jackson, Miss.	290,590	132	-3	Wausau-Rhineland	160,960
85		South Bend-Elkhart	289,350	133	+2	La Crosse-Eau Claire	158,320
86		Johnstown-Altoona	285,390	134	+4	Bakersfield	158,060
87		Tri-Cities, TN-VA	283,270	135	-4	Wichita Falls & Lawton	157,860
88	+1	Huntsville-Decatur	280,730	136	-2	Binghamton	157,700
89	-1	Youngstown	276,180	137		Columbus-Tupelo-West Point	156,590
90	+15	Madison	269,380	138	-6	Sioux City	156,390
91	-1	Columbia, SC	269,230	139		Boise	154,860
92	-1	Burlington-Plattsburgh	267,910	140	-28	Rockford	154,780
93	-1	Evansville	266,390	141		Erie	152,020
94	+2	Las Vegas	259,500	142	+1	Chico-Redding	151,920
95	-1	Lincoln & Hstrngs-Kmy Plus	256,510	143	-1	Odessa-Midland	148,420
96	-3	Baton Rouge	256,100	144		Beckley-Bluefield-Oak Hill	147,680
97	-2	Greenville-N. Bern-Washngtn	255,420	145		Minot-Bismarck-Dickinson	146,800
98	+8	Springfield-Holyoke	242,290	146		Ft. Smith	145,890
99		El Paso	240,980	147		Mason City-Austin-Rochester	142,670
100	-3	Waco-Temple	239,440	148	+1	Topeka	140,280
101	-3	Colorado Springs-Pueblo	239,280	149	-1	Lubbock	133,880
102	-1	Ft. Myers-Naples	235,980	150		Medford-Klamath Falls	132,410
103	-3	Sioux Falls (Mitchell)	227,380	151	+1	Columbia-Jefferson City	130,780
104	-1	Augusta	227,110	152	-1	Albany, Ga.	128,320
105	-3	Ft. Wayne	225,640	153		Bangor	128,290
106	-2	Lansing	220,390	154		Tyler	126,710
107	+3	Savannah	215,870	155		Quincy-Hannibal-Keokuk	116,170
108	-1	Fargo-Valley City	214,710	156	+1	Abilene-Sweetwater	115,780
109	-1	Charleston, SC	212,980	157	+1	Florence, SC	112,780
110	+1	Montgomery	210,840	158	-2	Anchorage	110,180
111	-2	Peoria-Bloomington	208,710	159		Dothan	105,940
112	+1	Monterey-Salinas	205,360	160	+2	Idaho Falls-Pocatello	102,130
113	+1	SantaBarbra-SanMar-SanLuOb	203,120	161	+2	Palm Springs	99,350
114	+1	Lafayette, La.	197,490	162	-1	Utica	98,780
115	+3	Columbus, Ga.	192,150	163	+4	Rapid City	97,790
116		Wilmington	190,670	164	+1	Salisbury	90,500
117		Harlingen-Weslaco-Brmsville	186,520	165	+1	Hattiesburg-Laurel	89,150
118	+1	Monroe-El Dorado	181,990	166	-6	Billings	89,110
119	+17	Eugene	181,210	167	-3	Alexandria, La.	87,080
120	+4	Reno	179,460	168	+3	Clarksburg-Weston	85,510
121		Joplin-Pittsburg	177,940	169	-1	Elmira	84,030
122		Terre Haute	174,190	170		Gainesville	83,750
123	-3	Amarillo	173,040	171	-2	Greenwood-Greenville	81,780
124	-1	Corpus Christi	172,940	172	+1	Panama City	79,130
125	+5	Tallahassee-Thomasville	170,020	173	-1	Lake Charles	74,980
126	+2	Yakima	169,210	174	+1	Missoula	74,650
127	-2	Duluth-Superior	169,030	175	-1	Meridian	74,230
128	-2	Wheeling-Steubenville	167,650	176		Ada-Ardmore	73,780
129	-2	Beaumont-Port Arthur	163,580	177	+2	Yuma-El Centro	70,150
130	+10	Macon	162,940	178		Jonesboro	68,150
131	+2	Traverse City-Cadillac	160,990	179	+2	Roswell	66,720
				180		Watertown	66,320

(Continued on page 64)

