Television/Radio Age

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ARBITRON CHALLENGE
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bets $125 million
on 'single source'/30

RETAIL REVOLUTION
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in store operation
offer ad opportunities/36

March 20, 1989 • $3.50

Television/Radio Age

March 20, 1989 *Volume XXXVI, No. 17*

STATION REPORT

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Publisher's Letter

Cloudy retail climate for broadcast has silver lining for the aggressive

Throughout history, adversity has proven to be the seedbed for opportunity. For broadcasters, this may well prove to be the case as it currently relates to the depressed retail environment. Retailers themselves should know the story well, considering the success stories that grew out of the great Depression of the '30s. A good example is Thrifty Drug Stores, a giant chain with unusually heavy saturation west of the Mississippi. Born in the Depression, it offered low prices on basic needs at a time when money was scarce.

So now that retail sales are weak, advertising expenditures are down and retail outlets are being absorbed through mergers or shut down altogether, it's time for local broadcasters to look for the silver lining. In his feature article on page 36, retailing expert Howard Abrahams points to all the wrinkles in today's retailing climate, but he also points to a number of shifts in retailing directions that could offer new opportunities for aggressive sales teams.

One example is the merger trend. While, on one side of the coin, mergers make for fewer prospects to call on, they can also make for expanded marketing areas for these retailers—meaning that TV and metropolitan radio may become more efficient for such retailers than they once were.

According to their respective advertising bureaus, newspaper retail advertising is expected to grow 6% this year, while all local advertising on TV is also expected to grow 6% and local radio is projected to rise 8.5%. And, while newspapers get more than double the retail revenues of either radio or TV, there are a number of other developments favoring broadcast growth at the expense of newspapers.

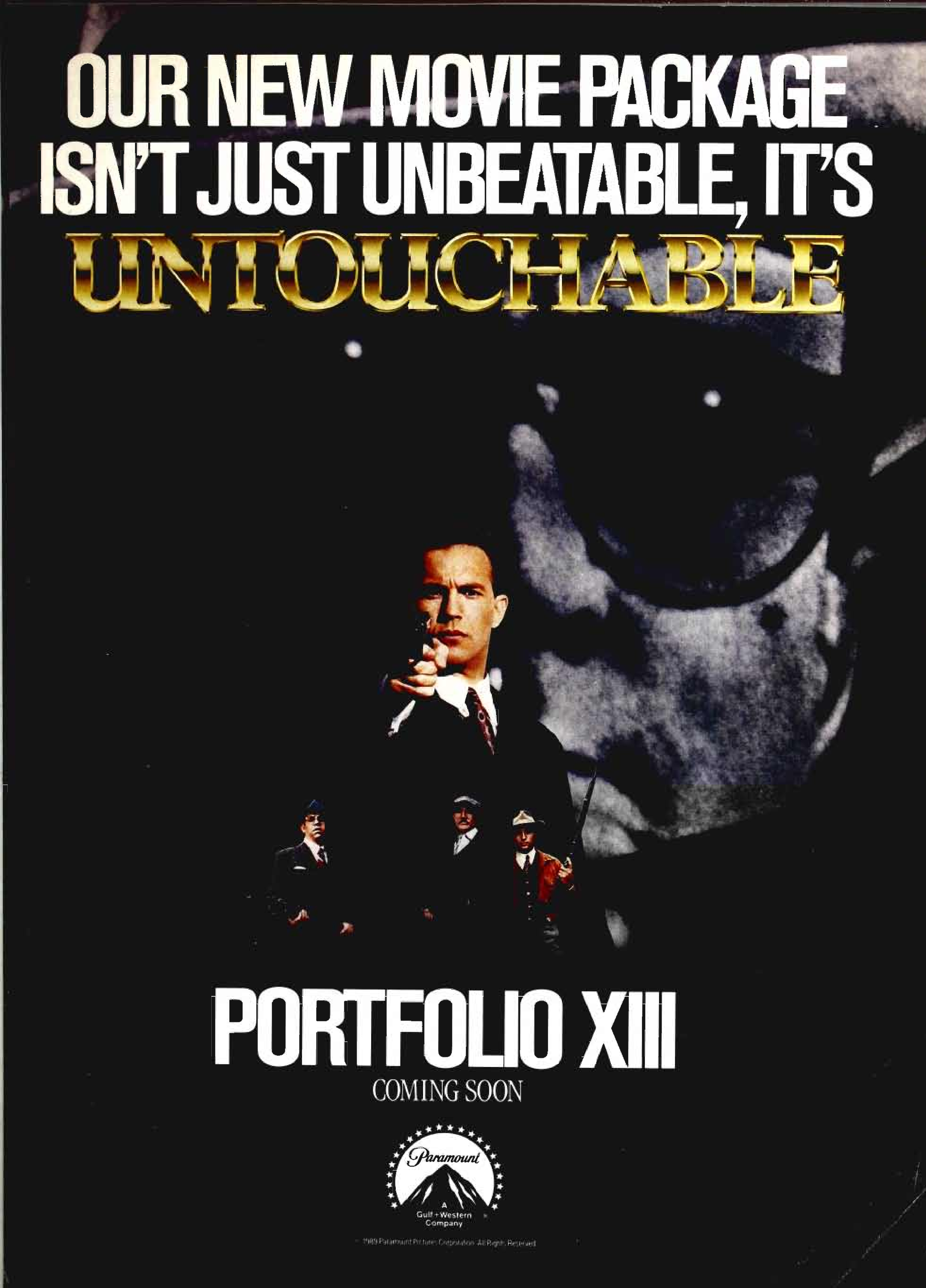
Image vs. items. Abrahams' article indicates that some of the top retailers are discarding the shopping-list approach that has been the mainstay of newspapers in favor of an image orientation (spelled broadcast). K mart, the No. 2 retailer in the U.S., has stated it will position itself more as "the retailer for a broad array of merchandise instead of an item merchant."

Then there's the dramatic shift of the nation's largest retailer—Sears Roebuck. As its recent blitz on network TV has recently announced, its policy has changed to one of "everyday low prices." Sears says prices have been permanently rolled back 10–25% on almost all merchandise, and it went through a costly changeover to prove its point, spending what it did on network TV and closing down the stores during the transition. Its first day under the new policy brought a large number of curious shoppers in many parts of the nation—looking more than shopping and not quite believing the change had taken place.

But, on both the local and national level, the change means that Sears will now be emphasizing brand-name merchandise, making it a candidate for broadcast advertising utilizing co-op funds. And again, "everyday low prices" mitigates against the sale shopping list approach that has been held to be more conducive to newspaper advertising.

Abrahams also points out that more co-op will be used for themed events. Opportunity knocks!

S.J. Paul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Final Edition

Group W's unwired Premiere news network heads for 50% coverage

Premiere Announcement Network, the unwired sales network being assembled in the top 50 markets by Group W Television Sales, New York, is about to top the 50% coverage plateau with station signings in the works at presstime.

Edward Goldman, president of the Group W rep firm, says these signings—targeted for mid-March announcement—follow Post-Newsweek Stations and United Television, whose combined five outlets lifted the broadcast cooperative's overall coverage of U.S. TV households to 40%, via 19 stations. Premiere, whose packaging of availabilities in affiliated stations' early and late newscasts was formed in January with just over 34% coverage, is aiming for 76% NTI coverage by the time upfront negotiations with ad agencies and advertisers begin this summer.

Goldman describes Premiere as a cooperative "designed to provide upfront national market advertisers with unprecedented access" to local news avails. This would serve as an alternative to the Big 3 networks, barter syndication and cable services, he says. Although he and Bud Hirsch, vice president of sales and marketing at the NBC-owned stations division, have emphasized from the outset that Premiere Announcement Network will not erode national spot pricing or revenues, the TV rep community remains up in arms over the venture. The reps maintain that Premiere will indeed drain spot dollars as well as violate the exclusive rep-station contract governing national sales (TV/RADIO AGE, Jan. 23).

Edward Goldman

Goldman maintains that recent rumors that Premiere was on the verge of folding like the Assn. of Independent Television Stations' INTV-Net package plan were "strictly coming from the rep community, one rep in particular, in my opinion." He declines to say which rep he has in mind. On the other hand, he states, "The station community feels the need for this [plan] and there's support from the agency side too." Initial presentations to some agencies will begin by the end of the month, he notes.

Goldman adds that there has been no indication thus far that any rep was planning a legal action against Premiere, based on the contract terms issue. Several reps "made a lot of noise about that [in the press] but not to me, and I don't expect them to." He refers to talk of taking Group W to court as "saber rattling."

Legal action unlikely. At MMT Sales, Charles Lizzo, executive vice president, seems to agree that legal action is unlikely. Client stations threatened in that manner, he feels, "would probably look for another rep. It's a case of cutting your nose to spite your face." Still, that does not mean that the reps will not raise objections to the unwired venture. Premiere, he says, is "tough to sell logically, since they're taking an area stations have no problem selling. I don't see how they can compete without giving a discount" on what is among outlets' strongest rates.

Group W is "opening a can of worms—who's selling whose time? Who's keeping track of [potential] conflicts in automotive" and other categories, he wonders. INTV-Net did not go forward, he theorizes, because "it comes down to station cooperation. Independent groups decided not to do their bread-and-butter time periods" in that manner. The major-market affiliates, on the other hand, "seem so caught up in competing for network dollars that they're losing sight of what we're doing for a living," Lizzo adds. Marketers buying into Premiere may find it offers some markets where their product distribution is nil or minimal, he says. "Isn't that why networks created regional networks, to fill that void?"

TVRC Syndication, New York, is another company currently offering news time as an unwired network buy. Goldman does not see TVRC as a direct competitor, in part because its inclusion of independents lessens its news clout. Besides, he adds, "I have no idea what they're charging, what rotations they're offering, their environment or their clearances."

Soon after unveiling Premiere in January, Goldman emphasized that he made two commitments to Group W-owned stations: "Not to cannibalize local and national spot" at the stations and "not to denigrate the value of the local news. We intend to maintain the dignity of the time" in terms of pricing "or we just won't sell it." In other words, he notes, "We will never discount."

Feders to join NBC news mag

NBC News has named Sid Feders coexecutive producer of its forthcoming primetime news magazine. A 10-year NBC News veteran, Feders has been executive producer of *Sunday Today* and *Meet the Press*. Although NBC did not say so, the title itself indicates there will be a second executive producer named later.

Feders was the senior producer of two previous NBC news magazines, *American Almanac* and *1986*. (See also the feature on news magazines, page 25). He also produced four 1987 primetime news specials. Prior to NBC, he spent 11 years with CBS News.

Taking over the reins at *Sunday Today* and *Meet the Press* is Gerry Solomon, formerly exec producer on *NBC News at Sunrise* since fall '82. Earlier he was a producer with *Today* and *Nightly News*.

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WPIX gains 'student of the game' as Seaver joins Yanks' TV team

Having overcome the initial shock of losing veteran New York Yankees announcer Bill White to the National League, WPIX (TV) New York feels it has now found a knowledgeable successor in Tom Seaver.

"Seaver has shown in his network outings the same intelligent approach as he showed while pitching," says Marty Appel, executive producer of WPIX's Yankees games. Seaver worked as an analyst on three World Series and two League Championship Series for NBC between 1978 and 1982 and one World Series and an LCS for ABC in 1976 and '77.

"He's a thinking man's player, intense, one of the ultimate students of the game," Appel continues. "But he'll show more humor in the TV booth than he showed on the mound."

The round of musical chairs that brought Seaver and ESPN's George Grande to the Yankees' booth began when White was named NL president, replacing Bart Giamatti, who had earlier succeeded Peter Ueberroth as Major League Baseball commissioner. Seaver also has signed for the 1989 season with NBC Sports, to team up with Vin Scully on regular season and post-season coverage. That opening arose last fall when Joe Garagiola quit after the World Series, irked by what he perceived as lukewarm support for his renewal chances. A onetime catcher, *Today* cohost, and commercial spokesman for companies like Chrysler Corp., Garagiola had announced for NBC for 27 seasons.

Seaver, who starts on NBC with a March 25 exhibition game and the April 8 season opener, will miss some WPIX games on dates that conflict with NBC's. At WPIX, he will do three exhibition games and the April 4 Yankees opener. The fact that both deals are only for the 1989 season has led many in the industry to speculate that Seaver undoubtedly has his sights on CBS-TV or ESPN, whose longterm exclusive MLB agreements take effect in 1990. Seaver was unavailable for comment at presstime. Grande, meanwhile, has a one-year deal, with a renewal option.

Pitching ace *Tom Seaver, l., joins veteran Yankee Phil Rizzuto, c., in the WPIX Yankees broadcast booth, succeeding Bill White, new NL president.*

How will Yankees fans respond to having the longtime Mets pitching ace announcing Bronx Bomber telecasts? Appel downplays that situation. "In his last three seasons as a player, '84, '85 and '86, Seaver played in the American League, for the White Sox and the Red Sox, so if anything he's closer to the American League than the National now." Moreover, Seaver is a longtime resident of Connecticut, so he has often watched both Yankees and Mets games, Appel adds. George Steinbrenner, Yankees owner, had final approval on the WPIX announcers, and he had no hangups about Seaver's Mets association, says Appel, who also serves as WPIX's vice president of public relations and sports.

Phil Rizzuto, who has been announcing for the Yanks on WPIX since 1957, discloses, "My first thought was: A Met in the Yankee booth! A lot of diehard Yankee fans out there may feel the same."

Rizzuto says he was not asked his opinions on the various contenders but says, "I was trying my darndest to get Frank Messer back. But they apparently wanted a big name and they couldn't get much bigger [than Seaver]." The former Yankees shortstop adds, "I've gone through this before. This is the fifth time in 33 years" that there have been changes in the announcers. "They all work out, but some are easier transitions than others. This time there are two new guys. Seaver wants to do play-by-play. That's the most difficult thing. He's had limited experience, but he's very knowledgeable."

Complicating things is a minimum of "dress rehearsals" in the form of spring training games, on March 13, 21 and 27. So virtually all their experience at the mike will be gained on-camera during the regular season, Rizzuto notes. Appel is not overly concerned, however. "In all honesty, the chemistry still needs to be defined and developed, but they should be rolling by the regular season start," he maintains. "People forget Rizzuto and White took a few years to get the chemistry into their 'act,'" he points out. The transition should be made easier by the fact that WPIX will have just two announcers in the booth at the same time, not three as ABC does, Appel adds.

Marty Appel, Yankees exec prod.

Rizzuto has been in the Yankees broadcast booth since 1957, when he and Red Barber joined Mel Allen. White, a player from 1956 through 1969, joined Rizzuto in 1971, becoming TV's first fulltime black sportscaster.

Automotive ads the main highway to national television sales growth

National advertising growth on TV this year may depend heavily on the automotive business. This is apparent from a review of 1988 figures released by TvB.

The only sizeable increase among the major ad categories in network, national spot and barter syndication was in the automotive field, and the automotive increase was concentrated in network and spot. The big increases among the top spot TV clients were confined to auto makers. More than a third of the increase in network TV last year was by automotive clients. And TV growth is expected to ease off this year, with the absence of Olympics and election money.

Automotive spending on national TV was $2.6 billion last year, up 19% or about $420 million. It was the second biggest category, led only by the food and food products category. But the latter was up only 2% to $2.8 billion, an increase of about $43 million. The third biggest national TV ad category was restaurants and drive-ins, and that total—$1.3 billion—was well below that of the top two. And it was only up 2%, also. The fourth and fifth categories—toiletries and toilet goods and proprietary medicines—were also up by small percentages, 3%, and 2%, respectively.

The Big 3. The top five spot clients included the Big 3 auto makers, and they were the only ones among the five which showed increases. General Motors was up 21% to $312.2 million (the No. 1 spender), Ford was up 20% to $165.7 million and Chrysler was up 34% to $146.8 million. And the sixth-ranking spot spender was Toyota, up 17% to $133.4 million.

In network TV, of the $766 million increase last year, $278 million was accounted for by automotive accounts. That category was up 27% to $1.3 billion. Automotive was No. 2 network category, second only to food and food products, which, again, were up only 2%. In addition, auto repair and service stations were up 41% to $26.2 million and auto supply and accessory stores were up 297% to $25.2 million.

Automotive was not a major factor in barter syndication, rising only 6% to $29.1 million. And there were no automotive clients among the top 15 barter advertisers.

As to the local/retailer facets of automotive advertising, while it is a major category, it increased little last year, rising 1% to $530.6 million. The biggest subcategory in the local automotive scene is auto and truck dealers, where TV billings were up 2.2% to $379.8 million.

BAR estimates show that network TV went up 8.7% to $9.6 billion last year. Local rose 6.4% to $7.3 billion and national/regional spot climbed 4.4% to $7.1 billion. National syndication was up 18.1% to $900 million.

NBC took practically 40% of the network pie last year, being credited by BAR with $3.8 billion. ABC's share was 31.6 with $3.0 billion in billings, while CBS had a 28.6 share with $2.7 billion.

The big growth in network TV was in the fringe dayparts. Weekend daytime was up 26.4% to $1.4 billion, late night, Monday-through-Sunday, rose 38.6% to $598.7 million, while early morning, Monday-through-Friday, climbed 35.3% to $330.3 million. But weekday daytime was off 4.6% to $1.3 billion, meaning that weekend daytime actually had higher billings than weekday daytime, according to estimates by BAR, which uses unit prices supplied by the webs. It should be noted, however that weekend daytime is a longer daypart than weekday daytime.

The biggest retail category last year was leisure time stores and services, which was up 3% to $1.4 billion. However, well over half of this total was accounted for by restaurants and drive-ins.

Reducing multipath distortion

Proven solutions to reducing multipath distortion, considered one of the more serious problems confronting FM broadcasters, may be in the offing as the result of an upcoming six-month test project at an Allentown, Pa., station.

The test will focus on what is variously called AM incidental modulation, AM incidental noise or incidental carrier amplitude modulation (ICAM). The test will be conducted by Edward "Ted" Schober of Radiotechniques, Haddon Heights, N.J., an expert in the multipath field, who has written a number of articles on the subject. Coordinating the test will be Harry Simons, chief engineer of WAEB-AM-FM, the Allentown outlet where the test will be conducted, starting in May.

The money people. Helping to fund this research by providing manpower, test equipment, materials and laboratories are Delco Electronics, which will supply a mobile test van; Electronics Research, Broadcast Electronics, Continental Electronics, and a number of other manufacturers.

Among the matters to be tested will be many of Schober's theories on minimizing multipath distortion, which occurs when an FM station's line-of-sight and reflected signals cross each other. FM signals can be reflected off mountains, buildings or other barriers. WAEB-FM was chosen for the test by the National Radio Systems Committee's FM panel because its transmission site is surrounded on three sides by mountains.

AM incidental modulation makes multipath distortion worse, explains Schober, and the test will seek to discover how much reduction is worth the cost. "We're hoping to move subjective and anecdotal evidence to the level of a scientifically-controlled experiment."

Schober says reducing AM incidental modulation could double SCA coverage and improve data error rates, in addition to improving reception within the FM station's existing coverage area. Multipath is a more serious problem in stereo than in mono reception and more serious in cars than in home receivers, which can be moved to optimum locations.

Sidelights

How medical profession doctored up TV doctor shows detailed in book

Playing Doctor, a new book by Joseph Turow, is more than a history of 55 medical TV series that have aired in network primetime since the 1950s. It is an inside look at "a game of power" in which the medical establishment long controlled the TV image of its profession.

Starting with NBC's *Medic* in 1954, TV's reliance on the medical profession for authenticity gave the latter "considerable power over scripts and has led producers to adhere to "outmoded assumptions about the medical community," says Turow, associate professor of communications at the Annenberg School, University of Pennsylvania. His book is published by Oxford University Press ($24.95).

Having the Los Angeles County Medical Assn.'s imprimatur was meant to eliminate errors of medical fact but, as Turow notes, it in fact gave LACMA "leverage over the entire range of *Medic*'s portrayal of medicine." Because of its reviewers' restrictions on language and relationships, *Medic*'s characters became "cardboard figures," the author contends.

Tight control. LACMA and the American Medical Assn. "managed to exercise tight control over scripts from the mid-1950s through the mid-1960s," he adds. By the time ABC's *Ben Casey* and NBC's *Dr. Kildare* had run their course, the AMA, advisor to both shows, figured it had accomplished its goal, to counter "what organized medicine saw as a general perception in society that doctors were much too interested in money. . ., and often involved in charging exorbitant fees." However, Turow adds, "the day to day political and economic concerns that shaped and limited health care were absent . . .from the shows."

These series' plotlines focused on acute cases that required emergency treatment, with no mention of medical expenses. Though the Kennedy Administration's Medicare program was then under Congressional study, Turow points out, "the bank-busting cost of health care never figured into the TV scripts. "Most of the time, the relationship between TV producers and the doctors has been symbiotic, a 'you scratch my back, I'll scratch yours' approach that has served the interests of both parties," he adds.

During the '60s, TV's producers and writers "learned a trick to navigate this dramatic rock and a hard place: Pick up on a cutting-edge social tension—drug abuse, malpractice, divorce, mental retardation among adults, the right to die. Package it with titillating evidences that imply controversy and so help promotional spots entice curious viewers. But take care not to jab medicine too hard."

Despite tight AMA controls, *Vincent Edwards managed to project a surly, sexy image on ABC's "Ben Casey."*

Even at the peak of the AMA's clout, however, Turow points out that sometimes "dramatic license won out over [its] public relations concerns." The AMA, for instance, could not alter Ben Casey's "unacceptable sexual strutting and colloquial language."

Then came ABC's big hit of the '70s, *Marcus Welby, M.D.* with Robert Young as "a quintessential people's doctor." Although producer David Victor ultimately got Young as his star, Turow discloses that ABC programming execs had preferred Ralph Bellamy as a better fit for "their curmudgeonly image of the older physician." For Victor, Welby was "Kildare grown older."

'Welby' a hard act to follow. *Welby*, which got the seal of approval of the new American Academy of Family Physicians, generated some heat from the medical community, which felt Young's too-good-to-be-true portrayal would lead patients to "expect miracles from us."

In the 1970s, when 27 medical dramas or comedies aired, and the 1980s, when 18 have run, the AMA "found itself most removed from direct, day to day control over its primetime images," says Turow. Several 1970s series began taking shots at the medical establishment, NBC's *Medical Story* and *Quincy* and ABC's *The Lazarus Syndrome*—with only *Quincy* a ratings hit.