## FEEDBACK

**Do you find advertising agencies are still prejudiced against buying time on independent TV stations?**



**"I'm not sure there's a natural bias against independents, but we are handicapped for a couple of reasons related to normal buying practices. One is buyers' preoccupation with local news, which precludes the majority of independents. Secondly, the great majority of markets are nonmetered. . . I don't think indie bias exists to the degree it did five years ago. Traditionally, we have more inventory to offer, and therefore we're more efficient."**

*Ric Gorman  
Vice President/general manager  
WNAC-TV Providence, R.I.*



**"There's still some agencies that have restrictions on minimum ratings, and stations that don't meet those minimums have a problem. There's also different standards in the matter of primetime for independents and affiliates, but it's getting better with the growth of independents and the decline of the networks. While there's more alternatives for agencies, we have a ways to go."**

*Elliott Troshinsky  
Vice president/general manager  
KRBK-TV Sacramento*



**"Yes, most definitely. The situation has improved in recent years at many agencies. But there are still those agencies that do not fairly evaluate independents and who do not place a fair share of their clients' broadcast budgets on independent stations—not even on independents like ours that can show them good audience numbers. I'm not sure whether the reason is ignorance or unfounded bias. But in either case, it shows that independent stations and their representatives still need to educate agencies about the quality of the audience well programmed independent stations are delivering all across the country."**

*Norris Reichel  
Vice president/general manager  
WOFL-TV Orlando*



## *Tax shelter advisory*

### **How limited partners can become entangled in passive loss rules**

In the Tax Reform Act of 1986 (TRA), we were introduced for the first time to a new concept, the passive loss rules. The passive loss rules make it virtually impossible to obtain tax benefits from traditional tax shelters such as real estate and movie deals.

In terms of a general definition, the term "passive loss" mean a loss which arises from an activity where the owner of the activity does not take an active role. For instance, assume that an individual, Jake, is a limited partner in a broadcast station or cable system but takes no role in management. The TRA would treat any income or loss from the activity as "passive" because of Jake's status.

To nail down these rules, Congress authorized the Treasury Department to prescribe regulations to explain and clarify the rules that Congress promulgated in the TRA. Recently, the Treasury Department issued its first set of three installments of proposed regulations defining and interpreting the passive loss legislation enacted by Congress. The Treasury Department basically followed Congress' directions to state that one can only take a passive loss (i.e., a loss from one TV station when the taxpayer is passive) to the extent that the individual has passive income (i.e., income from another TV station where the taxpayer is likewise passive).

However, in promulgating these regulations, the Treasury Department has forced tax planning to be divided into two areas—the actual problem and what the effect is that the passive loss regulations will have on this situation. An example will illustrate the complexity and the reason why the passive loss regulations have taken such a prominent position in tax planning.

#### **From passive to active**

Assume that Harry and Bert are equal partners in a partnership that operates a TV station in New York which began operations on Jan. 1, 1988. Bert is the general manager and lives in New York; Harry takes no role in the management, is the money person and lives in California. Harry's only instruction to Bert is to make money, as Harry regards himself as a passive investor and has entered this TV station venture to make passive income so that he can offset his passive losses from other ventures which total \$100,000 with passive income.

Unfortunately for Harry, at the end of the first six months of operation of the TV station, Bert proved to be a lousy general manager and the projection for the year is that the TV station will lose money, an event that Harry does not want. So Harry jumps into the

operations of the TV station, firing Bert as the general manager, hiring and firing people, working on programs, and at the end of the station's taxable year, after Harry works more than 500 hours, the station shows a profit of \$200,000 (\$100,000 to Harry and \$100,000 to Bert).

While Harry is overjoyed that he did not make a bad investment, his tax advisor is not pleased. The reason is Temp. Reg. Section 1.469-5T(a), which prescribes that if an individual participates in an activity for more than 500 hours during the year, all income from that venture will be deemed active, not passive. Thus, Harry will not be able to offset his \$100,000 of income earned from the TV station with his \$100,000 of passive losses; he will just report \$100,000 of income on his tax return with no offset.

Besides the 500 hour test, the Temporary Regulations have prescribed another numerical test to reclassify income as active. Temp. Reg. Section 1.469-5T(a) (3) prescribes that if a taxpayer who participates in an activity for more than 100 hours during the taxable year but less than 500 hours, and that participation is not less than that of any other individual, the income that taxpayer earns will be deemed active not passive. An example:

Charley is employed as a fulltime television announcer. Charley also owns an interest in a partnership which is engaged in TV production. Charley and Matt, the other partner, are the only participants in the activity for the taxable year. The activity is conducted entirely on Saturdays. Each Saturday throughout the taxable year Charley and Matt work for eight hours each. Accordingly, under Reg. Section 1.469-5T(a) (3), Charley will be deemed to have all income earned from this activity treated as active.

#### **Investor-oriented work**

As a general rule, Reg. Section 1.469-5T(f) (1) prescribes that all work done in an activity by an individual or the individual's spouse is taken into account as participation by the individual in the activity without regard to the capacity in which the individual does the work. However, Reg. Section 1.469-5T(f) (2) prescribes several exceptions—one being that work done by an individual in his capacity as an investor is not taken into account. An example:

Mary, a married individual, files a separate return for the taxable year and is employed fulltime as an attorney. Mary also owns an interest in a radio station. She does no work in connection with this activity. Mary anticipates that for the taxable year the station will lose money and thus she will have a passive loss from the station.

However, Mary's spouse, David, is hired by the station to work as a sound man for an average of 15 hours per week during the taxable year, totaling 780 hours. She will have to treat the loss from the radio station as a passive loss, not as an active loss, since the work by her husband, while it counts toward measuring Mary's participation, is not the type of work customarily done by an owner of a radio station.—**Michael Schlesinger, partner, Schlesinger & Sussman, attorneys at law, New York**



## TV Academy takes measures to streamline its Emmy Awards

The Academy of Television Arts & Sciences thinks shorter is definitely better than longer and is taking steps it hopes will ensure a streamlined 40th annual Emmy Awards show airing Aug. 28 on Fox Broadcasting.

Last year's show ran more than four hours, the longest in Emmy history. Academy officials have told nominees to trim their acceptance speeches, and where there are multiple winners, one speaker will represent the group.

There is also no host, only presenters, and no time-consuming production numbers. David Gerber, cochairman of the show committee, stresses the Academy wants to avoid at all costs a repetition of the drawn out 1987 telecast. Fox Broadcasting will again televise the event, and for the first time in years, an orchestra, the *Saturday Night Live* band, will appear on stage. Lorne Michaels, producer of the popular NBC series, is also producer of the Emmy telecast.

And in a move to hype the telecast's 40 historical years, the Academy has invited 288 stars who have won primetime Emmys to a reception in their honor five days before the show. Obviously the list reads like a who's who of show business, from Don Adams to Loretta Young.



David Gerber

*The Academy has laid down the law: only one speech on multiple winner awards and no production numbers.*

Strike impact: Just how much damage was done by the 22-week **Writers Guild of America** strike against the film industry and TV networks? Brian Walton, chief guild negotiator, estimates the strike cost the industry \$200 million in lost revenues. Industry analysts at ad agencies feel the effect will produce a 10% drop in prime-time network viewing once the networks actually get into their delayed fall seasons. In terms of human lives, 20,000 actors and production people were idled. A total of about 230,000 people statewide works in the TV and film fields, including support service companies, according to the California Film Commission.

One positive aspect: Show producers may be forced to stay in California to film rather than go elsewhere to make up for the five months they were not active.

The strike, which began March 7 and ended Aug. 7 at 154 days, is the third longest among entertainment industry disputes. An American Federation of Musicians strike in 1944 lasted 835 days, followed by an L.A. musicians' union strike in 1981, which ran for 167 days.

Emerging composer: Most people know **John Tesh** as the cohost of *Entertainment Tonight*. He's got a second, blossoming career as a music composer. His first LP, *Tour de France*, is out from Private Music, a new age company, and the title reflects his recent Emmy award for his original instrumental pieces for CBS-TV's coverage of the Tour de France bicycle race, which he performed during the telecast. He won



**John Tesh**, cohost of "*Entertainment Tonight*," has found a second career as a music composer and has turned out his first LP.

his first Emmy in 1983 for the score he wrote for the Pan American Games telecast. Tesh writes all music on a \$150,000 Synclavier digital music system in a studio he built in his home.

Happy return: Yes, **Peter Graves** is returning happily to play the role of James Phelps in the new *Mission: Impossible Series* for **ABC**, which begins production in Australia Sept. 5. He is the only member of the original cast of the series, which ran 1968-73, to sign up for the new series of recycled and updated scripts.