Healing the physician. The two most recent medical drama hits, CBS' *Trapper John, M.D.* and NBC's *St. Elsewhere*, placed "greater, even primary, emphasis on the professionals' own problems" rather than on the solving of patients' woes, Turow observes. Of the two, *Trapper John* offered "a more romantic look at the hospital," said exec producer Don Brinkley. Despite its *MASH* origins, Turow feels, this series was less irreverent and more traditional than *St. Elsewhere*, described by Grant Tinker as "*Hill Street* in the hospital."

As for the role of women in medical dramas, that has been minimal, the author notes. CBS' *Nurse* in 1981 was the first drama to focus on the nursing profession in ages, while CBS' *Kay O'Brien* in 1985 was the first to dwell on a woman physician since ABC's *Julie Farr, M.D.* in the 1970s. All were short-lived projects. ABC's current *HeartBeat*, chiefly about female obstetricians, portrays women as "much more independent [than] their TV forebears, from Maggie Graham on *Ben Casey* to Kay O'-Brien," the author says.

One more Boston station digs deep; newspaperman makes transition

Even before WHDH-TV lost its license in Boston in the early '70s and the owners of what is now WCVB-TV won it by making an unprecedented commitment to news, public affairs and other relevant local programming, Boston led most markets in both quality and quantity of television news and public affairs. Group W's WBZ-TV had been a leader in this kind of programming for years.

Boston television is still at it. Today, nobody in the country piles up more news and public service awards. WNEV-TV, WCVB-TV and WBZ-TV are regular recipients of Ohio State Awards, DuPont-Columbia Awards, George Foster Peabody Awards, New England Emmys, Gabriel Awards, CEBA Awards, RTNDA Edward R. Murrow Awards, and long rows of honors from American Women in Radio & Television, National Assn. of Broadcasters, Action for Children's Television, the Associated Press and United Press.

Jim Thistle

That's a lot of laurels, but these stations aren't resting on them. WNEV, for instance, has just brought in a newspaperman, George Kindel as executive editor of *News 7: New England*. He had been assistant managing editor of *The Boston Herald*. At WNEV Kindel will head a new five-person news unit for investigative assignments and the kind of depth probing that eats more time and more resources than normal day-to-day operations at a typical TV newsroom usually permit.

Kindel's boss, WNEV-TV vice president, news Jim Thistle, says Kindel is already immersed in several investigative projects, "but of course we don't want to tip our hand to the competition before they see our first installment, right along with all the rest of Boston's viewers. No one ever knows what *The Boston Globe's* Spotlight Team is digging into either, before the whole town sees the first big headline."

Big city problems. But Thistle does say Kindel's new unit will be delving into "many of the same kinds of problems that infect every big city. We don't currently have rampant corruption in City Hall, but there's always the question of use of public funds, influence peddling and the like. And the failures of public education and environmental pollution are problems in every major city that are close to, if not already at crisis proportions."

Thistle adds that with the State of Massachusetts "in serious financial difficulty, to the point where it may be necessary to raise taxes, the use of taxpayers' money and waste in government at every level are always areas that bear watching."

Other issues of current concern in Boston, as in many other cities, include drugs and drug related gangs and crime, the shortage of decent affordable housing and the lack of health inspection laws for fish.

However, WNEV's "new" investigative unit is not totally new. The CBS affiliate had one like it some years ago, headed by Mike Taibbi of Tawana Brawley fame and now with WCBS-TV in New York. But it was disbanded in the early '80s, long before Thistle came on board. So what WNEV is doing now is closer to a resurrection of what it had before.

Thistle himself has headed WNEV's news operation for about one year and has two more years to go on his "long, three year sabbatical" from Boston University, where he heads its School of Journalism.

All around Boston. Thistle started his news career with WBZ-TV, later joined WCVB-TV, stayed eight years, rose to vice president, news and special events, then left in 1982 to become first a professor and later director of BU's J School. He says he wouldn't have come to WNEV "if the people who head Boston University had not been gracious enough to grant me a three-year leave of absence and promise they'd take me back at the end of that time."

George Kindel

And that's where Thistle met Kindel. Kindel was an adjunct professor at the J School, and Thistle says, "He'd been interested in television news for some time.

"The principles are the same, although newspaper people do tend to look at the business with a slightly different perspective than people whose entire careers have been in broadcast news. Television coverage tends to be more of a day-to-day, breaking-today's-news-today operation. The length of a piece for air is measured in minutes and seconds. Newspaper people are more accustomed to more space to fill in the details. They're more comfortable with longer-form journalism."

TV Business Barometer

Spot rose only 1.8% in January

It was not an auspicious beginning for national/regional spot TV time sales. The only good thing that can be said about it is that it was better than the month before.

Translation: Spot time sales were up only 1.8% in January, according to the *TV Business Barometer* sample of stations. This compares with a 3.6% decline in December.

Across the board

TV station billings in January for spot business came to $426.5 million, as against $419.0 million during January of '88.

All categories of stations measured by the *Barometer* sample showed poor performance. The best average was earned by the under-$7 million bracket, which showed spot billings up 2.5% in January. The worst was the 0.1% increase for stations with annual revenues of between $7 and $15 million.

The January figures are no surprise, though they are a little below expectations for the average increase projected for the year by many of the more knowledgeable quarters—which is in the mid single digits. So far as spot is concerned, not a great deal is expected out of 1989, following the disappointing Olympics/election year. While there was additional Olympics/election money tossed into the spot pot, the basic underpinnings of national spot were somewhat weak, due to a variety of reasons.

Exactly what January presages for the rest of the year has been a perennial question, with the usual answer being that one can't rely on it. In January of '87, spot was up 5.7%, while billings rose only 3.8% for the year, which suggests that January is a good indicator. But January of '88 was up 14.9%, while the year was only up 4.4%. Data from previous years show a similarly mixed picture.

Spot's softness last year resulted in local ad business finally passing spot in billings (see also *TV Business Barometer*, March 6). Local time sales came to $6,123.9 million, while national/regional spot totaled $6,040.0 million. The year before, spot was $5,784.3 million, while local came to $5,616.0 million.

Review of '88

The sum of national and local spot time sales plus network compensation last year came to $12,621.1 million, compared with $11,861.1 million in '87. The increase was equivalent to 6.4%.

At the year's end, local's share of TV station business came to 48.5%, while spot's share amounted to 47.9 and that of network comp was only 3.6. In 1987, the respective shares of local, spot and network comp were 47.3, 48.8 and 3.9.

There seems little doubt that local billings will grow at faster rate than those of spot this year and probably for a number of years to come.

National spot +1.8%

(millions)

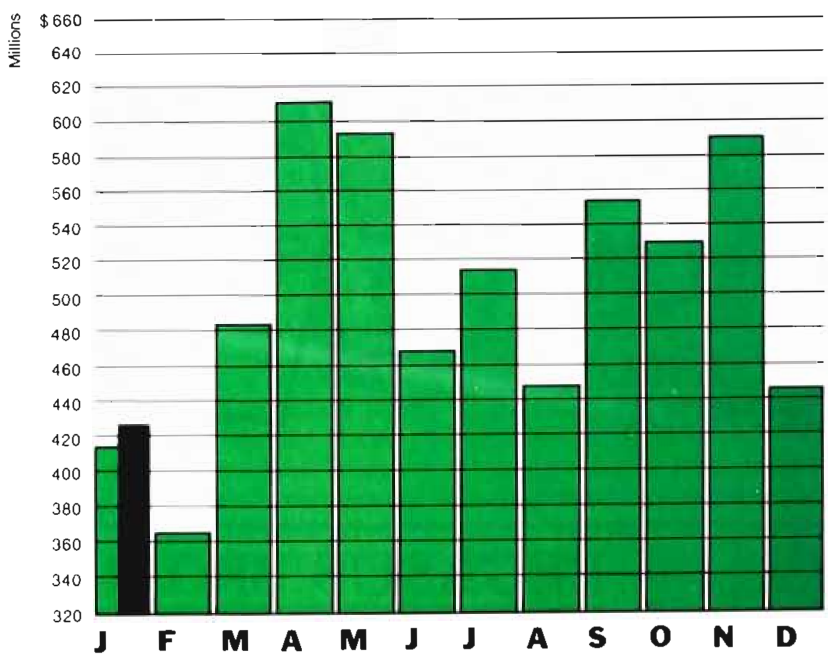
1988: $419.0 **1989: $426.5**

Changes by annual station revenue

Under $7 million	+2.5%
$7–15 million	+0.1%
$15 million up	+2.2%

January

Network (millions $)



Song-based multimedia project started to help Armenia quake victims

Joel Cohen, who heads Los Angeles-based Joel Cohen Productions & Distribution Inc., has a new song-based, multimedia project that he hopes will generate as much visibility and funds for the earthquake victims of Soviet Armenia as *We Are the World* did a few years ago for the starving in Ethiopia.

The multifaceted project was set in motion soon after the earthquake hit when singer Charles Aznavour, who is of Armenian heritage, contacted Cohen, a friend for 13 years, saying he wanted to mount a fundraising event "not unlike *We Are the World*. Aznavour wrote a song, "For You, Armenia," with composer George Garvarentz, his brother-in-law, and recorded it in France with various French celebrities. In its first three weeks of release in France, on the EMI-distributed Trema label, that song has sold more than 1 million copies, Cohen notes.

The same song, with English lyrics by Paul Williams and Gerry Goffin, has now been recorded by 103 U.S. stars in Hollywood. That recording event, christened *Friend to Friend*, was filmed by Hollywood director Peter Bogdanovich and cinematographers Laszlo Kovacs and Vilmos Szygmond for release in TV syndication and cable as a one-hour special in the U.S. as well as overseas. A four-minute music video of the song also will be released. The recording and filming session, which took about six hours at the Record Plant in Hollywood, features stars like Dionne Warwick, Liza Minnelli, Helen Reddy and actor/singer David Soul, Cohen says.

LBS Communications is negotiating for the domestic syndication rights with Cohen, whose own company will handle the international distribution. Cohen, whose son Larry produced the special with Tim Goodwin, says he will take the program to MIP-TV in late April. HBO and The Disney Channel are among cable companies interested, he adds.

Cohen, eager to get the special and the U.S. record into the U.S. market by April, while the tragedy remains fresh in people's minds, says three U.S. record companies are interested in the song distribution rights. Later the special will go into home video, with Cohen noting that theatrical distribution of a shortened version of the program is another possibility.

Both the TV special and the video will feature 900 telephone numbers so viewers can donate by phone, Cohen continues. Actor Mike Connors, also of Armenian descent, suggested that the funds generated should use the Armenian Relief Society to assure that the money and supplies get to the victims, Cohen notes.

The project would have cost $1 million if the Record Plant and others had not donated their time and services. The figure does not take into account the celebrities involved.

International Report

U.S. distributors find goldmine in Sky, BSB programming needs but wonder if rich veins will run out

Whether it's actually the "second coming," as one enthusiastic distributor described the potential of satellite television, there is no doubt that most Americans are enthusiastically embracing the new European media.

Are the opportunities genuine or illusionary? Any study, regardless of how cursory, would confirm that, in spite of all the talk about European cohesion and the like, the English language satellite channels, Sky and British Satellite Broadcasting, are providing U.S. distributors with a 51st broadcasting state.

With few exceptions, most U.S. based distribution companies say they already have concluded deals or are actively negotiating with one or more of the satellite channels. They point out that the increased competition will finally force prices up in Europe and that they are including prospective revenue from future satellite sales in budget projections.

Paramount deals. Paramount International president, Bruce Gordon, who has made deals with both Sky and Paramount, says he's got to believe satellite TV is very real. "BSB," he adds, citing its film deal with Paramount, "is putting its money where its mouth is." Gordon also has sold programming to Sky, including *Entertainment Tonight*, which now is running on several of Sky's satellite channels.

Worldvision Enterprises, Inc. executive vice president and chief executive officer, Bert Cohen puts it more dramatically, "We are experiencing a moment in history," he declares. "We usually spend a great deal of time reflecting on our past. At this point in time we actually are living through the most significant changes in the shape of European TV which have ever taken place."

While Cohen subscribes to the theory that there is a need for more American programming in Europe, he cautions that a failure to recognize varying conditions in different countries could lead to a financial disaster. "American TV continues to be the least expensive form of quality programming available anywhere in the world," he notes, but warns, "It is a myth to believe there's currently a boom throughout Europe."

Worldvision's Bert Cohen cautions that a failure to recognize varying conditions in different countries could lead to a financial disaster.

MCA International president, Colin Davis, is another distributor who enthusiastically welcomes the entrance of satellite channels into the marketplace. He observes that both Sky and BSB will be attending the U.S. screenings this year.

Americans have not fared badly in Europe, of course. It is not difficult to find U.S. programming anywhere on the continent. Nevertheless, while buyers have been making purchases, they invariably also have tended to criticize what they consider to be the low quality of many U.S. programs. Aside from the sales potential, however, Americans are elated to have found genuine champions of U.S. programs in Europe.

Elitism scored. Fellow American Rupert Murdoch, whose News International's Sky Channels dominate the ASTRA DBS, publicly criticizes British television as being elitist and self-serving. Andrew Neil, who doubles as editor of Murdoch's prestigious newspaper, *The Sunday Times*. While also being executive chairman of Sky Television, is even more vociferous.

While lauding American television, he asks rhetorically, "Where else in the world would you find darts and snooker on one of the major channels in primetime," referring to some of the popular programs on British terrestrial channels which, when broadcast, receive high ratings. He decries the deception which he believes British broadcasters have perpetrated for years, convincing the public that British television is the best in the world.

Sky's DBS competition, British Satellite Broadcasting, plans a three-channel launch in September. Both Sky and BSB are relying heavily on theatrical films, most of them from Hollywood, in the first instance, to convince people to buy satellite dishes and then to attract large audiences. To achieve dominance, the competitors have spent millions of dollars stockpiling vast quantities of theatricals and have the rights to great number of future releases.

Empty barrels. While no one should underestimate a distributor's ability to come up with yet another film package, it generally is agreed that by and large the barrels have been dregged. Sky has concluded film deals with Warner Bros., Touchstone, Twentieth Century Fox, Orion, New World, Rank and Handmade, among others. Highlighting the BSB inventory are films from Warner Bros., Paramount, Columbia/Tri-Star, MCA/Universal, MGM/UA and Cannon.

In spite of their enthusiasm, most distributors are not unmindful that many experts question the longterm viability of the DBS channels. Although there are a number of dissimilarities, nevertheless, they are keenly aware of the beating some of Super Channel's creditors and owners took when the channel recently was sold.

While, quite naturally, most American distributors are reticent to discuss specific deals, both those who would speak for attribution

Radio Report

Joint SMN-Abrams venture tackles multiple projects

The "best of album" records on a new Satellite Music Network label and *Z Rock Magazine*, both planned new products out of L.A. Inc., can serve as the basis for all kinds of affiliate tie-in promotions, says L.A. Inc. vice president, general manager Bob Bruton. L.A. Inc. is the new joint venture of SMN—Satellite Music Network—and program consultant Lee Abrams, which Bruton says "will allow us to do a lot of different things outside of SMN so they aren't distracted from their primary jobs of affiliate acquisition and ad sales for their nine syndicated radio formats. But our new record label and magazine will be only two of my many projects."

Another, he says, will be organizing and producing the first annual affiliate convention for SMN's 1,100 affiliates. Bruton says the first one will probably be held in Dallas, SMN's headquarters base, "because we're centrally located: It's easy to fly in from all over the country."

He sees this get-together including sales seminars, sessions on how to use sales research, "how to improve our formats locally and how to promote them, and we may have some motivational speakers the way RAB does at its seminars. But we're polling our affiliates to see what *they* want the convention to be. It's their convention. We want it to be affiliate-driven and we want their input before we finalize the agenda."

Collateral materials. Another L.A. Inc. project will be production and distribution of collateral materials to promote SMN's formats, artists and affiliates: "The Dallas Cowboys—all the NFL teams—sell hats and sweatshirts and coffee mugs with their logos all over them. We'll do the same for our rock groups and country groups and all the other top bands that make up our nine formats. Self liquidating premiums and souvenirs that make a profit and promote a team or a product or company, or in our case top bands, at the same time used to be a sideline. Today it's getting to be big business."

SMN's affiliates can sell them or give them out to advertisers or as listener contest prizes. And L.A. Inc. can sell them at another of its ambitious projects: live giant-screen telecasts of major market contests in secondary markets. The technology is the same as that used for live arena or theater telecasts or championship boxing or the Daytona 500 stock car race. The concert may be in New York or Dallas. But citizens of Albany or Tyler, Texas can buy tickets and see it on a giant screen at a local sports arena or theater, with more tie-in opportunities open to the local SMN affiliates in those smaller markets.

The same kind of companies would sponsor these large-screen events as currently sponsor these groups' national tours. And L.A. Inc. plans to go international and take these events overseas—to England and Europe, and possibly Japan, after they've been successfully test marketed in the U.S.

But the new entity isn't stopping there. Still another planned project is "a heavy metal TV show." Abrams has already done consulting work for MTV, so he's no stranger to video. Bruton says Scenario I will be to try to syndicate the show nationally, with cable as a fallback market. This could either put L.A. Inc. in direct competition with MTV, or it could go the other way with L.A. Inc. serving as a supplier for something like MTV's existing *Head Bangers Ball.*

BPME says it was radio active long before ARME

For the first time in years, trade editors are getting a steady stream of releases about all the radio activities at BPME—the Broadcast Promotion & Marketing Executives. For instance, at the BPME & Broadcast Designers Association Seminar scheduled for June 21–24 in Detroit, session topics will include Special Events as Part of the Radio Marketing Mix, Proven Radio Promotions: The Best of the Best, Major Market Radio Marketing, The Radio-Cable Synergy, Radio Co-ops, Creative Radio, and more in similar vein.

Is BPME suddenly doing all these things for radio because it suddenly faces competition? The new competitor is ARME—the Association of Radio Marketing Executives—the new professional group being put together by Dan Acree, publisher and editor of the *Promotion & Marketing Monthly* newsletter, and dozens of volunteer radio promotion executives.

Bert Gould, promotion director of WCBS New York and current vice president, treasurer of BPME, concedes that ARME is at least "a small part of it, and Acree's organizing effort does confirm that BPME is on the right track. He's right that until recently there's been a perception that radio is somewhere out in left field at BPME.

"But the reality is, we've been working to correct that impression for the last year-and-a-half." That, he explains is "when BPME installed our first full-time executive director, Lance Webster. The reason you're getting more press releases is that last September we hired Segal Associates, our first PR firm, to make sure word of all we're doing gets out. That was last September, before we had any idea Dan Acree was planning ARME."

Gould adds, "The activities in the press releases are things BPME has always done for radio. We just never made any organized effort before to tell the rest of the world about it."

Gould also notes, "Alan Batten is BPME's current president. He's promotion director of WSOC-TV Charlotte, and, yes, WSOC is a TV station. But assuming BPME's succession approvals go as they always have in the past, as vice president/treasurer now, I'll be the next president in June 1990. And in June 1991 Erica Farber Viola will be BPME president. She's with Interep, so between us, that will be two back-to-back BPME presidents from radio, two years in a row. And last June, when I was elected vice president, treasurer and Erica was elected to BPME's board, no one had ever heard of ARME."

and those who wouldn't, claim they generally are obtaining more money upfront then they might ordinarily from established broadcasters.

Vestron had not by presstime concluded any deals with either Sky or BSB. But vice president & general manager Julian Levin says the company is actively talking with both. "Part of the negotiations involve getting more upfront," he acknowledges.

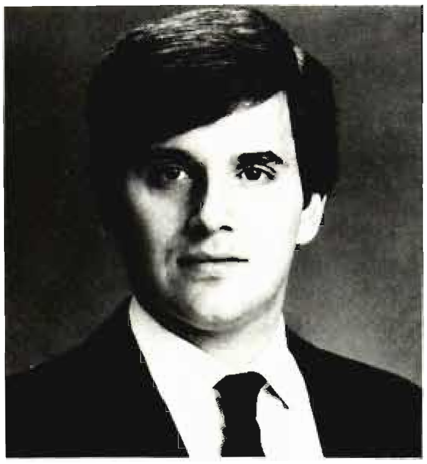
Viacom is a company probably with as much satellite as distribution experience in Europe. As part owner of MTV Europe, also transmitting on ASTRA, as well as investor in cable ventures, it is the natural ally of those enthusing about satellite potential. It has sold programs to both Sky and BSB in the U.K.

Although Viacom International president Arthur Kananack predicts a bright satellite future and says the company takes prospective sales into budgetary consideration, he echoes the feelings of the others when he says he can't predict whether both satellite ventures will make it. Commenting that the company always is concerned about getting its money, he also notes that he treats the channels as new entities, insisting on better terms than he would with broadcasters with whom he has done a great deal of previous business.

Kind words. Warner Bros. Television senior vice president Stuart Graber has nothing but kind words to say about both organizations. Warner has made major film deals with both. Graber characterizes Murdoch as an extremely bright and tenacious businessman, whom, he says generally gets what he wants. He also compliments Sky on making what he considers the excellent decision of concentrating on the U.K. He says this avoids the crossover problems which could conflict with deals distributors already have with Scandinavian or other European broadcasters.

While Graber is lavish in his praise of Sky, he also is complimentary about the BSB management team, with whom he says he is impressed. Nonetheless, although he cautiously explains that nobody wants to forecast the prospects of success for Sky and BSB, he comments that he doesn't see a future place for both. He believes, however, no one will have the answer until at least 1990-91, when both operators will be in their maximum cash flow positions.

While Graber maintains that Warner Bros. understands the economies of cash flow and that he wants to be supportive so the buyers will keep coming back, he also notes that Warner has conservative accounting practices. He says that payment reschedules directly reflect on the use of the product, adding that while "the company was not making outlandish demands, it was treating all international sales on a conservative and realistic basis."



Stuart Graber of Warner Bros. Television praises both Sky and BSB, both of which Warner has made major film deals with, but notes he doesn't see a future place for both.

Guarded optimism. Turner International president, Howard Karshan, also is among those extremely optimistic about the future of DBS in Europe. Yet, he, too, says he doesn't think all of the channels will work.

ITEL U.S.A. senior vice president, Frank X. Miller, also expects fallout. He feels, however, that the current problem of convincing people to buy dishes will parallel the U.S. cable experience. "In a sense," he predicts, "they [satellite channels] have the advantage; there is history." Attractive programming, such as Sky's coup in buying the live broadcast rights to the recent Tyson-Bruno heavyweight championship fight, Miller believes, is the kind of incentive reluctant viewers need to change their minds. As examples of stations which overcame original frequency difficulties, he cites CITY-TV Toronto, which aired blue movies and WCIU(TV) Chicago, which scheduled bullfights. "They must draw attention," he explains.

Miller, however, is concerned about a different problem which he fears could arise—the possibility of less experienced, overzealous distributors promising more than they sensibly can deliver in their quest to close sales. He is worried about longterm deals which might not be viable. "If I have 20 hours of programming and say you can have it over the next six months, I'm OK, he volunteers, "but if I say you can have the shows for the next six years, I might not be OK."

Long odds. In fact, the odds that both Sky and BSB will be around in their present form five years from now are said to be long. Although most observers probably wouldn't risk any of their own money to bet on which one might go, the consenus is that, Murdoch, Sky's owner, may have the deeper pockets and determination. He also owns five national newspapers, which carry on a relentless support campaign. Nevertheless there are those who believe the money argument can be at least partially offset by their conviction that BSB probably has the stronger films.

Clearly the battle to obtain quality programming, however, has put some financial pressure on BSB. It already has asked shareholders to advance money far earlier than originally envisioned and is likely to try to seek public financing later this year in the hope of attracting additional funding.

For one reason or another, most foreign distributors are far more cautious about jumping on the Sky/BSB bandwagon. Those who might be said to have a reasonable opportunity because of language similarity, such as the British, are lagging way behind because they don't have the programs available or are burdened with prohibitive fee problems.—**Irv Margolis**

Radio Business Barometer

Web January billings rise 7.1%

Network radio people have been heartened by the first revenue figures for the year from the Radio Network Assn. They show a respectable single-digit increase for January—a rise of 7.1% over January of '88. Revenue for the month came to $30,050,801, compared with $28,056,217 the previous year.

There was a sharp contrast between the direction of sales in the New York territory vs. sales in the three "outer" territories. New York, with the biggest sales of any territory, was down a sizeable 22.3%. Billings declined from $18,179,679 last year to $14,119,235 in January '89. This was due primarily to the shifting of Ogilvy & Mather network radio buying to Chicago, where a central U.S. Network Radio Buying Unit was set up last year.

The unit was a factor in the decline of New York billings last year, down 4.4% to $222,556,918. That accounted for 58% of the network radio total in '88. However, New York's share in January was only 47%. A couple of years ago, New York billings were boosted by the shift of General Motors web buying from Detroit.

The most impressive sales story in January came out of Detroit, which boosted its sales 195.7%. The total rose from $1,047,870 to $3,099,010. Detroit also showed the best growth record last year, when sales rose 43.5% to $27,860,290.

An impressve January figure also came out of Los Angeles. Sales were up 81.3%, rising from $1,287,611 to $2,334,504.

That leaves Chicago, which recorded a sales increase not to be ashamed of. Windy City web revenues were up 39.2%, climbing from $7,541,057 to $10,498,052 in January. All told, the territories "outside" of New York finished January up 61.3%, similar to their 1988 pacing, the RNA reported.

At the time of the release of the RNA figures, late last month, RNA president Peter Moore stated: "Once again, the ever increasing tightness is registering itself in our market growth. Demand has definitely been on the rise in the past eight to nine months. We currently sense growth for February slightly below our current levels; however, demand for March and April is well above."

Agency view

The big network radio agencies are not as sanguine as the networks themselves about the prospects for this year, though this may be partly a negotiating posture (see network radio story, page 33). One of the major questions is what Sears Roebuck—biggest web radio client—will do about network radio advertising in light of its shift to discount pricing. The indications, however, are that the giant retailer will continue its heavy investments in network radio.

Evidence of continuity is provided by Sears in its third tie-in event in October linking appliances and grocery products.

Network **+7.1%**

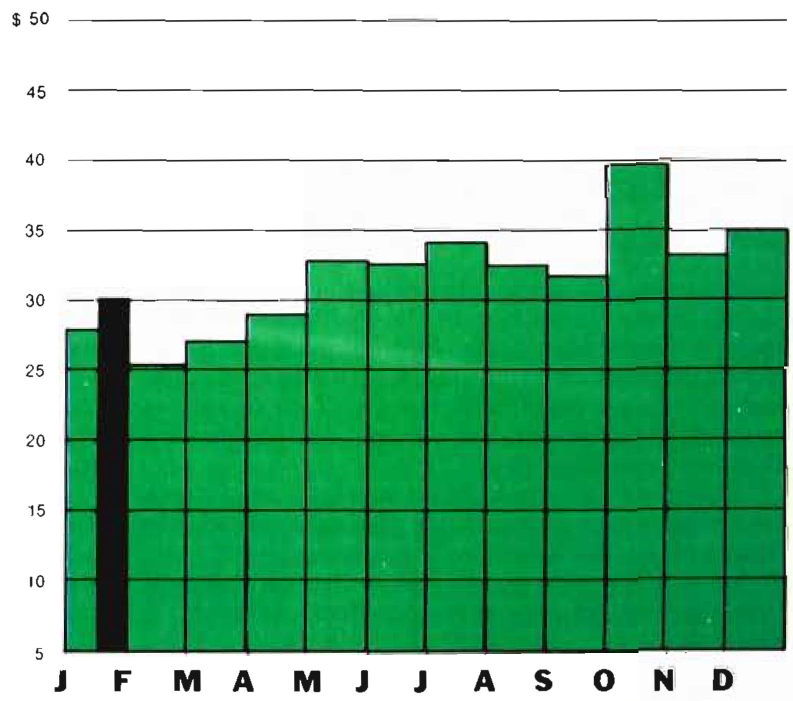
(millions) **1988: $28.1** **1989: $30.1**

Changes by territories

Territory	Billings (000)	% chg. 88–87
New York	$14,119,235	−22.3%
Chicago	10,498,052	+39.2
Detroit	3,099,010	+195.7
Los Angeles	2,334,504	+81.3

Source: Radio Network Association

January



Katz Radio Group doubles data base of Simmons system

Katz Radio Group, which says it's the only radio rep to offer CHOICES, a PC-software system which cross-tabs Simmons data from respondent level information, has doubled the data base by adding the '88 to the '87 numbers.

And when the '89 Simmons study comes out, Katz will be able to add that also, explains Bruce Hoban, vice president and director of research systems development for KRG. Since the Simmons Study of Media & Markets has large annual samples—about 22,000—Katz can generate reliable data from small annual samples, Hoban points out.

Data are available through all KRG companies—Banner Radio, Christal Radio, Katz Radio, Katz Hispanic Radio Sales and Republic Radio. Requests are processed in New York and can be instantly transmitted to outside sales offices via Western Union's packet message network. CHOICES information can also be sent to KRG client stations who subscribe to Simmons.

More detail. With two years worth of data available, Katz users of CHOICES can make more detailed analyses of the purchase and use of specific brands by demographic categories, says Hoban. He also points out that CHOICES can generate cross-tabulations of many criteria, offering profiles with data not available in the Simmons books.

CHOICES was developed by Simmons. Katz runs the software system on AT&T and Wyse PCs, compatible with IBM PC-ATs.

Simmons provides market-specific data for the top three ADIs, for census regions and Nielsen marketing regions in addition to the national numbers.

Says Bob McCurdy, vice president and general sales manager of Katz Radio: "CHOICES enables us to take more of a marketing approach when dealing with advertisers and agencies. Not only can we show them which consumers use their products, but how our client stations can help them reach these consumers."

Rep stats on baseball fans show good jobs and incomes

Come spring, l'amour is only one of the things young, and old, men's fancies turn to. Baseball is another and the radio reps, specifically Interep and CBS Radio Representatives, are right there with the vital stats. Both show big slices of radio's baseball fans among the ranks of the educated, the affluent, and the professional and executive class.

In Interep's case, the stats on fans are part of a new four-volume sports information package that includes *Sports on Radio*, *Sports on Television*, *Sports Fans* and *Sports Attendance*. And in addition to baseball fans the four volumes cover broadcast followers of professional and college football, professional and college basketball and ice hockey.

But getting back to baseball, Interep finds that almost 24% of men who listen to baseball on radio fall into the professional, executive and administrative group, that over 25% are college grads, that 27.6% have household incomes of $50,000 or better, and that almost 63% are 25 to 54. CBS Radio's *Profile of a Baseball Fan* isn't new, but its 1987 fan data are remarkably close to what Interep reports today.

CBS finds that 46% of all adults who listen to radio for baseball coverage work in white collar jobs, that 23% are professionals or managers and that 23% hold technical, clerical or sales positions. Other CBS data show 36% of adults who listen to baseball on radio enjoy annual household incomes of $40,000 or more, while 20% live in $50,000-plus income households. And 55% listen in $30,000 and up households.

Sample size will be key '89 issue: Arbitron exec

The issue of adequate sample sizes for small but critical demographic categories will be the most important research question facing radio this year, says Rhody Bosley, vice president, radio sales and marketing, for Arbitron Ratings Co. Bosley reports that there is a strong desire among customers for larger samples, but adds that the question still remains as to how much is enough. He feels this is both a business and research question and he believes it will be resolved this year.

The issue of adequate sample size will be a key agenda subject at the meeting of the Arbitron Radio Advisory Council, which opens today (March 20) in San Antonio. An entire day out of the four-day meeting will be devoted to the subject.

Bosley's comments were triggered by a letter sent to him by Gary Lewis, vice president and general manager of WSHE(FM) Ft. Lauderdale. Lewis noted in the letter than an extrapolation of Arbitrend data showed his station's 12-plus share of average quarter hour audience to be 2.5 in November and December and then drop unaccountably to 0.3 in January. Further, Lewis stated, other data showed a rising audience trend for his station in West Palm Beach, a market that WSHE overlaps.

Lewis also raised the question of market fragmentation, pointing out that his station's core target is Anglo men 18–24. In December, he reported, only 21 diaries from Broward (WSHE's home) County were returned from men 18 to 24, of which 16 were non-ethnic. In January, there were only 14 returned, of which nine were non-ethnic.

Lewis suggested that Arbitron spend its promotion money on larger samples and also suggested, tongue in cheek, that monthly payments to Arbitron be based on the toss of five darts at a dartboard.

Bosley said that the amount of money Arbitron spends on promotion is "pathetically small." But he also answered that there is no argument that bigger samples are better. Bosley acknowledged that "the industry is telling us we need more sample" because of audience fractionalizing. But the question remains, he says, "How much more makes it how much better?"

Orbis' 5th

Forgive us the clash of cymbals but we're celebrating our 5th birthday—and we've got a lot to show for it.

CAROLCO I 20 first-run feature films, starting June 1989. Cash.
THANKS A MILLION Half-hour strip, starting September 1989. Cash.
THE OTHER SIDE OF VICTORY Weekly half-hours, available now. Barter.
SMASH HITS Weekly half-hours, available September 1989. Barter.
ORBIS SHOWCASE NETWORK Monthly broadcast premieres of eight feature films, starting September 1989. Barter.
KIDSONGS Live-action, weekly half-hours, available now. Barter.
Plus, three outstanding series of specials: **Unauthorized Biography, Final Report** and **Raising Good Kids in Bad Times**. Barter.

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Los Angeles (213) 289-7100
Chicago (312) 346-6333

ORBIS COMMUNICATIONS

The network primetime news magazines' 1988–89 season to date ratings

(18 weeks through Feb. 26)

Show (network)	Overall rank	Rating/share
1. 60 Minutes (CBS)	#5	22.6/35
2. 20/20 (ABC)	#39	14.1/25
3. 48 Hours (CBS)	#67	10.1/16
4. West 57th (CBS)	#79	7.8/14

A network primetime magazine show typically costs $400,000 to $500,000 per hour to produce, various industry execs agree. That is about half the cost of most one-hour primetime entertainment series and about the same as many half-hour sitcoms, an important consideration in these economically tighter times when the networks are run by cost-conscious owners.

Sent wrong signal

Two seasons ago, ABC sought to counter NBC's invincible *The Cosby Show* with *Our World*, a low-cost, low-rating and yet profitable nostalgic look back at a different year each week. Finishing last in its time period and last in the season-long Nielsen ratings list, *Our World* went over like the proverbial lead balloon with viewers, advertisers and ABC affiliates. In his report, "The Network/Affiliate Relationship: Now and In the Future," Paul Bortz of the Denver-based media consultancy Bortz & Co. last summer pointed out that a low-cost, low-rated program like *Our World* hurts affiliates and their preemptions in turn erode the network. Consequently, neither "shortterm tactic" can lead to the "longterm success" both sides should be striving toward, he warned. *Our World*, he concluded, is "the kind [of show] a network shouldn't do" in these competitive times.

That news magazine also did not send the right signal to the Hollywood creative community, some sources note. It was perceived as cheaply done, and ABC was seen as rolling over in the face of stiff competition.

CBS has since slated its own news magazine, *48 Hours*, against *Cosby* without as much furor. That's because CBS' show "probably deserves a shot," says Paul Isacsson, Young & Rubicam's executive vice president of broadcast programming and purchasing. "CBS is duplicating what ABC tried, but it's doing better than ABC since it's a more current, more contemporary, more with-it show."

ABC execs were unavailable to discuss the sales outlook for *20/20* and its forthcoming news magazine project. At CBS, however, Robert Silberberg, newly named vice president of news marketing and sales, says the outlook for its three magazines is "excellent: Basically, we're sold out" through the first half with strong pricing.

That, he notes, should ease the transition of selling these and other news shows via the news sales staff rather than the primetime staff. As Thomas Leahy, president of the CBS marketing division, puts it, this new setup will "allow us a clarity of focus," in that senior execs now will "concentrate on the marketing and sales of specific product lines."

According to several agency sources, the 30-second ad rates range from $60,000 for *West 57th* to $125,000 for *20/20* to $175,000 for *60 Minutes*.

As for the pricing of the forthcoming entrants, Kostyra says, "That has to come down" because, despite the increase in quantity, "the demand isn't there." Another exec adds, "They'll probably be comparable to *West 57th* and *48 Hours*, not much more than that." A third exec, however, notes that ABC has put out feelers asking $100,000 a 30 for its news project.

Tom Winner, executive vice president and media director for Campbell-Mithun-Esty, finds it interesting that "at a time when there are all these reality-based programs on or coming in syndication, the networks are trying to put more news into primetime." Based on the numbers for such fare, he feels, "There seems to be an appetite for this type of programming throughout the evening and night, so I guess there would be room for more."

Roone Arledge, ABC News president, said much the same thing last fall when he predicted his new project would not drain audience from *20/20* or vice versa. "There's a sameness" about much of TV programming, so there is a viewer appetite for "anything that has to do with reality," he stated.

Grey Advertising's Jon Mandel, vice president and associate media director, emphasizes, "If they're going to be retreads of what's already available, then there's not room for them. If indeed they do something truly new and different, then I'd say there is room."

On the other hand, says Y&R's Isacsson, "I don't know that there needs to be that many [on the air]. I'm not sure the audience is that

18–49 demographics profile, week ending Feb. 26

Show	Women 18–49 (demo rank)	Rating	Viewers	Men 18–49 (demo rank)	Rating	Viewers
60 Minutes	(25)	11.2	6,650,000	(12)	9.6	5,550,000
20/20	(44)	8.3	4,890,000	(49)	5.6	3,240,000
48 Hours	(64)	4.7	2,780,000	(60)	3.8	2,320,000
West 57th	(62)	5.0	2,980,000	(65)	3.5	2,050,000

Source: A.C. Nielsen Co.

Television/RadioAge

March 20, 1989

‘60 Minutes,’ ‘20/20’ lead the pack; ABC, NBC borrow anew from print side

Cost-wary nets high on news mags, adding two more

By JAMES P. FORKAN

Cost is an important consideration in the multiplication of network news magazines.

Like magazines on a cluttered newsstand, the TV versions of news magazines can find it difficult to stand out. That may become even harder this summer, when two of the Big 3 networks—ABC and NBC—unveil two more primetime titles for a total of six.

Although the networks' magazines are enjoying ratings and sales strength through June, and although most ad agency execs seem to feel there may be enough room for two more entries in the genre, many industry sources also are concerned that the Big 3 are moving in this direction for the wrong reasons and in so doing are risking their future health.

Says Richard Kostyra, executive vice president and U.S. director of media services at J. Walter Thompson USA, "I'd prefer seeing competitive series programming instead, but I suppose the networks would also. In the absence of being able to develop series product of sufficiently high caliber, they're moving toward this route. I don't think it'll help them build their audience, but I don't believe they see this as a longterm move either."

Diane Sawyer: more exposure on ABC

Barbara Walters of "20/20"

ber and a couple of weeks ago became its executive producer. For the two previous years, she had been exec producer on Barbara Walters' specials and from mid-1984 until fall '86 she held a similar post on *Good Morning America*.

The project's coanchors will be Sam Donaldson and Diane Sawyer, newly lured from CBS News with a reported five-year, $7 million contract. Chris Wallace, snared from NBC a few months ago, will be the magazine's chief correspondent. Donaldson and Wallace previously had worked the White House beat for ABC and NBC respectively, through the end of the Reagan administration.

Sources agree that exposure was a stronger enticement in Sawyer's case than the money. Unlike *60 Minutes'* rotating reports approach, the ABC show will feature her and Donaldson as coanchors each week, as with *20/20's* Hugh Downs and Barbara Walters. Isacsson looks forward to "interesting chemistry" between Donaldson and Sawyer and feels the show itself will have "show business injected into news programming," something Arledge has proven adept at doing.

The network primetime news magazines' track records

1987–88 season	
60 Minutes (#8 overall)	20.6/34
20/20 (#57)	12.6/23
48 Hours (#85)	9.5/15
West 57th (#95)	7.8/15
1986–87 season	
60 Minutes (#6)	23.2/37
20/20 (#52)	14.2/24
West 57th (#82)	10.9/18
Our World (#107)	6.5/10
1985–86 season	
60 Minutes (#4)	23.9/38
20/20 (#37)	15.5/25
1982–83 season	
60 Minutes (#1)	25.5/46
20/20 (#49)	15.3/26
1979–80 season	
60 Minutes (#1)	28.2/45
20/20 (#44)	18.5/31
Prime Time Sunday (#95)	12.6/21

Source: A.C. Nielsen Co.

As outlined by Arledge in broad terms last fall (TV/RADIO AGE, Oct. 3), this project will be mostly live and contain elements from ABC's periodic *Town Meeting* and *Capital to Capital* late nighters. The show also may be divided into departments, as with *Time* and *Newsweek*, he hinted. Earlier this year, Donaldson was quoted as saying the show could be dubbed *Wide World of News: Spanning the Globe*.

A berth awaits

Thursday at 10 p.m. (ET)—*20/20*'s longtime berth, until last fall—has been the only time slot mentioned for the newcomer. According to Grey's Mandel, "That's a done deal." According to Alan Wurtzel, senior vice president, marketing and research services at ABC, having the news show there would offer broader appeal than the present *HeartBeat*, with its narrow women 18 to 34 appeal. The magazine project comes at a time when ABC clearly is hurting in terms of one-hour drama ratings and development. "Our hours are problems," Wurtzel concedes.

ABC's show could fare better than NBC's since the likely Thursday slot is a "highly desirable" one that would "give it a better than even chance at getting the necessary sampling to get off the ground," says Drexler. However, sources point out that Thursday at 10 will not be open until August, given ABC's *Thursday Night Baseball* June 8–July 27. Still, the delay into summer could boost sampling. It was during the warm weather months that *20/20* originally built, as viewers tuned out repeats of NBC and CBS Thursday dramas, Schulman recalls.

Mandel, meanwhile, says a preview may air on July 31, a Monday.

As for *20/20*, its highest rated Friday nighter has been Walters' interview with Mike Tyson and Robin Givens, a 17.2 rating/32 share last October. That was second only to the 18.2/32 for her session with Donna Rice, Sen. Gary Hart's alleged lover, on a Thursday in June '87.

Walters, who joined *20/20* in 1979 and became cohost in 1984, recalled at a reception for her 50th special last fall that her initial interviews with political figures like Anwar Sadat and Jimmy Carter did poorly in the ratings, so she decided to go to the celebrity route with her specials and save the politicos for *20/20*. Her interview in January with the George Bushes scored an above-average 15.7/27. Meanwhile, *60 Minutes'* Mike Wallace's interview with the Reagans got a 21.3/35, about average for that program.

When run on Thursday, "*20/20* always had to recruit its own audience," notes Wurtzel, but it's done "significantly better this season," thanks to its solid Friday comedy block lead-in. That combo has contributed to ABC topping CBS often on Fridays this season, for the first time since 1979.

Last June, *20/20*'s two-hour 10th anniversary special notched a 13.6/26, below average but strong enough to beat all comers.

NBC

NBC's top brass have long lamented being unable to mount a successful news magazine in primetime. Through the years, NBC News' flops have included *1986*—its last try—as well as *American Almanac*, *First Tuesday*, *Chronolog*, *Monitor*, *Weekend*, *Prime Time Saturday* and *Summer Sunday*. The magazine now targeted for mid-July premiere will be NBC's 15th attempt.

For NBC, "It's more an ego thing: 'Why can't we have one too?' " says Grey's Mandel. But, perhaps because there have been so many failed ventures, NBC affiliates have not exactly been clamoring to start yet another one in the near future.

"A lot hasn't been decided yet," says an NBC spokesman, since the premiere date is so far off and no talent has been chosen. An executive producer is to be named imminently, however, and "they're thinking of more than one anchor." The final selections will be made by Michael Gartner, NBC News president.

The project so far has been coordinated via Gartner and Brandon Tartikoff, president of NBC Entertainment and NBC Productions. While most other magazines blend several segments, ranging from inhungry [for such programming]. In a sense, the networks are abdicating a competitive position in those time periods. It's possible that at some point—and I don't know when that'll be—narrowcasting will be interesting to one or more networks."

There's a danger

Steve Grubbs, BBDO's senior vice president and director of national TV buying, observes, "No. 1, they're not too expensive to produce and they'll put 'em in their weaker time periods. But I'd want to know more about what twist will be on the new ones" before gauging whether they have a chance to make it. Grubbs is among those fretting about a broader concern. "There's no question there's a danger in that trend. The heart and soul of the network business is entertainment, and you don't want to get too far away from that."