Lassie's back: **MCA** and **Palladium Entertainment** begin production of a new half-hour series next spring at MCA's new Florida studios for fall 1989 showing. The series originally ran for 21 years on network TV. There'll also be a line of Lassie merchandise and appearances by the canine at Universal's Studio Tours in Florida and California.

Fall report: The entertainment division presidents of the three networks will discuss their fall schedules Sept. 8 at the opening newsmaker luncheon of the **Hollywood Radio-TV Society** at the Registry Hotel.





**"I would hope that kind of prejudice went out with the emancipation proclamation. Certainly smart buyers know that independents have the same quality of audience as affiliates and in many cases can generate ratings as good as affiliates in the marketplace, depending on marketplace position and programs."**

*Mike Drexler  
Executive vice president  
Bozell, Jacobs, Kenyon &  
Eckhart*



**"Yes, I think so, although it varies market by market. Since we are such a strong independent, we don't see it that much... Agencies' planning is so antiquated. They are not taking advantage of what the independents have to offer."**

*Greg Filandrinos  
Sales director  
KPLR-TV St Louis*



**"It seems to be more of a daypart issue than a matter of independents versus affiliates. Some clients are more inclined to invest in affiliate primetime and news. And while we have a 10 o'clock news that competes very well here in Detroit, we have no early evening news, and we find this a limitation in competing for available advertising dollars. And some of the newer independent stations around the country have no newscasts at all. But at the same time, the good news is that the number of agencies we run up against with any profound remaining prejudice against independents have become fewer and fewer with each passing year."**

*Duane Kell  
Station manager  
WKBD-TV Detroit*



**"I don't think prejudice is the right word. Programming is driving the selection whether it's an independent or an affiliate. If the programming is there, we'll buy it. We're using more and more independents."**

*Page Thompson  
Senior vice president  
DDB/Needham Worldwide*



**"A great many of them, yes. Then again, a lot recognize the value of buying independents, especially in unmetered markets where they know the audience is undermeasured. A lot of clients are prejudiced too. There's no reason for it. A viewer is a viewer, whether he's watching 'Cosby,' one of our movies or '60 Minutes.'"**

*Ted Baze  
President/general manager  
KGMC-TV Oklahoma City*

## WASHINGTON ROUNDUP

### FCC network activity may show outgoing regime not such a lame duck

Before leaving town with the rest of the federal government, the Federal Communications Commission decided at its August meeting to make sure that, when the current Reagan administration closes up shop, the current regulatory agency will be going out with a bang.

It asked for comments before the end of the year on several issues that, if decided on before the new

administration takes over the agency, could set important communications policy for a long time.

Already, some eyebrows are being raised, and not-so-subtle suggestions being made that the FCC is preparing itself for a last-minute sop to the three major TV networks before the new regime, expected to be in a position to name a new majority of commissioners, takes over.

For almost the entire time that former FCC Chairman Mark Fowler and current Chairman Dennis Patrick have led the commission, it has sat on its original proposal made in 1982 to eliminate the bar on network ownership of cable systems, which was adopted by the commission in 1970.

**A good excuse.** The National Telecommunications Information Administration gave the FCC a good excuse to revive that proceeding when it came out with a report this summer suggesting that the marketplace had changed dramatically

# the marketplace

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# In the Picture

## Spencer L. Hapoienu



*One time media director now runs SAGE, an Ogilvy Group consulting unit specializing in the end of the line for its clients' products: what happens to them at retail and how to make that end result more profitable.*

## Ogilvy executive outlines a better way to track sales impact of ad campaigns

Don Gorski, vice president sales, CBS Radio Representatives, is among those who feel the emphasis on consumer promotions may have hit its peak, or close to it. He notes that in the case of radio promotions, they can clutter a station's air to the point that its listeners flip the dial to the competition. "For the advertiser it may be a quick fix to hype brand sales this week—until his competitor turns on his counter promotion next week. It doesn't build long term brand loyalty for either advertiser."

But Gorski concedes that his belief that a lot more advertisers are starting to recognize this "is probably eight parts gut feeling on my part." But now solid, research and experience-based backing for that gut feeling comes from a source a bit closer to the advertisers: one of their agencies.