"It's hard to launch a new magazine, and you have to stick with it a long time" for it to find its core audience and build, cautions Paul Schulman, president, Paul Schulman Co., the network TV buying arm of Advanswers Media Programming. The reasons for mounting such shows can sometimes be traced to what he calls "an accountant's mentality." By that he means that today's bottom-line conscious network bosses may look at the fact that these programs cost half the price of entertainment hours and decide, "Why lose a time period at $1.1 million [per episode in production cost] when you can lose the time slot for half that? That's part of the accountant's school of programming."

Interestingly, of the current crop, *60 Minutes* and *20/20* win their time periods, while *West 57th* and *48 Hours* run second against very weak ABC entertainment series, albeit distant seconds behind NBC.

JWT's Kostyra contends that the networks are "testing the boundaries of overload" by adding two more magazines. "They're probably attractive to the networks because of the lower costs involved," he adds, "but in the long run I don't think there's room for as many as are now on the drawing board." As summer replacements, they are "probably welcome," he says, "but they may not be on the air come September."

Mike Drexler, executive vice president and national media director for Bozell, Jacobs, Kenyon & Eckhardt, observes, "The real issue is are these being done as less expensive programs as opposed to being done to generate an audience like the established shows have been able to do. If they expect these to be ratings winners like *60 Minutes* or *20/20*, that is extremely difficult to do. The chances of success are much more difficult than ever before." More likely, he concludes, their goal is simply "to get reasonable numbers at less expensive production costs." But with six magazines airing, he notes, "We're concerned about reaching the level of saturation."

The networks themselves have been playing their development cards close to the vest, though they have hinted at some elements to come in their new ventures. Here is an update on each network's magazine:

ABC

Phyllis McGrady has been working on the blueprint for the as yet untitled ABC entry since last Septem-

"60 Minutes" team intact but for Sawyer.

"West 57th": detour ahead

"48 Hours" second to "Cosby."

Can Arbitron make it?

Rating service is betting $125 million on 'single source' data

By ALFRED J. JAFFE

With AGB having struck out in its battle with Nielsen over people meters, Arbitron is now stepping up to the plate. The British-based research company took a severe drubbing because of the high costs of setting up a national service in the U.S. Hence, Arbitron's challenge will have a critical impact on the future of Arbitron Ratings Co. and its parent, Control Data Co. The question is: Can Arbitron succeed in a venture that could cost $125 million?

There are some differences between the AGB and Arbitron challenges to a well-entrenched enemy. Arbitron is offering people meters-plus—a "single-source" service that will provide product purchase—in addition to viewing—information via electronic scanners in the home which optically read UPC bar codes on grocery and other products. And Arbitron knows the U.S. media research scene. But it is tackling Nielsen on two fronts at the same time—local as well as national.

In addition, Nielsen Marketing Research is building a single-source service with a large sample, household viewing meters and home scanners, though it will not be used primarily for ratings.

Arbitron threw down the local gauntlet a few weeks ago by announcing it would install its single-source service, now operating in Denver under the moniker ScanAmerica, in three additional markets—Minneapolis, St. Louis and Sacramento. The plan is to open up the three markets—none of them now metered by Arbitron—in the fourth quarter of next year with 600 household samples, more than in any of the current Nielsen local metered markets. However, all three markets are being or will be metered by Nielsen shortly.

It was also learned that even before the three markets are opened up by Arbitron, the research company will convert its household meter service in New York to single-source data collection starting in July 1990, where the two will run parallel for a while. The single-source sample size in the nation's No. 1 market will be 1,000 households. Arbitron also intends to convert the other dozen markets where household meters are now installed to single-source measurement.

Even before the new local market measurement gets underway, Arbitron will start to unroll its national single-source service. The current schedule calls for launching network measurement by the end of this year. The national, but not the local, service will henceforth carry the ScanAmerica name.

First step in the national service is arming five key markets with 200 sample households each—New York, Los Angeles, Chicago, Dallas and Atlanta. By the end of next year the sample will be increased from 1,000 to 2,600. This will rise to 4,100 by the end of 1991 and 5,000 single-source homes by the end of 1992. There will be metered homes in all ADIs.

Nielsen, of course, is not standing idly by while all this is going on. While continuing to expand its local household meter service, it is preparing to convert some of the bigger markets to local people meter measurement. It already has a leg up since there are substantial numbers of people meter households in these markets for the national (NTI) service.

Nielsen executive vice president Roy Anderson will pinpoint only two markets—the top two DMAs—as targets for conversion. People meter service in New York is scheduled to begin in September 1990, initially including 300 people meter households from the NTI sample, but Nielsen will be producing New York people meter information before that. In any case, that means that by the end of summer of next year, both Arbitron and Nielsen will be turning out people meter ratings for New York, with all that implies in possible changes in viewing levels and station rankings, compared with the existing service.

Nielsen home scanner for Marketing Research sample

In the meantime . . .

Following the opening of local people meter service in New York, Nielsen intends to convert two markets per year, starting in 1991, with Los Angeles tapped for that year. The conversions will be in the same order that these markets originally got household meters, but to some extent, says Anderson, the rate of conversion will depend on what Arbitron does.

Meanwhile, despite its conviction that people meters are superivestigative pieces to show business interviews to soft items on health and the like, NBC sources say NBC is leaning closer to *48 Hours'* single-theme or "concept" approach. The program, moreover, may include reenactments of events. Although syndicated tabloid shows like *Inside Edition* and *A Current Affair* have been taken to task for some sensationalized crime recreations, NBC's *Unsolved Mysteries* and ABC's *20/20* have done reenactments more tastefully.

A couple of years ago, Tartikoff had eyed a concept with the working title of *90 Minutes*. Designed for Sundays at 6:30 p.m.(ET)—almost the same time slot as *60 Minutes* had when it bowed two decades ago—This was to focus on news, sports and entertainment features. At that time, Tom Brokaw and Bryant Gumbel were among those mentioned as potential coanchors of the separate segments—until the ideal was forced onto the back burner by NBC's full 1988–89 plate of events, from the presidential campaign and election to the World Series, the Olympics and the Super Bowl. The original premise has since been altered, and the Sunday slot is no longer mentioned.

Connie Chung, who coanchored *1986* with Roger Mudd, is the only name bandied about for NBC's project. However, Chung, who joined NBC in 1983 from CBS' KNXT-TV Los Angeles, is being wooed by CBS as well, as her contract expires in May. CBS has also been eyeing her for its proposed overhaul of *West 57th* since losing Sawyer.

"NBC is pretty determined to keep Connie" for the magazine, says Mandel, who adds, "I can't see Brokaw doing it. And Gumbel's not a news man."

CBS

"It took *60 Minutes* about six years to become a huge hit, and we're only four," said Tom Yellin, senior producer of *West 57th* at a TV seminar last fall. But earlier this year, Howard Stringer, CBS/Broadcast Group president, said after renewing Andrew Lack as executive producer that Lack has "got to do some hard work to get it [*West 57th*] revitalized and energetic." Stringer, the former CBS News president, also let it be known that a revamp and a talent search were in the works. Although a CBS News spokesman contends all this is still in "the exploratory talk" phase, another CBS exec says *West 57th* will undergo alterations "soon."

NBC's Connie Chung a question mark.

In *West 57th's* favor is the lack of program options to counterprogram NBC's *Hunter* on Saturday nights. As David Poltrack, senior vice president of planning and research at CBS Marketing, said at the end of last season, neither *West 57th* nor *48 Hours* had reached "the share level that would have established them as definitive successes." However, he added, "They both are doing about as well as the entertainment alternatives that had occupied their tough time periods. Given their prestige value and their favorable production economics, they are currently carrying their weight."

An outgrowth of the special *48 Hours on Crack Street* in fall 1986, the magazine replaced *Tour of Duty* in January '88 and seems secure. Anchor Dan Rather, a *60 Minutes* co-editor till 1981, also hosted the original *Crack Street* special. The series, which covers a single topic over a 48-hour period in instant-documentary fashion, has zeroed in on subjects as diverse as divorce, New York's homeless, Africa's "rhino wars," TV syndication and the nursing shortage. The latter, in January, got an 11.4/18, its fourth highest Nielsen rating yet. Last month, its coverage of the Hirohito funeral and a changing Japan tallied an above-average 10.5/16—despite preemptions that held its coverage of TV households to 96%.

Despite its age, *60 Minutes* "does not seem to have lost one bit of its appeal," says CBS' Poltrack. "We're particularly pleased" with its February sweeps performance, a 23.9 rating, up from 20.3 the year before, he adds. This program, besides being in the top 10 for 12 seasons, is the only magazine consistently among the top 20 of key demographic breakouts, such as adults 50-plus, men 18–49 and men 25–54. In the 1978 fourth quarter, *60 Minutes* was No. 10 with a 24.0 rating—and it is the only show from that period's top 10 still around, much less still in the top 10.

Still, it is not unbeatable. Its two 20th anniversary retrospective specials that ran on consecutive Monday nights last October scored well below the series' Sunday average. Called up for fall duty when the writers' strike caused a series shortage, the first special lost to NBC's *ALF* and the second lost to *ALF* and *The Hogan Family* with scores of 16.6/25 and 14.9/23 respectively. One hour was then rerun in late January—its 12.5/19 a distant second to NBC's Super Bowl. □

Arbitron home scanner: Integrated with people meters

around Scantrack stores. Since these stores are dispersed, the result is a nationally projectible, random probability sample. Statisticians agree that this is the best way to recruit a national sample. The results are projectible data that are truly representative of national performance."

hitched their wagons to demos, but demos have decreasing value. If you get a rating of 10 for a show, that's marginal; but if you can say to the advertiser that the rating among consumers is an 18, that's something else."

McFarland also revealed that Arbitron is now in the "last stages" of research and development on an electronic commercials monitoring system. The technology involves digital pattern recognition, also the basic technology of Monitor Plus. When originally announced, the Arbitron commercials monitoring system was called Media Watch, but since Arbitron bought Broadcast Advertisers Reports it was decided to use the BAR name for the service.

One of the basic premises of ScanAmerica and Arbitron's local service is that advertisers can target buyers of their product by finding out which programs they watch. Some agency media executives are not sure that's a viable concept.

Says Helen Johnston, vice president and director of media research for Grey Advertising, "It has not been demonstrated [by anybody] that there is a relationship between brand purchasers and viewing of specific shows. It has not been measured over time to see if the relationship is stable." In order for such research to be usable, she explains, it has to be predictable.

Bruce Goerlich, senior vice president and corporate media research director at D'Arcy Masius Benton & Bowles, looks at the issue this way: "There are two questions. Are the data trendable? That can be analyzed over time. Are the data accurate? That has to be validated."

It's pointed out by Bob Warrens, senior vice president and director of media resources and research, J. Walter Thompson, Chicago, that past efforts to sell research relating product purchase with viewing of specific programs have not been successful.

"Perhaps things have changed. You have to find the right constituency. It's a mistake to market [such data] only to agencies and buyers. You have to get to the planners and clients." Warrens says the agency has tracked data relating product purchases with programming but found a lot of fluctuation. Also, the agency discovered that "There's more association with time periods than with programming."

One prominent broadcast research executive, who doesn't want to be identified, says, "There is concern about any service that measures more than media." Also, he adds, the real interest in marketing information is in data from the stores. "Home scanning is important only because of the viewing data. Company sales, developed through store audits, is where the action is."

As for the media data coming out of the Scantrack household sample, he believes, "It has to be as good as NTI to be usable." And he's not so sure that's the case. Goerlich feels that the sampling for the Scantrack household panel is not as rigorous as that for NTI. Johnston believes that Nielsen will have a potential problem in that it will likely be showing two different numbers for the same program—one from NTI and one from the Scantrack service.

NPD/Nielsen's Lucas acknowledges that the sample design for the Scantrack household panel differs from NTI in that the Scantrack sample has to be around Scantrack stores. But he says it is still representative.

A draft announcement from NPD/Nielsen about the new national household panel puts it this way: "The 15,000 member panel is recruited across the country

Arbitron's bottom line

The bottom line for the ScanAmerica service appears to be that Arbitron still has to prove its case. While the rating service did validation studies of both product purchases and viewing data in Denver, the product purchase samples were small and the research, according to one source, was not highly regarded. Also, there is only one TV station in Denver currently subscribing to the single-source service.

Arbitron's McFarland reveals that Arbitron has been doing research on the correlation between TV ad expenditures and sales. This has been done on and off for the past couple of years, he points out, and started in earnest six months ago. "We believe that TV sells product." McFarland says the research has shown a correlation between TV ad spending and sales.

While he says Arbitron still has to prove its case, Goerlich believes the rating service is going about launching its service in a safer manner than AGB. "Arbitron has a longterm plan. It's not going to be a quick rollout. That's different from AGB. Also, they'll be pitching to advertisers." If Arbitron can prove their data is good and they're successful selling the service to advertisers, ScanAmerica has a chance, Goerlich says.

McFarland argues, regarding the failures of past efforts to sell product purchase-cum-media research, that the ad environment has changed. "You have much more differentiation in audience these days. Look at what happened to the big national magazines. Today the advertiser is paying for targeted audiences."

Arbitron has "looked at" a lot of data to prove there's a predictable relationship between product purchases and specific TV programs, says McFarland. "We're betting $125 million on it." □

or to household meters-plus-diaries, Nielsen is still looking to expand its household meter markets. "We're waiting to hear from at least a couple," explains the Nielsen executive.

Nielsen now has 17 markets metered with four more announced—St. Louis and Milwaukee, scheduled for May, and Indianapolis and Cincinnati, set for November. With 21 markets metered, Nielsen will cover 44% of U.S. TV homes.

Arbitron has 14 markets metered, including the single source installation in Denver. It has pulled out of the local household meter battle on the grounds that it doesn't make sense to continue using a methodology that is considered inferior to people meters. However, this policy had never been explicitly enunciated until recently, leaving a number of station executives puzzled concerning Arbitron's lack of interest in responding to their requests for proposals for metering as well as its lack of aggressiveness in competing with Nielsen.

Household overload

Nielsen has been mulling over the ramifications of using the same sample for viewing and marketing data. At this point, while it hasn't flatly rejected single-source measurement for NTI, it is concerned about overloading sample households with both people meter and product purchase chores, says Anderson. The Nielsen Learning Laboratory is still testing different modes of home scanners, he points out.

However, another Nielsen arm, NPD/Nielsen, is in the process of developing an extensive single-source service. This is based on the Scantrack National Electronic Household Panel. William Lucas, NPD/Nielsen vice president, explains that the panel has just reached the goal of 15,000 households and that usable information will begin to flow about the middle of March.

What makes this setup significant is that in addition to equipping each household with an electronic scanner to record marketing information, about half of the sample homes will have household meters to record viewing. This adds up to a sample almost double that of the NTI people meter panel. Further, the data will be able to be combined with Monitor Plus information showing which commercials aired on which programs and when.

ScanAmerica system: viewing plus shopping data

This service is being integrated with other Nielsen Marketing Research services. Scantrack also refers to a sample of 3,000 supermarkets with checkout scanners, which supply tapes to Nielsen on product sales and which are monitored weekly by Nielsen personnel for display activity, in-store features, merchandising and sampling. The Scantrack household panel is skewed somewhat so, as a result, 75% of all store transactions by the panel take place in Scantrack stores. Scantrack stores are the source of Nielsen's grocery product sales reports, which replaced the Nielsen Food Index, once the cornerstone of the company's business.

Scantrack's main purpose

NPD/Nielsen's Lucas reports that Los Angeles and Chicago are "full-strength," with 800 and 500 household meters, respectively, and with New York coming up to full strength—1,200 meters—shortly. All three markets generate data for Monitor Plus. Another 2,500 meters will be installed by July in another 19 markets, all of which now generate data for Monitor Plus. In 1990 a third phase will place 2,500 meters to fill out a 7,500-household sample in scanner homes that will represent half the U.S. population.

Lucas explains that the household meters for the Scantrack household panel are not installed to gather program ratings, but they will turn out information on program types viewed and daypart viewing by the household TV sets. The meters will also be used to help pinpoint which commercials were watched.

The Nielsen home scanner is quite sophisticated, says Lucas, but it takes the average household only five minutes to record the products bought during an average shopping, the average being 40 items. The scanner has buttons to indicate whether the product was bought with a store coupon, a manufacturer's coupon, at a store sale or via an "all other" category. The scanner also records at which of a number of coded stores each product was purchased and records the primary and secondary shopper.

The Arbitron household scanner "wand," though it has fewer features, is supplemented with an extensive household questionnaire, filled out when the single-source system is installed and updated periodically. It covers such areas as products purchased with no UPC code, stores shopped and magazine and newspaper readership.

Stations which buy the Arbitron single-source local service will not pay any more than they would for a household meter-with-diaries service, says Douglas McFarland, vice president for TV station sales. This is because, while the single-source service is more expensive to operate, Arbitron expects additional income from customers interested in the marketing data. Also, he says, the station will benefit financially because the advertiser will pay a premium for audience selectivity, such as knowing that heavy users of a product watch such-and-such programs.

That also explains, says McFarland, why the networks will pay for a second audience measurement service. "One thing we learned from AGB's experience is that the network don't want a duplicate of Nielsen. The networks are interested in product data. They have

But he finds no major new ad categories coming into the medium so far this year. Last year, he notes, hotel and motel chains were particularly active on network radio, and he singles out Motel 6 and Red Roof among the standout clients. He also sees business equipment advertising, such as that from fax machines, growing on network radio.

Driving the market

RNA revenue figures show that the webs took in $381,911,715 last year, up from $370,870,750 in '87. The four sales territories reported on by RNA varied greatly in performance. The biggest grossing territory, New York, was down 4.4%, primarily because of the shift of Ogilvy & Mather billings from the ad capital to Chicago, where a central U.S. Network Radio Buying Unit was set up last year. With '88 revenues of $222,556,918, New York represented 58.3% of the network radio total.

Reflecting heavy auto promotion, the Detroit territory showed the biggest percentage increase, a rise of 43.5% to $27,860,290. Chicago was up 11.6% to $105,637,213, while Los Angeles rose 7.8% to $25,857,294.

Nick Verbitsky, *United Stations, reports that the Transtar network, which added 69 affiliates between the two latest RADARs, is doing very well in ad sales. He describes U.S. as a 'lean, mean company.'*

At Westwood One, which includes the NBC and Mutual radio networks, in addition to a substantial roster of longform programming, the mood is upbeat. This is primarily because of the latest RADAR gains of NBC, which Westwood One acquired in 1987.

But even before the RADAR 38 reports came out, the Westwood One properties were reflecting the upward slant of network radio sales. William Battison, president and chief financial officer, reports that the company's fiscal first quarter, (ending Feb. 28), was "strong," with the latest available figures showing January up 7–8%. January was the first month Westwood One carried Casey Kasem's *Casey's Top 40 Countdown*. Kasem had previously run his countdown show on ABC.

NBC up 31%

Battison points out that in the latest RADAR NBC was up 31% in its target demo, adults 25–54, for the 6 a.m. to midnight span, Monday through Sunday. In the Monday–Saturday 6 a.m. to 7 p.m. period, which RNA members agreed to use to make apples-to-apples comparisons among networks, NBC was up 17.8% among persons 12-plus. This moved NBC up from ranking eighth in RADAR 37 to ranking sixth in RADAR 38.

The NBC gains were made primarily by the addition of affiliates. Battison says that NBC now has almost 500 affiliates, the most in its history. Craig Simon, vice president and general manager of NBC Radio Network and Talknet, counts 62 new affiliates between the latest two RADARs and 125 new stations since Westwood One took over.

Looking ahead this year, Battison sees network radio prices returning to "normal," following 1988, "a bad year for rates." Network radio is still the most cost-efficient national medium, he says.

Another network doing well via the addition of affiliates is Transtar, whose advertising is sold by United Stations. Transtar was up 21.2% in 12-plus audience in terms of the Monday–Saturday yardstick and moved into second place in the latest RADAR from third place in RADAR 37. The network had been showing steady gains and, according to Transtar chairman Terry Robinson, it added 69 affiliates between the two latest RADARs.

Nick Verbitsky, president of United Stations, says that the first quarter "looks excellent for our companies. We are outpacing market growth." He reports that Transtar is up more in ad sales than the United Stations webs. Verbitsky describes United Stations/Transtar as a "lean, mean company," and, when asked whether there have been any changes in selling practices in network radio, answers, "Well, maybe we're more aggressive."

At the CBS Radio Networks, Stephen Youlios, vice president, sales, described January sales as "strong," February as "good" and March as "excellent." Overall, network radio will be up 6–8% for the first quarter, says the web sales chief. He also forecasts a respectable increase for the second quarter. "After two years that were basically flat, it was nice to see the increase in the fourth quarter."

The view about network radio prospects for the coming year is a little different from the agency side. Tom Fuld, associate media director in charge of network radio at

Stephen Youlios, *CBS, predicts that network radio will be up in overall sales 6–8% during the first quarter. He also sees a respectable increase for the webs in the second quarter.*

Second half of '88 showed rising trend, but some agencies predict flat sales

Radio networks see signs that '89 will be a healthy year

After a couple of slow years, the radio networks see signs that the sales pickup that got underway during the latter half of last year will continue.

Some of the big network radio agencies are not so sure. They tend to see a flat '89. That means billings remaining less than $400 million. However, the possibility remains that the doldrums predicted by the ad shops represents a public negotiating position in order to avoid cost increases.

The audio webs had been getting used to double-digit increases earlier in the decade. They were up 14% in '84, 14% again in '85 and 16% in '86, according to Radio Network Assn. figures gathered by the accounting firm of Ernst & Whinney.

But in '87 there was a sickening lurch, and sales dropped off 2.4%. Last year, the first two quarters were down slightly, but then business began picking up in the third quarter and did even better in the fourth. However, for the year as whole, the radio networks could only manage a 3.0% increase.

The networks see signs that the sales momentum generated in the second half of '88 (up 3.3% in the third quarter and up 10.5% in the fourth) is continuing. There's the solid evidence of a 7.1% rise in January and indications of a good first quarter.

Louis Severine, *ABC, reports that a sales promotion department was set up last fall to develop and sell promotion ideas as well as get stations into the promotion on a local level.*

Good first quarter

Louis Severine, senior vice president and director of sales for the ABC Radio Networks, says business has been "extremely good" during the first quarter. He was talking about the seven ABC chains, the syndicated news and music shows sold by ABC and the nine formats of Satellite Music Networks, which ABC has been selling since December 1987. Put them all together and ABC sells about half (49%) of the network radio audience measured by RADAR, excluding Sheridan Broadcasting and the National Black Network.

The ABC Radio executive reports that, as of the end of February, his business has been running 13% ahead of the comparable two months last year. But he hedges his predictions. "Things could change. Network radio is becoming more and more of a last-minute [advertising placement] medium. The scatter market is being sold later each year."

Keeping this in mind, he forecasts a 6% increase for the second quarter and a 7% rise for the year as a whole. Upfront sales, which ran from November through January, were a little better than usual, Severine says. He estimates that recent upfront sales accounted for 58–60% of inventory, as opposed to an average of 52–54%. He also figures that Sears Roebuck, network radio's biggest client by far, will have its biggest spending quarter during the first three months of 1989. "This bodes well for the rest of the year."

Peter Moore, president of the Radio Network Assn., sees an "ever increasing tightness" in the marketplace and says a "healthy year" is indicated. He forecasts a 5.5% increase for 1989 and senses that growth will be marked in the second quarter. Moore also sees short lead times bedeviling the networks. "It's as bad as it was in spot three years ago," says Moore, who has a rep background.

William Battison, *Westwood One, says that the NBC web now has almost 500 affiliates, the most in its history, and was up 31% in its target demo, 25–54, according to the latest RADAR.*

Retail ad revolution seen

Dramatic store operation shifts open broadcast doors

By HOWARD P. ABRAHAMS

An estimated 14,000 retailers attended the 78th annual convention of the National Retail Merchants Association in mid-January in New York. The meetings, with 70 sessions, took an added measure of importance in the light of 1988's difficult retail environment.

Retailers came to reevaluate their strategies, to explore the economic forecasts for 1989 and what changes should be made in their merchandising approaches and learn how to reach present and new customers with the available advertising media.

Total retail advertising weakened in 1988. This was partly because of buyouts, mergers and deaths of stores. Of course this trend began several years ago. In New York, for example, several stores big in advertising closed their doors. Two years ago, giant advertisers Gimbels and Ohrbach's called it quits.

Macy's—New York absorbed its New Jersey Bamberger chain. Allied's chain of Stern's in New Jersey took over its Gertz group on Long Island. In each case two separate advertising campaigns became just one.

In 1988, Canadian Campeau took over Federated's Bloomingdale's and A&S, and they were given the word to cut back in advertising. Now, at the start of 1989, the highly promotional J. W. May's, with its multipage advertising in *The New York Daily News*, closed its doors.

Throughout the U.S. mergers within chains took place. The operation of Goldsmith's, based in Memphis was taken over by its sister store chain of Rich's in Atlanta. All top management, buyers and advertising departments at Goldsmith's were fired. As we enter 1989, The May Department Stores (no connection with J. W. May's) are merging their Goldwater units, based in Arizona, into their Robinson's stores in California. They also plan to wipe out the Hahne's group in New Jersey, turning some of the locations into their Lord & Taylor stores.

The NRMA meetings indicated that coming mergers will continue the huge reduction in management and reductions in advertising expenditures. Of course these mergers often offer opportunities for broadcast media. For example, in the metro New York area, New Jersey's Stern's and Long Island's Gertz could hardly take advantage of the coverage area of New York radio and television, but now they can. This is true of many mergers. In these cases, broadcast facilities could anticipate increased advertising revenue.

In general, retailers are optimistic about sales in 1989. Much of their gloom was wiped out by the strong December 1988 results, part of which was caused by the two additional selling days between Thanksgiving and Christmas. Sears rose 12.1%, K mart gained 10.7% and Dayton-Hudson increased 12.2%. This brought fourth-quarter sales up $7\frac{1}{2}$%, compared to the 5% increases in the previous five quarters, according to Rosalind Wells, chief economist for NRMA.

Economist Wells picks a gain of 6% or somewhat lower for retail sales in 1989, with a variation for various categories of merchandise. The women's apparel business should gain 7% against just a 4% last year as the result of more appealing fashions and a pent-up demand.

On the other hand, consumer durables such as home furnishings will slow down in line with the

Michael G. Wellman, K mart

Positioning as the retailer for a "broad array of merchandise instead of as an item retailer."

Howard P. Abrahams *is a retail broadcast consultant. He has been an advertising and sales promotion executive with various retail operations, vice president of National Retail Merchants Association and vice president of Television Bureau of Advertising as well as author of "Making TV Pay Off," a retail TV guide.*

BBDO, sees business as flat this year, with clients "cautious." Nancy Smith, senior vice president and director of media services for Young & Rubicam, says "Everything looks about the same." Network radio business this year will be "somewhat flat," she predicts. "It's not a tight market. There is some hunger for business."

A mixed picture is described by Mark Kaline, vice president and manager of Ogilvy's U.S. Network Radio Buying Unit in Chicago. He wouldn't be surprised if things tighten up in the second quarter, usually network radio's best quarter. And he sees some dramatic price increases by the youth/young adult networks after a slump in prices last year, "when you couldn't give the time away."

No rate rise

However, this is offset, he explains, by the reverse pricing dynamics among the adult networks, where he predicts prices will be softer this year. So, overall, Kaline argues, there won't be "a measurable rate rise" for network radio this year. Still, he adds, pricing must be looked at on a case-by-case basis. "It depends on the schedule."

O&M handles Sears, network radio's biggest client. The giant retailer's timebuying posture is being carefully watched by the radio networks in light of its massive switch to a discount price policy. So far, they are encouraged by Sears' network radio ad investments this year.

Kaline isn't making any flat predictions about Sears spending on the radio networks, but he says that "all indications" suggest that the retail chain will continue to use the medium at about the same level as in the recent past.

He thinks that Sears' scheduling on the webs may be "altered slightly" because of the change in the chain's pricing policy. This will mean a reduction in sales events, since Sears will have an everyday low price policy. As for business overall on the radio networks, Kaline says that "from all intelligence" it will be a "slightly up year."

Looking to the future, Peter Harrington, BBDO's network radio manager, noting the concentration of network radio sales sources by Westwood One, ABC and United Stations, feels there will be more of the same. He also feels that unwired rep networks, while they do not now represent much competition for the satellite-connected webs, will become more competitive in the future. He was alluding to the two rep "giants"—Interep and Katz.

Peter Moore, *RNA president, sees an 'ever increasing tightness' in the marketplace and forecasts a 5.5% increase for network radio this year. But short lead times are a problem.*

One possibly significant development is the beginnings of an effort by the ABC radio networks to latch onto a chunk of the promotion dollars that some advertisers are generously distributing. The rising promotion expenditures in recent years—store sales, coupons, events, etc.—have worried media and agencies alike, because of their depressing effect on commissionable advertising.

ABC's Severine reports that a sales promotion department was set up last October to develop and sell promotion ideas plus finding ways to work stations into the promotion on a local level. This is a longterm push, Severine stresses. He doesn't see substantial amounts of business coming out of this for three to five years. Meanwhile, "We're working on eight to 10 different things."

Y&R's Smith sees an inkling of a change in selling practices that could spread to radio. She's referring to cross-media promotions. Smith cites Katz, Blair and Tribune as examples of companies on the TV side that are involved and points to Katz packaging an event for a TV promotion that involved *Cosmopolitan* magazine. Tribune is employing the promotional synergies of TV and newspapers, she adds. As for radio, Smith points to a syndication package from Media America involving the program, *Rock Express*, which ties into music stores.

RNA's Moore has been taking advantage of the clout of network radio presidents and other web officials. He's taking them along when he visits clients, and he says that clients are impressed by the solidarity of network radio competitors.

Septet of toppers

He assembled seven toppers in presentations to clients in Detroit and Chicago. In addition to Battison, Robinson and Verbitsky, the septet included Aaron Daniels, president of the ABC Radio Networks; Robert Kipperman, vice president and general manager of the CBS Radio Networks; Barbara Crooks, executive vice president, Satellite Music Network; and Jay Williams, president of the Sheridan Broadcasting Network. Among the clients visited were General Motors, Ford and K mart.

While there are only four major entities selling network radio time currently—ABC, Westwood One, United Stations and CBS—networks continue to proliferate. Financial News Network has a radio web that has close to 60% coverage of the U.S., while Business Radio Network is building a chain that has reached the 30% level, points out O&M's Kaline.

The existing networks are spreading out. Charles Strickland, general sales manager for SMN, says the web is looking at "several" format possibilities, mostly in the 25–54 demo. Youlios says CBS is planning new programming in both youth and adult formats. Something should see the light of day this year. □

Newspaper Ad Bureau's Eisenpreis

By the year 2,000, 81% of women 25–54 will be working, he predicts.

communities.

K mart, the No. 2 retailer in the U.S., is going through a change in its merchandise and marketing methods. Michael G. Wellman, vice president for marketing, told the NRMA audience, "K mart will position themselves in the minds of more and more customers as the retailer for a broad array of merchandise instead of an item merchant."

Wellman was followed by advertising manager Jerry K. Habeck, who told how "in the past, their advertising consisted mostly of twice-a-week newspaper inserts to draw customers to K mart bargains. These ads reached the same customers week after week. Now newspaper inserts have been reduced to one a week, and doorbuster ads have given way to include higher ticket, quality merchandise. We are backing these ads with a strong broadcast mix to extend our customer reach."

Sears is America's largest retailer. It has been spending $80 million a year on strong sales with as many as 8,000 items per event. Now it's changed to an "every day low price policy." This strategy is expected to save $200 million a year in warehousing, handling and advertising expenditures. For the first time in years, Sears will feature brand-name goods, suggesting that there will be co-op funds available to Sears. To sell this "every day" policy, Sears is stepping up some advertising media with a substantial push in broadcast.

It's not just the chains that are changing. Independent and smaller retailers are also on the move. Herbert Greenwald, president of Greenwald Associates, is a sales promotion and marketing consultant to many of them. These stores figure on a 4% to 6% increase in 1989 sales, with a somewhat reduced inventory and faster turnover to gain profitability.

They plan on the same or slightly reduced advertising to accomplish this. They will cut newspaper ad sizes because "you don't need a baseball bat," said Greenwald. "Just cut the ad sizes." With some of the money saved, they will increase the number of ads to obtain increased frequency and reach for more customers.

Similarly, Greenwald will cut page sizes in direct mail and even use postcards. He also takes a different view on co-op: "Too much of retailers' one-half dollars go down the drain along with the manufacturers' half-dollars. Co-op funds can better be used in things other than paid advertising."

With total ad budgets holding the line, many retailers at NRMA indicated they will look to more co-op funds to sweeten their budgets. Some stores plan lavish presentations for their buyers to take to their vendors to attract co-op funds and vendor support. Under the direction of vice president Joyce Reed, RAB has been a leader in showing how to latch on to increased dollars from vendors. She publishes a co-op plan book as well as offering on-line service to stations for timely information.

"Our newest co-op book," Reed says, "reaches the new high of 5,861 manufacturers and their co-op plans. What's more, 1,800 of them offer 100% co-op dollars without the store putting up a cent."

Various stores indicated that instead of using their co-op money throughout a season, they prefer to bulk funds from a variety of vendors to eate a themed event. They cai ary from a series on a new fashi , look to gifts for Mother's Day, Father's Day, June brides and graduates, as well as vacation needs.

Also, stores may bulk the funds to bolster a sale such as the January white sale or an anniversary sale. In doing this, many stores go after their vendors with a fixed plan including spec commercials. Broadcast sales reps might be able to increase their revenue from retail clients by helping them create themed events.

The changed woman

To a packed house, the Newspaper Advertising Bureau gave its annual presentation to NRMA retailers. It showed the increasing importance of the changed woman, a subject all media people should understand. It was delivered by Alfred Eisenpreis, the bureau's senior vice president for marketing and a former Allied Stores corporate executive. He asserted, "Those who direct the future of retail companies must understand how customers of the past and this moment are being replaced by women of the 21st century. . . who these women are and what they want."

As one example of retail errors, Eisenpreis said, "The miniskirt disaster happened because women considered them inappropriate to wear at work." Noting that women's lives have become "multidimensional," Eisenpreis predicted that by the mid-'90s, two-thirds of mothers will be working, increasingly as managers and professionals, and by the year 2,000, 81% of women 25 to 54 will be working.

Making sure to insert his own plug, Eisenpreis reminded the group that "newspapers carry more retail advertising than all other local media combined and more vendor co-op funds are invested in newspapers than in the total of all other available media." □

slowdown expected in housing activity. She says "There is one offsetting positive factor. Baby-boomers have reached an age where they place more emphasis on the home. Couch potato consumers with financial means are focusing more on decorating their homes.

"Children's clothing should have a good year in 1989, benefiting from a mini-baby boom and show 6¾% increases. In men's clothing area, growth has been 5%, with this year increasing to 5¾%. Electronics recorded strong gains, and their sales should remain good."

To these forecasts in specific merchandise areas, Stuart M. Robins, research director of Donaldson, Lufkin & Jenrette adds that children's toys and electronics should enjoy outstanding gains in 1989.

Retailers put their emphasis and advertising dollars on those merchandise areas and items which show the greatest customer acceptance. They believe in swimming with the tide. For this reason, sellers of radio and television time might best go after business from stores which show the greatest sales potentials as indicated from these economists.

Joyce Reed, RAB

RAB has been a leader in showing how to latch on to increased dollars from vendors.

Growth by media

Retailers usually increase or decrease their advertising dollars in direct proportion to their expected sales. Recognized media forecaster Robert R. Coen of McCann-Erickson places total local advertising in 1989 with a plus of 6%.

Breaking it down by media, researcher Harold Simpson of Television Bureau of Advertising predicts total local to grow 6% to $7.75 billion. Vice president Ken Costa of Radio Advertising Bureau sees 1989 local at $6.562 billion, a plus of 8.5%. The Newspaper Advertising Bureau separates retail from total local and figures on a 6% rise in 1989 to $17 billion.

Catalogues and other mailing pieces are due for changes this year. Because of rising costs of paper and postage, mailing lists are being edited by many stores. Page sizes and the number of pages have already been reduced by some retailers.

Retailers were talking about the elimination of the traditional Christmas gift catalogue of Dayton's of Minneapolis. *The New York Times'* business pages even covered the situation. The retailer placed the money, including the co-op funds, primarily into television to reach a larger audience and included radio as a backup. The advertising head of a large department store, under the condition that this reporter not reveal its name, said it will do the same in 1989.

"Usually we start the preparation of our Christmas catalogue in July," he said. "However we already started our plans by anchoring spots with our television and radio stations and seeking other cooperation with them. In June we will hold presentations in New York and two other large vendor locations. Our presentations will be on tape, with our CEO introducing the store's plans.

"Then it will shift to a local broadcaster who will show the size and penetration of radio and television and make comparisons with the coverage of last year's catalogue. He will show pages from the former catalogue and tell what the same dollars will reach in broadcast. Spec commercials will be shown so the vendors will get an idea how they'd look. The spots would open with something about the store's Christmas appeals and then move it to the vendor's merchandise."

No attempt will be made to solicit co-op funds at the meetings. Instead, the stores' buyers will make followup calls on them armed with written presentations. "Our stations have told us," he continued, "that they'd be willing to go with our buyers to major vendors." Idea: Stations interested in extra pre-Christmas business might approach retailers and offer assistance in planning a Christmas catalogue on the air instead of a printed piece.

Retailing revolution

Radical changes in retailing were key points at the NRMA meetings. The birth of the hypermarket or superstores is the newest since the start of discount stores following World War II. Both K mart and Wal-mart are already in this field with stores the size of three football fields. One-stop shopping is provided often within 240,000 feet.

Merchandise includes most department store lines plus a major emphasis on food. Price is the main factor, and brand-name merchandise is important with low markup, high volume and rapid turnover. K mart's Atlanta store, called American Fare, opened in January. K mart's Larry M. Parkin says the store has a trading area of over a million consumers living within a 30-minute drive to the store with a concentration in the 25-to-50 age group and easily accessible to the metro and smaller neighborhood

Programming

Replacement activity on affils seen heavy as February books become the key

Affiliates will be off and running soon when the February books reach one and all and can be digested. But what maks this annual event more interesting than usual is that the fate of some high-stakes poker players such as King World's *Inside Edition* and GTG Entertainment's *USA Today* will be at risk.

This factor alone is seen as portending more action in access on the part of affiliates than they will have experienced in several years, and according to station rep sources, other openings in other dayparts may also be heavy as the February books are scruitinized, with affiliates scurrying to buy replacement product.

At Petry Television, Ron Martolf, director of programming, says there are a lot of questionable time periods up for grabs as possible replacements for shows which enter the broadcast marketplace either in September or in January. Therefore, he continues, "there will be a lot of activity after the February books are in." The daypart that he sees affected most heavily from the February reports is access.

"This will be a major book for *USA Today* and *Inside Edition*—and may determine the fate of those two shows.

Also, *Win, Lose or Draw* and *Family Feud* have been displaced in a number of markets, he says, even before the February results are known. "So the decision on whether they will get broadcasters' interest may already have been determined. *Feud*, he continues, may get a reprieve for a third year on the stations' part because those replacement shows that the station thought would work, just aren't.

"As it turns out, *Family Feud's* numbers aren't all that bad and in some cases were better than some to replacements put in for it."

Lack of confidence. Martzolf believes that the lack of confidence in the new entries for the past fall will spur the rash of activity he expects soon. "There's nothing that is spurring the imagination of the stations for the fall, so they are taking a look at what they have this year. This may save some of the shows that ordinarily would have been history." In other than access time periods, Martzolf sees buying activity erupting in late night, where *Group One Medical* is not returning, and in time periods where *On Trial* and *Hollywood Squares* will need replacements.

At Harrington Righter Parsons, Dean McCarthy, director of programming, says it's the hope of most of the stations that the February book will "pretty well give them substantial clues as to what the future will hold, and they will be guided accordingly. And it's probably true that there will be a lot of changes in that not many program changes will have been made previous to the books. The fact remains there is a lot of waiting and seeing to determine whether stations will stay with what they have or to express an interest in something else.

"Obviously, the future of *USA Today* and some of the magazine talk shows will hinge on the February results. There will be activity, but to estimate how much, I really don't know. But it will be there.

John von Soosten, Katz Television's programming director, says that the February books will affect of degree of activity on the stations' part in terms of schedule changes. "They are waiting for the February books because the results we have seen are really just based on the metered markets. They are not reflective of the entire country as a whole, although sometime they represent an early warning system. In the metered markets, stations can see performance but they all want to see actual demos and the book to make those decisions.

Not active. As of presstime, von Soosten notes, all the five stations handled by Katz in the top five markets have not been very active at this point in making changes based only on the overnights. Von Soosten sees a lot of replacement activity occurring after the February reports are out. "At this point, it's very quiet. Like the calm before the storm."

CBS Radio Sports *has extended its contract with Major League Baseball for exclusive network radio broadcast rights for another four years, beginning in 1990. The $50 million contract represents a significant expansion of games and inventory, with the addition of 20 Sunday night games and four special holiday broadcasts. Seated, l. to r., are: Frank Murphy, vice president, programs, CBS Radio Networks; Nancy C. Widmann, president, CBS Radio Division; Robert P. Kipperman, vice president and general manager, CBS Radio Networks; Bryan Burns, senior vice president/broadcasting, Major League Baseball; Ed Durso, Senior Vice President/Operations, Major League Baseball, and Peter V. Ueberroth, commissioner of Baseball.*

Viewpoints

William K. Foster

President, The Institute for Innovation, an independent management consulting company. Clients have included Television Bureau of Advertising, IBM and General Electric. Foster was a senior officer of two major advertising agencies and the senior officer in charge of marketing and sales for two "Business Week 1,000" companies.

Broadcasters sacrifice long term growth with short term thinking

All of U.S. industry—and our government and society as well—are wrestling with an acute case of short termism. In addition to ratings, we want everything overnight—success, results, solutions, prosperity, victory. Its the good *new* American way. Yet history shows us nations and companies sacrifice and mortgage the future when they base every decision only on the short term implications. Patience, which used to be seen as an attribute of maturity and wisdom, is now seen as a shortcoming.

One of our best thinkers and historians—the late Barbara Tuchman—in her book *The March of Folly—From Troy to Vietnam* said: "Misgovernment is of four kinds, often in combination. They are: (1) tyranny or oppression; (2) excessive ambition; (3) incompetence or decadence and finally; (4) folly or perversity." She goes on to say: "To qualify as *folly*. . . the policy adopted must meet three criteria: (one) it must have been perceived as counterproductive in its own time, not merely by hindsight. Secondly a feasible alternative course of action must have been available. Thirdly, the policy in question should be that of a group, not an individual ruler, and should persist beyond any one political lifetime."

Our corporations and TV and radio stations are like governments. These "governments" have rulers (senior officers), and they have constituencies (shareholders). I submit that the folly of excessive short-termism in our broadcast industry, in all of U.S. industry, meets each of the above three criteria for folly as outlined by Ms. Tuchman.

Bottom-line fever

The best managed groups and stations are those that do not sacrifice everything for the short term. They have leadership-owners who can simultaneously push for quarterly *bottom line* results, and yet they do not cut everything to the bone so that they make no investment in *top line* revenue results. Let's use training budgets as one example.

Training is one of those items which seems to be easy to delay, or reduce or even eliminate. ("We have waited this long; what's a few more months or a year.") Thus, even with a line item identified by sales and local managers *as one of the most necessary actions* to bring about increased local business development, training budgets are neglected children in most stations.

This undertrained industry has major needs for training (in marketing and customer orientation, for example). This industry, when compared with other industries, has historically been very underbudgeted, as a ratio to sales, for training programs. Yet, in the doom and gloom budgets for 1989, in most stations training is even lower than its prequadrennial levels. The underregistration for many of Television Bureau of Advertising's excellent 1989 training programs are a case in point.

Is this not folly?

The wiser and ultimately more successful owner realizes that if we don't start investing in top line soon, we will run out of people and costs to cut—*and healthy vehicles to sell.* I was never too good at accounting, but somewhere along the road I learned that one can only cut expenses so many times.

If we would put some of the same dynamic intelligence, drive and discipline we put into cutting people and expenses into dynamic and innovative ways to increase revenue—and hold to them for at least a few quarters, we will be surprised and pleased with the results.

We will not achieve a balance of short and long term until we have more leadership in our broadcast industry. You can say it is easy for me, a non-station owner, to say a balance is required. Yet, in confidential polls among GMs, GSMs, LSMs, they spell out case after case of the dangerous folly of excessive short termism. It's just as Ms. Tuchman said: To be folly ". . . it must have been perceived as counter productive in its own time . . ."