SAGE Worldwide is a unit of The Ogilvy Group set up just two years ago to help clients manage their dealings with retailers. In the latest edition of Ogilvy's *Viewpoint*, in his article, *The Struggle for a Place on the (retail) Shelf*, SAGE managing director Spencer Hapoienu describes an improved accounting technique, Direct Product Profitability. It's based on UPC generated food store sales data that now enables retailers to directly trace brand movement and profitability to the effect of long term, image building advertising, as they have until recently been able to do only for the more immediate effects of short term consumer promotions.

### Tracks all factors

Hapoienu says this new ability to track what happens on the supermarket shelf "is the equivalent of measuring all the marketing factors involved. The strength of the brand franchise, and the importance of brand building through advertising, can now be demonstrated at the store level by the ability of the brand to achieve consistent sales at a price that delivers profits, both to the retailer and the manufacturer."

He explains that DPP—Direct Product Profitability—is a financial model that allocates all the retailer's costs, item by item, to every brand on the shelf, to determine the net profit of each. DPP takes into account product acquisition costs, transportation and warehousing costs, labor costs to stock the warehouse, put the brand on the shelf, and check the product out of the store, shelf inventory costs, marketing costs, and the general overhead of store lights, phones, rent, etc. Until DPP was developed, says Hapoienu, retailers used an accounting system that stopped at the gross profit level.

He says the value of the new DPP-generated information is that it "represents the vote of the consumer for each brand and that brand's value to the retailer. Traditional market share information was useful when success was predicated on mass marketing. But today, as retailers identify market niches based on consumer segmentation, total market share becomes less relevant. Our new, more specific measures of item profitability guide the retailer in substituting a more profitable brand in the shelf space previously devoted to a less profitable item."

### Leverage is local

The importance of this, says Hapoienu, is underlined by the fact that today, marketplace leverage lies at the local level. "As consumer tastes, needs and wants continue to multiply and fragment, leverage can be achieved only by delivering relevant products, services, messages and promotions to consumers as individuals. At the same time though, building brand equity among retailers is as important as building brands among consumers, because the retailer is exercising more and more control of the marketplace in terms of pricing, distribution and marketing."

As a result, he continues, "Marketing decisions must shift to the local level, with greater involvement of sales people leading to new organizational structures headed by a combination sales/brand manager. Campbells, General Foods and Procter & Gamble are among the companies that have already started down this road. And the key to winning the battle for shelf space will depend on managing information and recognizing it as the most valuable asset."

He says one of SAGE's jobs is to deliver and analyze for clients "the same kind of UPC generated data retailers use, so clients can assess performance of their brands faster, then redirect their marketing moves more responsively." He says SAGE consulting includes regional and local micro marketing programs, marketing strategies and plans, sales organization strategies, new product strategies and drawing up category white papers.

Hapoienu's first job with Ogilvy & Mather was in 1973 in media. In 1979 he left to become media director of McDonald & Little in Atlanta, until, in 1981 that agency elected him a senior vice president and he assumed additional responsibilities for marketing services and new business. In this capacity he landed the Turner Broadcasting System account and guided the business through launch of the Cable News Network and CNN Headline News, winning an Effie award for marketing.



# Washington Report

## Cable, broadcast interests face off in stat wars over must-carry rules

The two main antagonists in the seemingly never-ending battle of broadcast TV versus cable continue waging a battle for the hearts and minds of anyone in the federal government who will listen. The latest battleground is the FCC, conducting a congressionally mandated proceeding to determine the impact of the absence of must-carry rules.

The National Association of Broadcasters and the National Cable Television Association each filed reply comments by deadline time and accused each other of misrepresenting the true picture. At stake may be congressional action next year to draw up its own must-carry law.

The NAB presented its own study of the impact of the dropping of must-carry rules, citing that more than 200 stations suffered from cable system decisions, either by being dropped from cable carriage, or by being shifted to an undesirable channel position.

The NAB filing represents an escalation of the war. The Association of Independent Television Stations (INTV) had stated in its original comment filing in the matter that 47 stations had suffered at the hands of cable.

### How's about some help?

Unfortunately for the NCTA, its plans to provide its own statistical story for the reply comment round were upset when Price Waterhouse failed to get enough responses from cable operators to meet the deadline. The deadline for system replies was extended to August 12, after the FCC's deadline.