Fortunately, we have latent leaders out there in radio and television land. You know who you are. The time has come for you to step forward and be heard. Yes, you are out there. I have seen you, talked with you, heard you clearly espouse many of the arguments made in the previous paragraphs. You in fact say it better than I since you live and breathe it every day. You know the dangers of eating our seed-corn and mortgaging our future in order to get short term results.

Now is the time for you to step forward and make yourself heard. Get your leadership thinking put into action.

Before closing this challenge to stop our march down the road to folly, let me repeat it is right and necessary to have a profit and bottom line drive. However, for that to be a monomania and to sacrifice sound top line programs—like new and needed marketing programs and sales training which require a few quarters for payout—is surely the height of folly.

Leaders—wherever you are—speak up! Help us get off this March of Folly!

Wolff Communications opening new ground in the China connection

Wolff Communications USA is breaking new ground in the People's Republic of China. The newly formed U.S. division of the London-based Wolff Communications, has recently concluded agreements with three regional networks in China to act as their ad sales rep and TV programming buyer.

Harry Mulford, recently appointed managing director of Wolff Communications USA, back from a four-week trip to China, says the three regional stations locked up as clients are the Shanghai Network, which boasts 70 million viewers; Beijing TV, with 10 million viewers; and Fujian TV, which has an audience of 10 million. In addition, under a previous arrangement, Wolff currently represents Guangdong TV, (GDTV), which has a viewership of 50 million.

Mulford says he's dickering with the China national network CCTV for representation as well.

In addition to lining up regional networks as clients for Wolff, Mulford met with the advertising community in Hong Kong, including Fenton May, Coca-Cola general manager in the Far East; Frank Bosshard, the Polaroid counterpart; and Redford Ho, General Foods Far East manager. Mulford says his meetings turned out "favorable" in terms of interest by the agencies in placing commercials on programs being considered as fare on the four regional networks.

Program variety. In the presentation to the admen, Mulford threw a variety of potential entertainment programming into the mix, including movies, sports, documentaries and outdoor shows. Most of these programs will come from the U.S., with some European programs thrown in. In the case of European programming, Mulford notes that Wolff recently wrapped up the exclusive TV rights for China to the West Germany national soccer games.

The games will be shown beginning in September in primetime on the four regional networks, over a period of possibly as much as 52 weeks, according to Mulford. Mulford says soccer is especially appealing to Chinese.

Another programming possibility is a Monday night movie schedule, according to Mulford.

The arrangement with the China networks provides they be given the programs on a barter basis, with the webs getting a percentage of international sales made by Wolff, "so their compensation is very good. They are getting the quality programs for their people and are getting revenues as well," notes Mulford. In the barter deal, the networks give the ad time to Wolff, about 15 minutes per hour, to be sold by Wolff. The stations, unlike in the U.S., get no time to sell for themselves, explains Mulford.

Harry Mulford

Mulford says he expects to charge advertisers about $6,500 gross per 30-second commercial in the four markets, which reach a potential of 140 million viewers. Advertisers in the U.S. will also get presentations on buying time on the China networks, says Mulford.

Potential fare. At this point, Mulford has a number of programming entities from the U.S. that he has lined up as potential fare for China, and he is touring parts of the U.S. for additional product as well. Arrangements are made with the provision they be accepted by the networks. Mulford says he expects to have several programs in place for September, in addition to the soccer games.

Mulford adds he's had little trouble in getting U.S. producers interested in participating in the China connection. "The interest has been fantastic," he says.

All programs bought by Wolff will get professional dubbing in the language needed for Chinese airing. Mulford says a dubbing operation will be set up in China, possibly via Guangdong TV. Screening in China will begin shortly on the U.S. program offerings that may be aired on the four networks. "But they won't be actually bought until the Chinese give us a go on them. This is really just a formality."

Mulford sees the next 25 years as the period when rapidly expanding markets in Asia will represent the most important trading partners for the U.S. and Europe, a fact that has already been recognized by many international advertisers. He continues that China itself, since its open-door policy in 1979, has changed rapidly from a planned to a market-driven economy, resulting in some 10,000 multinational companies having investments in China.

Too big. The market, according to Mulford, is too big to ignore, considering the 1.05 billion people in China as of 1986. Total advertising expenditures have grown at a rapid rate as well. Estimates put the total in 1987 at about $377 million. Television advertising, Mulford points out, represents about 17% of the total national advertising revenue, and broadcast time of advertisements represents about 8% of the whole telecasting time.

The most frequent spot lengths are 10 seconds and 30 seconds, and programming of the spots takes place only during the intervals between programs.

Other points emphasized on the potential of doing business with China are that about 7 of 10 people watch TV for at least 1.8 hours per day and that 44% of the Chinese households own at least one TV set.

Syndication shorts

D.L. Taffner's *Talkabout*, half-hour game show strip planned for a fall launch, has been cleared by the seven Fox Broadcasting Co. stations. *Talkabout* is being offered to stations on a cash basis. Fox stations are WNYW-TV New York,

'Timeless' 'March of Time' aims for U.S. commercial stations in 'American' version

There's evergreen. And there's *evergreen.*

Case in point: *The March of Time*, a series of theatrical shorts produced by Time Inc. between 1935 and 1951 and only recently shown on U.S. TV for the first time. Next month it will be a premiere offering in the annual screenings of the Eastern Educational Network/Interregional Program Service. It's being offered by SFM Entertainment, after having been shown on the British Channel 4 network, and SFM Entertainment president Stanley Moger is planning to assemble an "American version" next year.

The March of Time motion pictures (there was also a radio version) are a cross between a newsreel, a documentary and a newsmagazine. There were 205 "issues" (movie shorts of 18 to 22 minutes) made for U.S. theaters and a number made primarily for showing in Britain, for a total of 250-plus issues. Some contained multiple subjects, others were devoted to a single subject.

Acquired rights. Moger acquired the rights to *The March of Time* library from Time Inc. in 1981. Besides the movie shorts, the package included *Crusade in the Pacific* (26 half-hours) six features and 1,500 radio shows. The cost upfront was not great, but the expenses of refurbishing the films added up to between $750,000 and $1 million, according to Moger.

A few years later, Moger sat down at Cannes with Jeremy Isaacs, who was putting together the programming for Channel 4, not yet on the air, and pitched *The March of Time*. Isaacs wanted to do a series and Moger obliged him. A total of 60 25-minute episodes were produced, divided into six theme series of 10 each and spread over three years. Both British- and American-oriented material was used.

While this was going on, Moger made a deal with Embassy Home Entertainment, giving them an exclusive for TV on *The March of Time* films until September of last year but with the Channel 4 arrangement grandfathered in.

The next development occurred after Marian Swaybill, program director of WNET(TV) New York, a key supplier for PBS, saw some episodes of the Channel 4 version of *The March of Time*. She liked it, and it ended up on the PTV outlet. There were lots of letters and phone calls about the show, says Moger. In addition, Swaybill talked up the series at the EEN/IPS meeting at the recent NATPE International convention.

Surprised. Moger reports he was surprised at the interest shown in *The March of Time* by PTV stations at NATPE. More than 100 stations approached him about the show, he says. All of this led up to the EEN/IPS screenings and the plans for a strictly-U.S. version for commercial stations next year.

The British TV version of *The March of Time* was executive produced by Moger and his "partner," Jordan Ringel, who is executive vice president of business affairs for SFM Corp. and has been coexecutive producer with Moger of all the shows produced by SFM Entertainment. The series was directed by Christopher Hale and produced by Victoria Wegg-Prosser of Flashback Television Ltd.

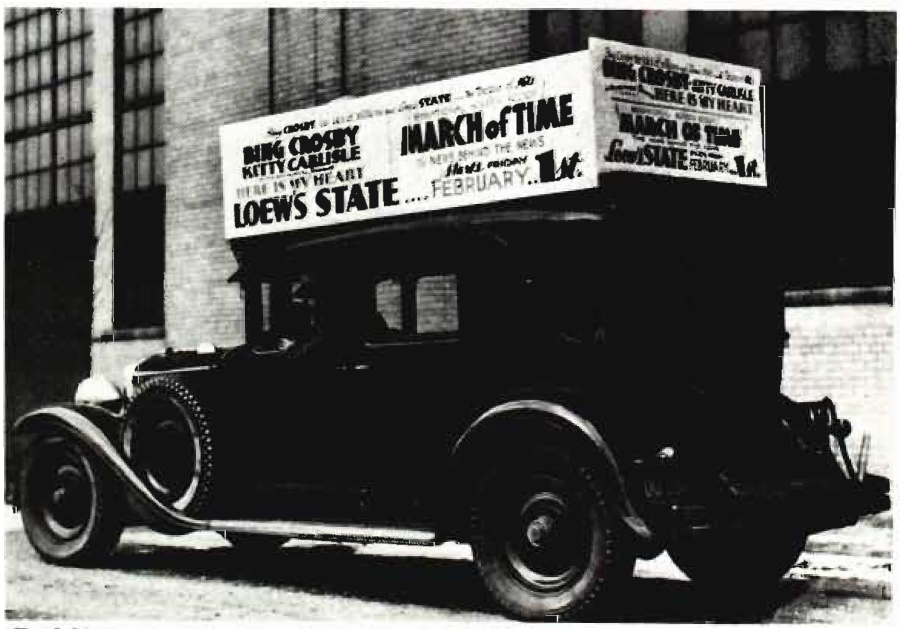
Each fo the six series has a title, for example the first being "On the March," the second, "The American Century 1939–1951," the third, "In Time of War." Subjects include the New Deal, Prohibition, the atom bomb, Adolf Hitler, Charles de Gaulle, Gen. Douglas MacArthur, American "imperialism" in the South Pacific, Iran under Mosadeq, the Spanish civil war, the Greek civil war and World War II battles.

NATPE gets requests from 90 companies

NATPE International 1990 won't be held until January 1990, but the organization has already received requests for reservations from 90 companies, representing 61% of the available space at next year's confab.

The commitments for space, according to Philip Corvo, president of NATPE, "are running a faster pace than at any time in our association's history."

The program conference will be held Jan. 15–19 in New Orleans, site of the convention in 1986 and 1987. The 1990 conference will represent NATPE's 27th.



Publicity on wheels heralding a showing of "March of Time" heading for the Loew's State, which was a movie house in New York. SFM Entertainment is planning to assemble an "American" version for commercial stations next year. "Time" *shorts have been shown in England and on PBS stations here.*

Ohio State Awards to TV, radio

Sixty-one TV and 28 radio programs are winners in the 1989 Ohio State Awards competition. The 1989 winners are:

Social sciences and public affairs

Getting Out Alive, WPLG-TV Miami; *The Unquiet Death of Eli Creekmore*, KCTS-TV Seattle; *Armed and Dangerous*, WCVB-TV Boston; *The Day the Cold War Came Home*, Tony Kahn, Arlington; *Montage Closeup: SWAT: The Brotherhood Within*, WTVJ-TV Miami; *Somebody's Listening*, KUSA TV Denver; *Kids, Sex & Choices*, KCET-TV Los Angeles; *Of Monuments and Myths*, WETA-TV Washington; *Caution: Men Not Working*, WLVI Boston; *Public Housing*, KCBS-TV Los Angeles; *Conception or Deception?*, WRC-TV Washington.

Also, *A Rock and a Hard Place*, WBZ-TV, Boston; *Crimes of Violence*, KTLA-TV Los Angeles; *A Visit to Atwater*, Minnesota Public Radio, St. Paul; *The Politics of Joy*, Minnesota Public Radio, St. Paul; *Hate Crimes: America's Cancer*, KMOX radio St. Louis; *Broken Vows*, KMOX radio St. Louis; *No Bed of Roses*, Judi Moore Smith Productions, Temple Hills; *Outlook*, BBC World Service, London; *Jungles of Memory*, Christina Egloff and Jay Allison, independent producers, Woods Hole, Mass., and broadcast on Sound-Print/American Landscapes; *Of Violence and Victims*, WSM radio Nashville; *Roid Rage*, CJAY Calgary; *The Silent Invasion: Espionage in the Triangle*, WPTF radio Raleigh; *Oklahoma Health Care: Falling Through the Gaps*, KGOU radio Norman, Okla.; *America Past*, KRMA-TV Denver; *Playsafe*, Wisconsin Public Television Network/WHWC-TV Madison.

Globe Watch, North Carolina Public Television, Chapel Hill; *War or Peace? Confronting the Challenge*, WHA radio Madison; *The Dark Side of the Sun*, Mutual Broadcasting System, Arlington; *1968; Streets on Fire*, Mutual Broadcasting System, Arlington; *Terror in Panama*, Mutual Broadcasting System, Arlington; *Weekend Edition Saturday/Ethiopia Drought*, National Public Radio, Washington; *Choices of the Heart*, ATC special, Buttino/Giansante Productions, Rochester, N.Y., and broadcast on National Public Radio, Washington, *Vietnam: Radio First Termer*, Interlock Media Associates, Cambridge, and broadcast on National Public Radio, Washington, D.C.

The Long Term Care Crisis, WEVO-FM Concord; *The Kathy Kaplan Story*, Connecticut Public Radio, New Haven; *Who's Watching Our Keikis?*, KHON-TV Honolulu; *Safe in Your Arms*, KGW-TV Portland, Ore.; *Wards of the Street*, Oregon Public Broadcasting, Portland; *No Easy Answers: The Education Test*, KREM-TV Spokane; *Beloved or Betrayed*, KTVY Oklahoma City; *Cleared to Land*, WTVF(TV), Nashville; *School Board Hooky?*, KCTV(TV) Kansas City; *Shocked Sober*, WJZ-TV Baltimore.

Global Geography, Agency for Instructional Technology, Bloomington, Ind.; *50 Minutes: Patient Zero*, CBS News, New York; *West 57th: L.A. Gangs*, CBS News, New York; *CBS Reports: Children of Apartheid*, CBS News, New York; *48 Hours on Runaway Street*, CBS News, New York; *Nuclear Exiles*, National Geographic Explorer, Washington, and broadcast on SuperStation WTBS, Atlanta; *AIDS: Changing the Rules*, WETA Television and AIDSFilms, Washington; and *NBC Nightly News with Tom Brokaw: John Block's Special People*, NBC News, New York.

Natural and physical sciences

Forgotten Poisons: WMAQ-TV Chicago; *Breast Cancer: Are You the One in Ten?*, KARE-TV Minneapolis; *The Price of Performance*, WEKU-FM/WEKH Richmond; *Mind and Music*, BBC World Service, London; *Earth's Magnetic Field*, TVOntario, Toronto; *ComputerWorks*, Southern California Consortium, Cypress; *For All Practical Purposes: Introduction to Contemporary Mathematics*, The Consortium for Mathematics and Its Applications, in association with Chedd-Angier Production, Co., Potomac.

Newton's Apple, Twin Cities Public Television, KTCA-TV St. Paul; *Boy Under the Ice: A 3-2-1*

KTTV(TV) Los Angeles, WFLD-TV Chicago, WFXT-TV Boston, KDAF-TV Dallas, WTTG-TV Washington and KRIV-TV Houston.

Multimedia Entertainment has sold the one-hour talk show *Sally Jessy Raphael* to CFMT-TV Toronto. The show recently marked its fifth season and is on the air domestically in 160 markets and in the U.K. Also at ME, *Donahue* renewals have been made in the U.K. and Canada, and the 90-minute feature *Good Old Boy* has been sold to Ten Network Australia and to the Phillipines.

Republic Pictures Domestic Television has cleared three markets, WMTT-TV Cookeville, Tenn., WNEG-TV Toccoa, Ga., and KTSF-TV San Francisco, for its Hollywood Stars feature package. The package has 16 titles including *Marjorie Morningstar, The Enforcer* and *Johnny Come Lately*.

Four Star International's *Scrooge*, film colorized by American Film Technologies, has been cleared in 26 markets. Stations airing the film classic, which will be sponsored exclusively by Procter & Gamble, include WJLA-TV Washington, WGRZ-TV Buffalo, WFTS-TV Tampa-St. Petersburg and WRTV(TV) Indianapolis, for primetime. Also cleared are KXAS-TV Dallas-Ft. Worth, WEWS-TV Cleveland and WEWS-TV Seattle-Tacoma.

MGM/UA Domestic Syndication has cleared *Straight to the Heart* in 60% of the country, including nine of the top 10 markets. The game show strip starts March 20. Production on the show began March 2.

MCA TV has given an early production third-season renewal to *Out of This World*. The weekly series begins shooting March 27 on 24 new episodes for the fall.

Peregrine Film Distribution has given a production go for the third season of *The Spectacular World of Guinness Records*. The show airs in 116 markets representing 75% of the U.S. Internationally, *Guinness* is seen in more than 40 countries.

Tribune Entertainment's *At the Movies* will get a special one-hour version around Oscar time. The special, *At the Movies ... The Academy Awards*, will air between March 20 and 28 and centers on Oscar choices by Rex Reed and Dixie Whatley.

Turner Program Services has sold *The Last Word*, half-hour strip, to all seven Fox Broadcasting stations. The program, which is hosted by Wink Martindale, is scheduled on the Fox stations in a newly created daytime first-run time block beginning in the fall.

Michael Krauss Productions' daytime/early fringe strip, *Mother's Day With Joan Lunden*, has been bought by WWOR-TV New York. The all-new episodes will debut in the fall. *Lunden* currently airs on the Lifetime Cable Network.

Genesis Entertainment has added WPIX(TV) New York to its station lineup on *Highway To Heaven*. The new licensee brings the current total of TV stations to 72, representing 50% of the country. Other stations clearing the off-network hour are KTLA-TV Los Angeles, WOIO-TV Cleveland, WGNX-TV Atlanta and WSVN-TV Miami. Also at Genesis, KHJ-TV Los Angeles and WMAQ-TV Chicago have cleared *The Judge*, bringing the current total lineup to 51 covering 60% of the U.S.

Zooming in on people

Willard Block, a founder of **Viacom** and a part of its predecessor organization, CBS Enterprises, has retired from the company.

Willard Block

Block twice held the position of president of Viacom Enterprises: From 1971–74 and from 1979–82. From 1982 until 1987 Block was president of Viacom World Wide.

Block joined CBS Enterprises in 1957. During 1988, Block was vice president of special projects and served as full-time, in-house consultant.

Ron Murray has joined *D.L. Taffner/Ltd.* as director of research.

He comes to Taffner from MMT Sales, where he was director of research for the company's marketing division. Before that, Murray was a senior research analyst at TeleRep.

Broad-based firm formed by Vitale

Liliane Vitale, vice president, administration at the Midem Organization in the U.S. office, has left the organization to start her own company.

The new firm, Vital Communications, will be based in New York, and will focus on program acquisitions, worldwide program distribution in all media and international consultancy. In terms of consultancy Vital will offer various services to U.S. companies attending MIDEM, MIP-TV and MIPCOM markets. These are to coordinate with the International Exhibition Organization all paperwork relating to accreditation, photos, hotels, advertising material, invoicing, payments and stand deposit refunds; to ensure that VAT refund requests are duly processed with Tevea International; to handle all aspects of a company's technical books and to coordinate with the exhibit-stand builder.

Other services offered by Vital include picking up of badges and delivering them to the client attendee's hotel; coordinating promotion material shipment details with the U.S. freight forwarder and Martini-Technotrans or Danzas in Cannes; taking care of rental and parking facilities and restaurant bookings and coordinating catering.

Contact Extra, Children's Television Workshop, NewYork; *Nova: Buried in Ice*, WGBH-TV and Tinsel Media Production Ltd., Boston; *Slowing Down the Clock*, ABC News, *20/20*, New York; *The Race for the Double Helix*, BBC-TV and A&E Cable Network, New York; *Sexuality and Aging*, Nebraska Educational Television Network, KUON-TV Lincoln.

Performing arts and humanities

Snow White and the Seven Dwarfs, KING-TV Seattle; *The Unknown West: Black Cowboy Tradition in Arizona*, KUAT AM-FM Tucson; *Tootie Tittlemouse & The Lights of Christmas*, WNIN(TV) Evansville; *Shakespeare Lives Here*, WSMV-TV Nashville; *Snow Bird's Olympic Spirit Special*, WSMV-TV Nashville; *Virgin Forest*, WMVX(TV) Milwaukee; *Little Towns Like These*, Nebraska ETV Network, Lincoln.

Write Stuff!, TVOntario, Toronton; *More Books From Cover to Cover*, WETA-TV Washington; *Reading Rainbow*, Great Plains National—Nebraska ETV, WNED-TV and Lancit Media Productions, Ltd., New York, *Basics of Colour*, Knowledge Network, Vancouver; *French in Action*, Yale University and The WGBH Educational Foundation in association with Wellesley College and submitted by Toby Levine Communications, Inc., Potomac; *Festival Magazine*, KUSC-FM Los Angeles; *Callas: In Her Own Words*, KUSC-FM Los Angeles; *August Wilson's Sacred Book*, Minnesota Public Radio, St. Paul; *Rime of the Ancient Mariner*, WBUR-FM Boston; *Studio 7*, WNEV-TV Boston.

Hometown Texas: To Mother With Love, SoundPrint/American Landscapes; *Gangs*, Chesapeake Productions and Group W Productions/CBS Entertainment; *Pee-Wee's Playhouse—Pee-Wee Catches Cold*, BRB/Pee-Wee Pictures and CBS Entertainment; *Home Sweet Homeless*, Sepp-Inter, Inc., and CBS Entertainment, New York; *The Child Saver*, NBC Productions, New York; *God Bless the Child*, ABC Theater, New York; *Portrait of America: New York City*, TBS Productions, Atlanta.

TELEVISION/RADIO AGE

Station Report

March 20, 1989

THE PROSPECT'S PROSPECTS

KPWR(FM) Los Angeles uses a wide range of research input to show advertising prospects how their prospective clientele behave in the marketplace—tailoring data to its own 18–49 demographics./49

OREGON'S BIG GUNS

The "Positively Oregon" campaign on KOIN-TV Portland boosts the station's identity along with the state's economy. Stories on newscasts and sponsored "infomercials" hit home./52

SELLER'S OPINION

Objectives aren't enough. Sales managers need a daily plan showing how to get there. Called for: a closer look at promotion, rate trends, inventory./51

SPOTLIGHT ON...

Jim Gustafson of KFDI AM-FM Wichita tells how an annual Bridal Fair is employed to help advertisers get to newly forming families./53 ing to radio than reading newspapers. And he adds, "I'd much rather convert newspaper dollars to radio than take dollars away from another radio station who's only going to go out and try to take them back from us or away from some other radio station."