The study is expected to be released later, but in the meantime, the NCTA centered its reply comments on knocking down the INTV filing. Unfortunately, as it was attempting to discount INTV's figures, including citing many of the INTV examples as "dated stories," the NAB was filing its own set.

By comparison, then, the NCTA's filing appears weak. Even if the Price Waterhouse study doesn't make it into the FCC's record to be presented to Congress, there is no doubt that it will be part of the record considered by Congress when it turns to the issue next year.

In its report, "Free Television Under Siege," submitted to the FCC last May, INTV offered 43 summaries of harmful action it said cable systems had taken against 48 independent stations in the absence of must-carry rules.

The NCTA offered a six-point rebuttal to the INTV statistics:

- "INTV's document reflects only a fraction of the total carriage instances.
- "INTV's document contains carriage changes that involve distant signals.

- "INTV's document contains dated information.
- "INTV's document contains factual errors or omissions.
- "Many of INTV's incidents have been resolved.
- "Many of INTV's 'misdeeds' entail stations repositioned to their on-channel assignments or lower."

Getting specific, the NCTA's report to the FCC says that the INTV study cited only one example of a station that was dropped.

"Even in this instance," NCTA says, "INTV has failed to acknowledge the widespread cable carriage that this station continues to enjoy. INTV notes that WPMT (channel 43, York, Pa.) was dropped by the 10,901-subscriber Warner Cable system in Chambersburg, Pa. WPMT is, however, carried on 85 cable systems that serve 422,415 subscribers. Therefore, the Warner Cable system represented less than 3% of the cable subscribers that receive WPMT on their system."

In the conclusion to its FCC filing, the NCTA says, "most of the cable industry does not oppose the promulgation of reasonably drawn must-carry rules, such as those agreed to in the joint industry compromise in 1986. However, it cannot be too strongly emphasized that the adoption of such rules must be based on a rationale that can withstand factual and logical scrutiny. The record in this proceeding demonstrates that must-carry regulation cannot be justified on the grounds that, in the absence of such regulation, the cable industry has been engaging in anticompetitive or irresponsible behavior vis-a-vis local broadcast stations."

### Stating the facts

The NAB study concludes: "47 stations were not carried on at least one cable system to which they would have been entitled to carriage under the commission's pre-Quincy [original must-carry] rules; 53 stations were not carried on at least one cable system on which they would have been qualified for carriage under the commissioners post-Quincy rules [worked out with the industry after the first set was struck down by the courts, and subsequently also struck down]; 148 stations reported having channel repositioning problems on cable systems within their ADI."

The information, NAB says, is based on "three surveys it had undertaken at various times since the Quincy decision of stations that had reported difficulties encountered in obtaining carriage and/or channel position and the adverse consequences resulting therefrom." The latest one, it says, was sent to 366 stations, and 259 responded, and most of those were independent stations.

It said that, of 53 stations that reported suffering a "substantial negative impact" as a result of not being carried under either of the FCC rules, "48 stations reported significant losses in viewership resulting in significant loss in advertising which, in turn, resulted in significant financial losses; 24 public stations reported significant losses in membership; 17 stations reported their being dropped resulted in audiences being denied their only source of local programming; and six new stations reported their encountering substantial difficulties starting the station."



since the ban was adopted, including a diminution in the influence that the big 3 television networks had over the marketplace.

Thus, the FCC decided, with Commissioner James Quello expressing strong concerns but voting for it, to seek further comments in the proceeding, with a decision possible by the end of the year.

**Affil limits.** Year's end also could find FCC action on another network-related item, eliminating the term of affiliation agreements the networks have with stations. FCC

rules currently limit affiliation agreements to two years, but the commissioners decided to seek comments on a proposal to either lift the rule entirely or to raise the limit to something like five years.

**Adopted arbitrarily.** The current rule was adopted arbitrarily in 1945, when television broadcasting was in its infancy, and, FCC staffers say, has been made obsolete by vastly changed market conditions since then.

The agency noted that 661 commercial stations are affiliated with

one of the three television networks, while the number of independent television stations have steadily increased, to 313 today, obviating any need for any new network to win an affiliate away from an existing network in a key big-city market. (One wonders, however, if the FCC is aware of what's going on in the Miami television market.)

In promulgating the rule change, however, the commission noted that it was not intending to undertake a "sweeping review" of network rules.

# the marketplace

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