Shopper tracking. At Impact Resources' Columbus, Ohio headquarters, a spokeswoman demonstrates consumer segmentation tracking that points to the advantages of individual radio stations, TV shows and newspapers for specific types of advertisers. In one case, a downtown retailing center turns out to have "a demographic rather than a geographic primary market. As its daytime traffic is based on those who work in the downtown office towers, the traffic profile is in dramatic contrast to the average market shoppers. The center has 49% more professional/managerial, 38% more clerical/service types, 47% more college graduates, and 11% fewer students than the market average.

"Placement of media based on average market audience estimates by Arbitron, Nielsen or Beldon ignore such unique shopper lifestyle differences. Here is where as much as half of every ad dollar can be wasted. Average media usage data describes the typical shopper, but this downtown center is interested in the *non*-typical shopper. MA*RT data make it possible to rank media use. By being more efficient in reaching its own shoppers, a retailer's $250,000 ad budget can buy $500,000 worth of customer influence."

Fourth ranked station No. 1 reaching men who shop downtown

Specific examples for one market show the radio station that's ranked only fourth in total market averages is No. 1 in reaching men who shop at the downtown center, and that the best TV news choice to reach these men is the early news on the CBS affiliate.

But if women shopping in this same downtown center are the target, a different radio station, the NBC affiliate's late TV news and the morning daily are the most efficient buys.

LeBow says KPWR uses all of its research sources to put together presentations for half a dozen to a dozen people at its target accounts. He describes these presentations as "mostly a matter of sharing what KPWR knows about their customers and seeing how closely what we know compares to what they know from their own research.

"The reaction we usually get tells us that in the process of becoming research-sharing partners with the station's advertisers, we've done a pretty fair job of creating a far better impression for radio in general than all these other people running around town with nothing to show but their rankers."

Researching its ad prospects' prospects helped KPWR Los Angeles 'turn around'

Dave LeBow is no longer national sales manager at KPWR(FM) Los Angeles. He did such a good job there, Emmis Broadcasting promoted him to sister station WJIB Boston, where he'll be general sales manager.

Data show how much more time customers spend listening to the radio

Duncan's Radio Market Guide estimates KPWR was the third highest billing station in Los Angeles last year, bringing in over $24 million. And at $334 million, Los Angeles is top radio billing market in the country.

Describing his role in what Emmis spokesmen call KPWR's "turnaround," LeBow observes, "A lot of people talk about their stations' 'client oriented' marketing,' but how well do they really know their ad prospects' prospects?"

Shopping patterns surveyed. He explains that KPWR knows from the MA*RT information it gets when Impact Resources comes to Los Angeles to survey consumers. MA*RT, for Market Audience * Readership Traffic, claims a database of over 250,000 consumers in over 53 Metropolitan Statistical Areas. Survey results include local shopping patterns, lifestyle characteristics and media habits. Impact Resources executives say the information enables a radio or TV station to "determine precisely what kinds of people prefer various retail stores in a market and why."

LeBow says this MA*RT information is only one of the research services KPWR makes available to its advertisers and prospective advertisers: KPWR subscribes to both Arbitron and Birch and to Scarborough as well as MA*RT, "because KPWR wants to be in a position to be marketing partners with its retail clients and help them in every way a radio station can. We didn't sell KPWR per se to new ad prospects. We spotlighted radio, as opposed to newspapers, or radio, as opposed to TV. And since KPWR's top 40/CHR mass appeal format reaches across 18 to 49 and attracts a lot of teens, too, we assumed that if we could convert an advertiser to radio, KPWR would most likely get at least a piece of their first radio buy."

LeBow explains that KPWR uses the MA*RT data to profile its advertisers' clientele, "for instance for an auto dealer association, or a supermarket chain, or any other retail category for which the station's broad 18–49 demographic makes sense." He says that in some cases, the MA*RT material helps show prospects that their current media buys are reaching too many people

Dave LeBow

who are younger than most of their actual customers, or older. And it can show prospects how much more time their customers spend listen-

49ers' Randy Cross is 'Souper Lineman'

Honoring selection of the San Francisco 49ers' Randy Cross as "Chunky Souper Lineman of the Year" are, standing, from l., Neal Pilson, president, CBS Sports; Nancy C. Widmann, president, CBS Radio Division; Cross, and John Haring, director, marketing for Chunky Soups. Seated from left are CBS' Steve Youlios; Joe Rhein of the NFL; Herb Baum, president, Campbell USA; and Bob Kipperman, vice president, general manager, CBS Radio Networks. The Chunky Souper Award culminates a customized marketing plan created by CBS Radio Sports for Campbell's. It runs in conjunction with Chunky Soup's ad schedule in 30 games, winding up with eight playoffs, the Super Bowl and the Pro Bowl. A Chunky Souper Lineman is named at each game and Cross was chosen from this group, based on his performance during the entire NFL season.

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n's economic comeback Portland's KOIN-TV

Boosts station's identity while also promoting state's growth.

The campaign, which began in 1987 to call attention to the state's being "on the comeback trail" in terms of economic and business growth, ran for three months in 1988, up from six weeks in '87. This year, says Rice, it will be a nine-week drive.

Summer exposure. The effort, which originally was steered into summertime, a "difficult to sell" period, is being shortened somewhat this year, she says, to accommodate other unspecified projects.

Karen Lee Rice

The "Positively Oregon" campaign includes "infomercials" and stories on its local newscasts, KOIN's Rice notes. Each of the 15 to 20 infomercials feature a mention of a participating sponsor, followed by its commercial. These briefs have reported on gains by the state's hazel nut and ski industries, for instance.

Sponsors last year included Lincoln-Mercury dealers and Sayler's Old Country Kitchen. And spots and the introductions to the news stories or interviews feature the "Positively Oregon" logo.

The "Positively Oregon" venture last year generated $135,000 in revenues, says Rice.

This summer KOIN's evening newscasts will feature three stories per week, up from two a week in 1988, Rice continues. These stories include updates on local industries and profiles of people who are helping bolster Oregon's economic health, she explains.

KOIN is unable to measure the campaign's impact in ratings terms, Rice points out, since the promos run throughout the station's schedule. However, the campaign has generated considerable interest in Portland and elsewhere, thanks to its promos having run on ESPN last year, she adds.

Besides expanding its use into various community events, KOIN has adopted the "Positively Oregon" line as "something of a secondary [promotional] theme," Rice says. Moreover, the Oregon Chamber of Commerce is intersted in using that theme line as well.

Startup KXIV-TV stretches budget dollars for new charter advertisers

Russell J. Heaton, recently named general sales manager for new KXIV-TV, which bowed in Salt Lake City on Feb. 14, says one of the new UHF's strategies will be to focus on those heavy newspaper advertisers in the market who've never been on television.

"We focus on heavy newspaper advertisers who've never been on television before."

"During our startup period, before we've built up the audience and ratings we'll have later, we'll be making some aggressive pricing and packaging offers that will mean breaks for our charter advertisers that can stretch their ad dollars and make those dollars go a lot farther and provide more impact."

More flexible. Heaton says, "As an independent we can be much more flexible and do things network affiliates can't. For one thing, we can make a two-minute commercial for a new-to-TV advertiser. And we can put it on in primetime."

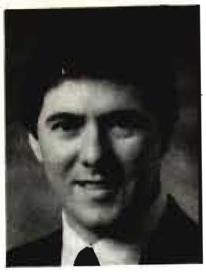
He adds, "The people and facilities we can make available for making client commercials are first rate. That's because instead of a television station setting up commercial production facilities, we're a case of a top professional TV production facility that's starting up a television station. Our studios are part of the 75,000-square-foot studio and office complex of Skaggs Telecommunications Service here."

Russell Heaton

He says Skaggs "was already here long before KXIV went on the air—with producers, directors, technicians, writers and audio specialists. They've been here for at least eight years, producing commercials for American Stores' Alpha Beta supermarket chain and for Mazda and Nissan, for both the

Appointments

Stations



John L. Peroyea has been named president of Narragansett Radio, Inc., owner of stations in Baton Rouge, Tulsa, Omaha and San Jose. He has supervised the group properties as chief operating officer since last May.

Rod Zimmerman has been tapped as vice president, general manager of WWJ/WJOI(FM) Detroit, in the process of being acquired by CBS. When the deal is completed Zimmerman will transfer from Chicago where he has been general sales manager of WBBM.

Patrick Joyce has been named general sales manager for WBBM Chicago. He came to the CBS-owned all-news station in 1985 as national sales manager and now succeeds **Rod Zimmerman** (see above).

Pat Dalbey has joined KYTV(TV) Springfield, Mo. as general sales manager. He moves in from Pensacola, Fla. where he had been local sales manager of WEAR-TV.

One Seller's Opinion

What sales peop… and managers sho… tell each other

Antonelli

Managing at a station or rep firm must be approached with a definite plan of action; one that involves discipline and orgnization. Without a plan we see nothing more than motion without movement, activity without results. Salespeople have a right to be managed with competence and dedication. Anything less leads to breakdown and chaos.

Sales managers should develop a routine that involves the following specific objectives:

Daily sessions with salespeople. Perhaps the single most important responsibility of the sales manager involves spending time with salespeople. Daily sessions should be scheduled that cover the following areas: pending business, establishing target shares for specific buys, what salespeople are saying to clients, how clients respond. Are the appropriate areas being pitched on specific buys? Are specials being used? Are packages being used? What does the package look like? What are the client requirements in terms of CPP, target demo, number of spots, reach, frequency, traffic building, etc.? What kind of order does it look like the station will get? Determine the problems and propose possible solutions. Time thus spent with salespeople can prove invaluable in determining strengths and weaknesses of the sales staff as well as providing direction and leadership for the team.

Competitive information. Programming and pricing for all competing stations must be obtained on a regular basis. Salespeople should be encouraged to maintain a steady flow of such information so management can make informed decisions concerning the station's pricing and programming strategy.

Programming and specials. Sales managers must collect and supply accurate information regarding program changes and upcoming specials. Salespeople cannot sell effectively if they don't have accurate and timely information.

Promotion. A station's promotion plans during the year can play a key role in effective selling. Higher estimates may be obtained by detailing how the station plans to support its programming.

Rate trends. A record of competitive rates should be kept by the sales manager for at least one year. This allows a track record to form for each competitive station and can give a clear picture of predictable trends that can help in planning pricing strategy.

Rate card. Sales managers must keep an eye on station rate cards to make sure they meet the needs of both the station and the salespeople. They should be aggressive but realistic and flexible. Constant feedback from the sales staff should be encouraged so input can be given to upper management to make adjustments when necessary.

Inventory. Sales managers must stay on top of inventory. If a specific time period gets tight, salespeople must be made aware of the situation so they can adapt their sales approach accordingly by staying firm on rates and steering clients to other time periods, for instance. Similarly, open inventory must be identified so salespeople can use these areas on packages to hook higher demand (higher CPP) spots.—**Martin Antonelli,** *president, Antonelli Media Training Center*

Donald L. Gorski has been named general sales manager for Tribune Broadcasting's WQCD(FM) New York. He had been vice president, sales for CBS Radio Representatives.

Henry Osborne has been named program marketing manager at WRC-TV Washington. Osborne joined the station in 1979 as manager of local programs and now moves up from manager of community services and broadcast standards.

Jeffrey H. Kazmark has become director of sales at WNBC-TV New York. Formerly sales manager of KNBC-TV Los Angeles, Kazmark succeeds **Lou Abitabilo,** now with Bohbot Communications.

Frank Leoce and **Blaise Leonardi** have been promoted to vice presidents/directors of sales, Eastern Region, for Westwood One. Both joined the company last year as Eastern Regional sales managers. In their new posts they'll coordinate sales efforts for the Westwood One Radio Networks, the Mutual Broadcasting System and the NBC Radio Networks.

Representatives

Cora Enriquez has been promoted to vice president of Blair Television's NBC research teams in New York. The former research supervisor for MMT Sales came to Blair in 1984 as research manager for the NBC Blue Team.

John Shannon has been elected a divisional vice president at Katz American Television. He joined Katz in 1983 and is currently national sales manager of Katz American's Red sales group in New York.

Carole Aaron has been promoted to sales manager in the Boston office of Blair Television, where she reports to vice president, manager **Denison P. Godwin.** She joined Blair as an account executive in 1985 and before that had been vice president, associate media director with HBM/Creamer in Boston.

Yvonne Ruiz has been appointed manager, CBS Hispanic Marketing at CBS Radio Representatives. She was an account executive for Univision and before that had been with the sales staff of Caballero Spanish Media.

Mike Disney, senior vice president, director special sales for Major Market Radio, and **Tom Poulos,** executive vice president, regional manager, McGavren Guild Radio, have added responsibilities as regional Radio Store executives for Chicago and Boston respectively.

Gerry Horn has been promoted to manager of Katz Television's Charlotte sales office. He joined Katz in 1986 as a sales executive and before that had been an account executive with WPOQ-TV Charlotte.

A&P's radio-driven vendor campaign

Celebrating new money for radio are, from l., Bob Dunn, president, Chase Radio, owner of WTIC Hartford; Bert Weinhaus, president, A&P Northeast Group; Danny Flamberg of the Radio Advertising Bureau; and Rob Williams and John Ryan of WEZN Bridgeport, Conn. They're saluting the first-ever radio-driven vendor ad campaign for A&P's Northeast Group. WEZN and WTIC teamed up with RAB to develop the campaign, scheduled to run for 26 weeks starting in second quarter and expected to bring $300,000 new dollars to radio stations in six New England States.

Spotlight On...

Jim Gustafson

General sales manager
KFDI AM-FM
Wichita
Kansas

Jim Gustafson describes how KFDI AM-FM sells advertising-promotion packages of radio time, plus "the opportunity to display merchandise at our annual Bridal Fair." Other radio and television stations stage the fair in other markets, but in Wichita it's exclusive to KFDI, the country music combo in the market.

Gustafson says KFDI contracts with Bridal Fair, Inc. of Omaha for the local rights, and the company supplies such materials as the backdrops, point-of-purchase displays and an analysis of the bridal and new household market, showing, for instance that "New forming families are one of the largest retail consumer groups in the nation, spending in excess of $20 billion annually."

He says area businesses display thousands of dollars worth of merchandise to help the brides-to-be and their families plan their weddings. There's a Bridal Fair Panel of experts to field questions on wedding etiquette, financial planning and family life, and the brides-to-be also receive a free copy of the 64-page *Bridal Fair Magazine* and "have an opportunity to share in thousands of dollars worth of prizes given away."

Gustafson says the Bridal Fair's cosponsors are by no means limited only to items for the wedding itself, like the gowns, tuxedos and the flowers and ring: "When a new family unit is being formed, a whole new buying household comes on the scene. It needs everything from new furniture and dishes and pots and pans to appliances, banking services and often a new car. It needs sheets and towels and curtains and rugs."

He adds that besides the advertisers' opportunity to display their wares before an audience of prime prospects, the brides-to-be register for the Bridal Fair, "and this becomes a source for customer mailing lists for our participating retailers. The fair gives us an opportunity to work with clients we normally would not reach otherwise. I'd estimate the resulting additional revenue directly attributable to our sponsorship of the Bridal Fair here in Wichita runs between $75,000 and $100,000 a year."

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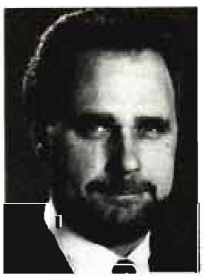
parent companies and for some of their regional dealer associations."

Heaton says that, where a new local account needs it, "We can subsidize part of their initial commercial production costs. And nationally we have Seltel representing us."

KXIV's programming includes movies, off-network sitcoms, action-adventure series, children's shows and a morning business program.

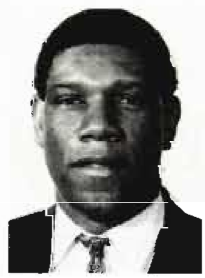
Heaton says that "officially," with the debut of KXIV, Salt Lake City is a market now served by three VHF network affiliates and three independents. But he adds, "KOOG-TV in Ogden is primarily a home shopping station." On the other hand, KSTU-TV is a VHF independent and KXIV is a UHF station on Channel 14. But Heaton says the market's two major cable systems, TCI and Insight Cable, have both been "more than cooperative and have agreed to carry our new station as soon as they complete their own facilities' renovation that will give them additional new channels."



Steve Antoniotti has been promoted to president/general manager of The Gillett Group's WJBK-TV Detroit. He joined the station in early 1988 as vice president of broadcasting and became station manager in November.

Mike Scott has been promoted to vice president, general manager of Degree Communications' KEYI(FM) Austin. He had been the station's program director.

Ron Olsen has been promoted to station manager at KULR-TV Billings, Mont. He joined the station's news team in 1966, was made news director in 1970 and now steps up from program director.



Dave Burnett is the new general sales manager for WWRL. The former general manager for Willis Broadcasting in Norfolk comes to Unity Broadcasting from Arbee Fine Foods where he had been assistant to the president and director of sales.

Mike Bredahl is the new director of national sales for WAXY(FM) Fort Lauderdale, Fla. He's been with the sales staff of the RKO Radio station for nine years.

Thomas J. Watson has been promoted to director of sales at KABB-TV San Antonio. He joined the station in February 1988 and now moves up from national sales manager.

FEEDBACK

Now that the Big 3 TV networks are forming an organization to pitch the benefits of their medium, what can they say or do to convince you to put a greater share of your clients' budgets into it?

"I think that what the networks need to do is similar in nature to what other promotion organizations do. There is a great deal of research on the size of the audience, the nature of the audience and the strengths of the three networks. Network TV is clearly the most heavily measured and evaluated of any medium, but there's a lot of information on the network audience that would help sell them but that we don't see, such as Nielsen qualitative data and information on commercial retention. There are some things a joint entity can fund that individual networks cannot."

Marc Goldstein
Director of national broadcast media and programming
Lintas: New York

"The goal is to make everybody aware of the value of network television. If you believe the value of network TV is great, then you'll spend more. Somehow the networks are going to have come up with some formula to show network [advertising] increases brand awareness and brand sales. That'd be the ideal theorem for them to prove. Also, there's a lot of misinformation and disinformation around on cable and independent [stations'] audiences, and the networks want to give their interpretation."

Steve Grubbs
Senior vice president, director of national TV buying
BBDO
New York

"They've got to talk more about marketing and merchandising. A lot hasn't been said about that until lately. Although it's gotten to the point where cable penetration is at 54%, they've really got to sing loud and clear that if you want to be a major TV advertiser, you can't just buy cable. There's a lot of strength still in the 68 share points the networks are pulling down in primetime. They also can show ways of getting involved in different dayparts without spending a lot of money. They need an organization more than networks to sing about what the networks can do for products, such as what they did for [our clients] Monsanto in daytime and prime and Bissell in daytime and what the networks have done for theatrical films. To advertise the weekend opening of a film, you need network TV on Thursday nights, not MTV. Things like that have to be brought to the attention of the younger buyers and media planners."

Paul Schulman
President
Paul Schulman Co.
New York

Wall Street Report

CapCities/ABC gains projected by two firms; ESPN strength noted

Two investment firms are running fairly close in their 1989 earnings per share estimates for Capital Cities/ABC. With the company earning $22.31 in 1988, Merrill Lynch is predicting $24 in '89 while Shearson Lehman Hutton is projecting $25.

Merrill Lynch vice president Peter Falco says his company believes CapCities stock should be valued at eight times estimated 1990 pretax cash flow of $62 per share, implying a price objective of about $500 per share in 12 months. The stock has been hovering close to the high side of a 52-week range of $297 to $385. Within the context of the current market, Falco says the downside is probably six times estimated 1989 cash flow of $52 a share, making for a $312 market price.

"If improved competitive ratings performance by the ABC [TV] network is sustained," the analyst says, "substantial profit gains at the ABC network are likely over the next one to three years. ESPN has evolved into one of the most attractive new program services available, with strong ad revenue growth and increasing subscriber fees. While we view the longterm growth potential of television stations as problematic, CCB's stations are currently the strongest stations in their respective local markets."

With the company's video group posting strong gains in revenues and profits in 1988, Falco adds, ESPN is estimated to account for more than 90% of that group's revenues and profits. He notes 1990 will be the first year of a four-year, $400 million major league baseball contract for ESPN. He estimates a 60% increase in ESPN's ad revenues would be required to cover the cost of the contract and that baseball will lose money in 1990 and 1991.

At Shearson Lehman, analyst Allan Kassan comments that, although network advertising demand has been strong recently, first quarter '89 earnings per share will probably be $3.50, down from $4.16 in '88. He notes that results in last year's period benefited from a $3.20 per share purchase price accounting adjustment and that the adjustment this year will be much smaller.

TM exiting broadcast?

Times Mirror's three top executives recently stood before a PaineWebber Media Week audience, and interestingly not a word was said about its broadcast operations, which represent 8% of operating income. KDFW(TV) Dallas, a CBS affiliate, alone represents 5%. Elsewhere on Wall Street, the possible reasons for the omission come to light.

Merrill Lynch's Falco believes TM may ultimately decide to abandon its stations in Dallas, St. Louis, Birmingham and Austin, which, he says "have suffered from a tough industry environment. KDFW, which accounts for close to two-thirds of segment profits, has suffered from particularly weak local market conditions and some erosion in ratings. While KDFW is still highly profitable, profits have declined significantly over the past two years."

The second largest station in the group, KTVI(TV) St. Louis, an ABC affiliate, "has suffered from dismal ratings and contributes little to segment profits." Falco notes that the stations' 8% contribution to total operating income compares with 18% in 1982. He comments, "In our view, the value of VHF network affiliates has already peaked, and there are substantive questions concerning their longterm potential."

Meanwhile, Merrill Lynch observes TM's cable systems are its second most valuable asset. Falco notes cable is a cash flow business and does not make a proportional contribution to reported earnings. He states 1988 cash flow margins were 39% vs. 33% in 1987 and should continue to improve.

Comparing it with other predominantly newspaper-oriented stocks that Merrill Lynch studies, it labels TM as "among the poorest performing," stating that it has lagged the marked by about 20% over the past year. The stock has been running at about the middle of a 52-week price range of $29 to $39¼, and Falco calls it a good value at current levels, with near term reward/risk at $45/$29 per share. With modest improvement in ad revenue momentum, Falco believes, it can achieve earnings per share of $2.80 or more in 1990, compared with $2.35 in 1989.

Shearson recommends Century

Shearson Lehman Hutton recently began following the stock of Century Communications, the nation's 16th largest MSO and an active player in the cellular telephone industry. On a short-term basis, according to analyst Christy L. Phillips, the stock should outperform the market, and she recommends it as longterm buy. "Even though the initial startup costs associated with building its cellular markets will have a near-term drain on cash flow for two or three years," she says, "Century will continue to meet investors' growth expectations."

Shearson projects the company's per share loss to grow from 18 cents in 1988 to 43 cents in '89 and 53 cents in '90. Meanwhile, it sees cash flow improvement from $1.98 per share in '88 to $2.17 and then $2.60.

The analyst comments, "Operating fundamentals at Century's CATV systems continue to improve. Normalized cable operating cash flow [operating income plus depreciation and amortization] is projected to increase 13–20% annually on normalized revenue increases of 14–18% for the period 1989–1991, with above average industry margins in excess of 50%.

"We believe that Century's private market value ranges from $25.50 to $30 per share. Based on modest CATV subscriber values of $2,200 per subscriber, or at 14 times operating cash flow and cellular "per pop" [total population in a cellular market multiplied by the company's percentage share ownership of the cellular franchise] values of $68 per pop, Century's shares are selling at a 44% discount to estimated 1989 fiscal year-end private market value of $25.50 per share."

In the Picture

Boni Peluso

Award winning creative director explains some ingredients of radio humor, how some listeners react to it, and what makes radio particularly critical in the Los Angeles market.

FCB copy chief spreads credit for winning effort to the whole sound team

Dailey & Associates, BBDO and Chiat/Day each took four nominations in the first round of the Fourth Annual SUNNY Creative Radio Awards sponsored by the Southern California Broadcasters Association. But it was Foote, Cone & Belding/Los Angeles that walked away with six nominations, three in the humor category.

Again, in the finals, while the professional comic spot house, Dick Orkin's Radio Ranch, took first and second honors in the humor category, FCB's Boni Peluso captured a third in humor, while fellow FCB writer Tom Dunsmuir took top honor in the Open Category for his *Early Settlers* spot for furniture retailer Krause's Sofa Factory.

What does it take to be funny in radio, with no visual pratfalls, pies in the face or dropping of pants in sight?

Peluso, who's a vice president and group creative director observes, "You can say there's an element of luck in having Tom Dunsmuir on our side. He has tremendous talent that also won him an Emmy years ago when he was with *Sesame Street*. He still has his bent sense of humor. We're also lucky to have writers like Ken Youngleib, our radio producer Virginia Pooler, and Brian Boyd who's absolutely outstanding in engineering all the sound effects, voices and music. And our winning spots for Albertson's Supermarkets would not sound as great if it weren't for Dan Radlauer's music. It's definitely a team project."

Kay Stark: supermarket detective

Peluso explains that the winning Albertson's spots "feature a central character we developed: Kay Stark, super market detective. The style is Raymond Chandleresque—Phillip Marlowe in *The Big Sleep*. It's film noir of the '40s, only on radio, with the music and a lot of sound effects post-scored."

The script opens with:

SFX: Footsteps, keys in door, music up.

Kay: I was beat after a long day at the shopping mall. I was looking forward to tossin' hack a tumbler of chocolate milk back in my office, but the minute I stuck my key in the door, I knew something was wrong. Someone was in the room. And it wasn't me.

SFX: Door open and close

Goon: You must be Kay Stark: supermarket detective.

Kay: Very good, bright boy. Say, don't foreheads that big usually come with two eyebrows?

Goon: Do not crack wise Miss Stark. I represent certain parties who want you to cool it in the supermarket game.

Kay: Listen, Frankenstein—

Goon: Steen

Kay: Steen. As long as people are paying more than they should for groceries, I'm going to talk plenty. And I'm going to point them in the direction of Albertson's.

Goon: You do and there could be consequences.

Kay: Yeah—like people shopping at Albertson's and saving money and getting better quality produce and meat. People like your wife.

Goon: I never married, Miss Stark.

Kay: Silly me. Then your mom.

Goon: You know, I'd like to help me mudder. She works really hard.

Kay: Then hop in the goonmobile and take her to Albertson's.

Goon: Okay Miss Stark, sorry to bother you.

Kay: Don't mention it.

Goon: And I'm sorry I drank all your chocolate milk.

Kay: Oh fine!

Sales up

Peluso reports Albertson's sales up "by a couple of million dollars. And people write letters to Kay Stark. One woman wrote how her family sits around at night doing imitations of Kay Stark. But there's more to radio advertising that really works than just making listeners smile."

For one thing, she explains, "At the same time, we're working to make radio as visual as we can. We try to make the most of radio's 'theater of the mind.' And the smiles aren't simply for smiles' sake. They're to make our commercials more listenable.

"We've analyzed the excessive amounts of time people in Los Angeles spend in their cars. This makes radio even more important than it is in most markets. But it also makes drivers impatient. That means quick on the draw when it comes to pushing the button to another station as soon as they hear another boring commercial start up.

"And we're bombarded, day after day, with boring commercials for the other supermarkets. They're all over TV as well as radio. People are fed up to here with all the jingles and the 'home economists-slash-stars' you just know never have to do their own shopping. So we figured it was time to take an irreverent look at the whole food store shopping scene. And we wanted to make it entertaining at the same time it was being informative, so all those people sitting in all those cars won't be so quick to push their radio buttons."

Peluso also says it's important "that our commercials can stand up to a long run, with a lot of repetition, without turning listeners off. The last thing we need is one more spot people are going to get sick of the third or fourth time they hear it."

"We, as an agency, have been trying to convince the networks to do this for the last five years. The better they sell themselves, the better we can sell them to our clients. They could remind everyone in a professional manner what their benefits are and how they relate to the perceived benefits of such competitors as cable and unwired networks. They should remind us that network TV is a business and that the people running it are serious, competent people. They should extoll their corollary benefits such as tie-ins and being truly national as compared to their competitors. They should remind people about their traditional values and how they can obtain even more value on a corollary basis."

Stephen Leff
Vice chairman, director of media and administrative services
Backer Spielvogel Bates

"I don't know if it's such a good idea. I hear from others [agency colleagues] that it's a good idea, but I don't agree. Maybe I'm a minority of one. The networks will have to sell generically. But what can they say collectively? I think they're better off selling individually."

John Sisk
Senior vice president, director of negotiating
J. Walter Thompson

"For the networks, the key is to convince us that, despite erosion in audience shares, and ratings, the Big 3 remain the best value per advertising dollar invested. We define value as the ability of the medium to persuasively sell our products and services."

Rich Hamilton
Senior vice president, media director
D'Arcy Masius Benton & Bowles
New York

"We welcome the networks' move, not because there are new things we need to know that aren't already in someone's file at every agency but because not everyone always has the existing information at the top of his mind. The value of a trade association is to make sure every key decision maker is up to speed at all times on what clients can and can't do with a medium. That includes planners as well as buyers. While the Cable Ad Bureau has done a stellar job of reminding all hands of cable's values, the networks for far too long have neglected a lot of planners. So we think it's a great idea that the networks are starting to come around."

Wes Dubin
Senior vice president
director of national broadcast and programming
DDB Needham Chicago

Time-Warner deal not seen affecting web syndication

What effect will the Time-Warner merger have on the regulatory outlook for network syndication rights? Not much, says one member of the FCC. When the two giants announced their merger, it sent ripples of concern through the TV programming industry in the belief that together, the two companies could virtually dominate the field, choking off competition.

Movies, cable most affected. The movie and cable industries would be affected primarily, but the potential raised questions in some quarters about whether the FCC ought not to take a new look at its regulation barring the TV networks from syndicating their own programming or even having an interest in the programming they run.

Commissioner James Quello sees no need for review at this time. "It doesn't directly involve networks," he said. "Their audience has eroded, but they're still by far the more efficient and dominant form of distribution of television programs today."

He wasn't totally opposed to the idea of reviving the financial interest/syndication issue, however. "Maybe somewhere in between there is a compromise that can be worked out." He does not see the need yet, he says. "I think it's a long ways away."

The merger, he says, does "give the idea that we may have to start looking at it."

the marketplace

HDTV as security, economic issue: government support not coming fast

Now it would seem that high-definition television may not be merely a new, sharper way of viewing television; it also may be a national security issue.

Members of Congress appear to have locked on to one way to justify the federal government becoming more involved in HDTV as a way to help the U.S. communications industry stave off domination in the field by Japanese and Europeans. The new tack became apparent as the House Telecommunications Subcommittee opened two days of hearings, the first of several in the next couple of months aimed at establishing a U.S. policy and finding ways to help Americans compete.

A previous tactic had been to point out the importance of HDTV in America's trade balances with other nations and the potential impact it could have on American film and TV exports, not to mention the disruption it could cause the current TV setup in the United States. The subcommittee even invited the State Department and National Aeronautics and Space Administration to testify to the national security needs, but they waffled.

Just studying. Robert J. Shafer, director of the Television Development Division of NASA's Communications Office, would not even commit that agency to say that there is even a need for federal involvement in the research, development, design, or the manufacture of advanced television technologies. He said only, "The administration, through the Economic Policy Council is now studying what the government's role should be in the advanced television field."

The National Telecommunications and Information Administration gave only passing mention to the national security aspects of HDTV consideration when it submitted its own analysis to the subcommittee. It uses the broadcast industry's term for the technology, calling it "advanced television" instead of HDTV, an acknowledgement that systems that would be compatible with current television would not be true HDTV.

The emphasis in the NTIA analysis was on trade and the commercial damage that would be done to U.S. interests if other nations were allowed to dominate the field. In the end, it concluded, "It is the responsibility of the private sector, and particular groups of interested parties therein, to come forward with appropriate business plans that include specific recommendations for government actions designed to overcome current barriers to the development of a stronger U.S. presence in these developing markets."

Essentially, that is what has been reported to the subcommittee in the nearly three dozen "action memos" it requested from the industry.

No focus. Opening remarks by Rep. Edward Markey (D-Mass.) subcommittee chairman, disclosed that even after submission of the 35 action memos, there still was no focus for the subcommittee to grab onto. Legislative proposals that would themselves provide direction have been introduced, but they are not being considered by the Telecommunications Subcommittee.

The NTIA gave only passing mention to the security aspects of HDTV.

Rep. Rick Boucher (D-Va.) has introduced a measure (HR-1024) to lift the antitrust restrictions on American businesses working together on HDTV, and Rep. Don Ritter (R-Pa.) has one (HR-1267) that would put some federal dollars into the effort, to the amount of $100 million over five years. Both, however, will have to be considered by other committees.

The HDTV picture, regardless of the route it takes eventually, is heating up. A House Science and Technology subcommittee set a hearing for March 22, and the Annenberg Washington Program of Northwestern University scheduled a two-day forum on the issue March 30 and 31.

How urgent are HDTV considerations? Representatives of the U.S. television industry visited Japan and NHK, current leading producer of HDTV, and Michael Rau, vice president for science and technology for the NAB reported, "It is only a matter of time before Japan actually begins HDTV broadcasts by satellite."

FCC not keeping spare spectrum, says GAO report

The General Accounting Office has released a report saying what many already had assumed: "FCC does not routinely maintain an inventory of unused radio spectrum." In fact, nobody in government does, it said.

Nor, says the GAO, investigative arm of Congress, does the FCC "have a formal long-range planning process for anticipating future demands and setting aside spectrum to meet those demands." In fact, GAO reports, there have not been "any internal evaluations or studies of its spectrum management during the last 20 years that have been officially endorsed by FCC." There were eight staff reports on the subject during the period, GAO says.

GAO says the eight studies cited "similar weaknesses related to time-consuming decision-making, inability to adjust past allocation decisions to reflect changing technology and consumer demand, rigid regulations, and inadequate information. The studies also made similar recommendations, encouraging more economic incentives and flexible regulations that would give licensees greater freedom to adjust their spectrum use to changing technology and regional conditions."

(Washington Roundup continued on next page)

Washington Report

Rinaldo's renewal bill champions No. 1 item on broadcast wish list

The parameters of the new, biennial contest between the broadcast industry and Congress finally have been laid down. The industry has let Congress know what it wants most this year. Rep. Matthew Rinaldo (R-N.J.), ranking minority member on the House Telecommunications Subcommittee, is championing the big wish for broadcasters with his HR 1136, "The Radio License Renewal and Improvements Act." The problems the legislation, which by itself has no real strong opposition, will be facing on the lengthy road to passage, are the same similar big wishes of the broadcasting industry have had in the recent past.

Congressional communications leaders have let it be known that not only will anything favored by the broadcast industry have to wait until codification of the fairness doctrine, but it also will have to wait until childrens television legislation is enacted into law. The fairness doctrine work could come soon, but congressional staffers are at work with several plans to expand the kidvid legislation far beyond the limited scope that won passage by Congress last year but which was vetoed by President Reagan, too late for Congress to react. A complete rewrite, along with an expansion could take a long time.

Better wait than never

Meanwhile, the radio renewal reform bill will have to wait. Perhaps it's for the better. Members of Congress are still bristling over losing their pay raise and still blame the message on the messengers.

In remarks accompanying the introduction of his bill, which has bipartisan support, Rinaldo noted the likely delay, saying it was his hope only that the subcommittee "will, this year, begin to explore these and other difficult issues facing radio broadcasters." Although the idea has been approved before, at least twice by the Senate only to die in the House, the new bill will be slightly different.

In the past, the proposal was tied to similar repair work for television, but that proved to have too many snags. Radio reform might have been passed as separate legislation in the past, but broadcasters held out for including television, causing some friction between television and radio members of the National Association of Broadcasters.

Now the industry not only is satisfied to take radio reform without television, but the NAB's radio board of directors has made the Rinaldo bill its "top priority" for the first legislation year of the 101st Congress.

Rinaldo's introduction of the proposal coincided with the NAB's leadership conference, held every year to acquaint grass-roots leaders with the issues and allow them to buttonhole their favorite members of Congress. Two staffers, one from each body, cautioned the broadcast leaders that what they see in the Rinaldo bill isn't likely to be what they get.

The measure has to wend its way through a lengthy congressional procedure, through which few proposals survive intact. Along the way, the bill is expected to attract a lot of amendments, the staffers suggested. Tom Cohen, counsel to the majority on the Senate Communications Subcommittee, says the members would rather "do comparative renewal for both radio and TV."

In the Senate, Cohen says, the industry has to deal with the institution. "It's tougher to control legislation" in the Senate than in the House, he says. "Anybody can come to the Senate floor and offer an amendment on your bill. The members feel that if they move forward, an amendment on television would not be unlikely at all. So they feel, 'Why not put it together all at once and try to control the process then.' "

He added that any Senate version also would have to include some tradeoffs in the area of a licensee's public trusteeship.

Radio's obligations

The Rinaldo bill would impose some obligations on radio broadcasters, primarily "to assure members of the public that their concerns with licensee performance can be addressed at renewal time," explains Terry Haines, counsel to the House Telecommunications Republicans. But the bill, Haines adds, also provides that a resolution of those public complaints can be used in the station's favor at renewal time if the commission desires.

What Rinaldo has introduced so far, however, is only one part of overall legislation. A second part still being worked on apparently would establish standards on service quality. Essentially, though, the bill introduced would give radio broadcasters what they have always wanted—renewal expectancy.

The proposed legislation would require the commission to grant a license renewal to a station that "has broadcast material responsive to issues of concern to the residents of its service area; there have been no serious violations by the licensee of this Act or the rules or regulations of the commission; and there have been no other violations by the licensee of this Act, or the rules and regulations of the commission, which taken together would constitute a pattern of abuse."

Only if the FCC finds that a station has failed to meet those criteria, would its license be opened to the comparative renewal process. The commission also could grant the renewal for less than seven years.

And the Rinaldo bill would ban "greenmail," the practice of paying off competing applicants to get them to drop their challenge to a renewal. As Rinaldo noted in introducing the measure, however, "I am aware that other members, particularly some of my colleagues on the Energy and Commerce Committee may wish to have other provisions added to the bill."

And if it comes up soon enough, the broadcasters may not like what they see. At about the same time Rinaldo was introducing his measure, senators were once again criticizing the broadcast industry, particularly radio disc jockeys, for having something to do with their having to cave in on their pay raise.—**Howard Fields**

Renounce or bounce ultimatum clouds must-carry issue

The subject of must-carry is even more urgent than previously thought, several broadcast groups and networks are suggesting in a letter sent to members of the House and Senate communications panels.

It seems, the letter contends, that "cable systems are asking that local broadcasters renounce their syndicated exclusivity and network nonduplication rights in order to assure continued cable carriage and/or channel position." It named Continental Cablevision, Inc., third largest cable multiple system operator, and a proposal it made to a Florida broadcasters in the Pompano Beach area.

Not only should the panels act swiftly to institute must-carry, the signers argue, "We also hope that you will take any opportunity to express your disapproval of such practices as contrary to the public interest." The letter was signed by representatives of the National Association of Broadcasters, Association of Independent Television Stations, Television Operators Caucus and the three major networks and their affiliate associations. The enclosed "carriage agreement" states, "Broadcaster shall not invoke or permit to be invoked any syndicated exclusivity, network nonduplication, or other program exclusivity rights which would prevent American from retransmitting any competing station or service full-time to the communities."

the marketplace

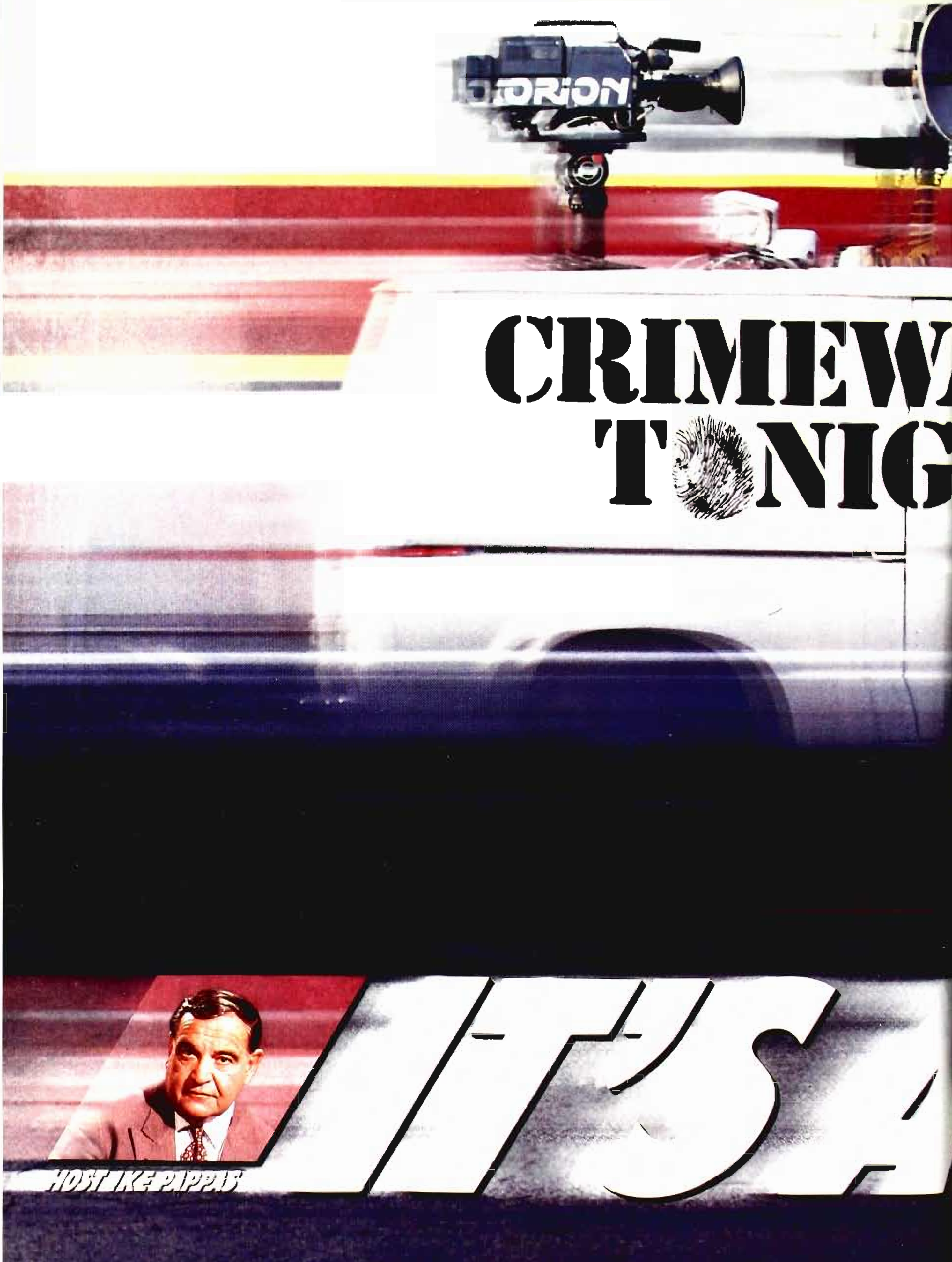
MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1989

February 13–18	International Television & Video Programme Market, Monte Carlo February International Issue
April 9–11	Cabletelevision Advertising Bureau Convention, Waldorf-Astoria, New York
April 9–12	Broadcast Financial Management Association, Loew's Anatole, Dallas April 3 Issue
April 21–26	MIP-TV, Cannes April International Issue
April 27–29	Broadcast Education Association, Las Vegas Convention Center
April 29–May 2	National Association of Broadcasters, Las Vegas Convention Center April 17 Issue
May 6–13	Golden Rose of Montreux Festival, Palais des Congres, Montreux
May 21–23	NBC Affiliates Meeting, San Francisco
May 21–24	National Cable Association, Dallas Convention Center May 15 Issue
June 3–6	CBS Affiliates Meeting, Los Angeles
June 4–10	Banff Television Festival, Banff, Alberta, Canada
June 17–23	International Television Symposium, Montreux
June 21–25	BPME BDA Associations, Cobo Center, Detroit June 12 Issue
September 13–16	Radio-Television News Directors Association Convention, Kansas City Convention Center
September 13–16	NAB Radio '89 Convention, New Orleans September 4 Issue
October 12–16	MIPCOM International Market, Cannes October International Issue
November 13–15	Television Bureau of Advertising Annual Meeting, Century Plaza, Los Angeles November 13, Issue

1990

January 3–6, 1990	Association of Independent Television Stations, Century Plaza, Los Angeles December 25 Issue
January 16–19	NATPE International, New Orleans Convention Center January 8 Issue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HOST MIKE PAPPAS