Television/Radio Age

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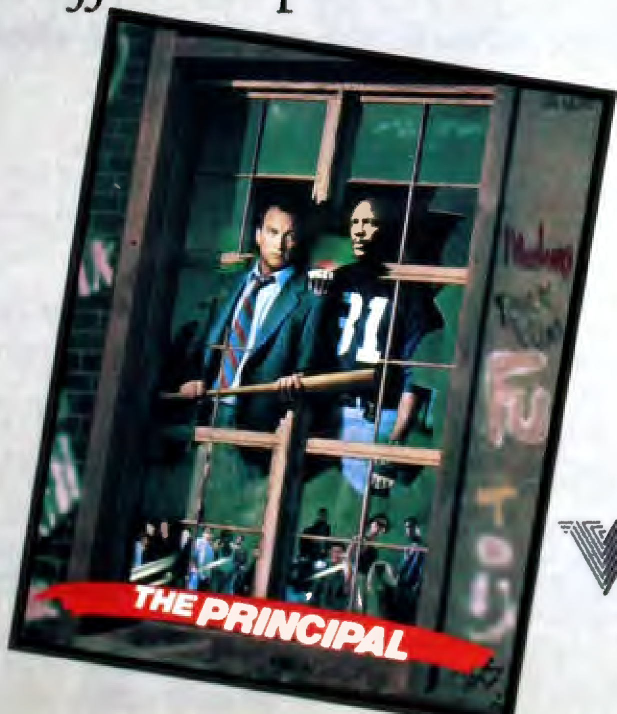

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Publisher's Letter

Let's find a way to keep conventions from coming too close for comfort

A good deal of the corridor talk at the Radio-Television News Directors Assn. convention in Kansas City centered on the fact that the RTNDA and NAB's "Radio '89" occurred on exactly the same dates, Sept. 13–16, thus keeping some radio execs from going to both and holding RTNDA's attendance (1,488) roughly even with last year.

While not colliding head-on in 1990, these and two other key conventions may still suffer by being too close for comfort. A mere nine days will separate the two, with NAB's "Radio '90" concluding in Boston Sept. 15 and RTNDA convening in San Jose, Calif. on Sept. 24. Similarly, the Association of Independent Television Stations (INTV) and NATPE International will be 10 days apart—the former departing Los Angeles Jan. 6 and the latter reaching New Orleans Jan. 16.

Stations cannot afford to have their top brass—general managers, program directors, news directors—away from the office for the extended time such convention conflicts would require, especially in these leaner times. The profit motive alone would seem to dictate that such head-to-head and back-to-back meetings can only shortchange everyone.

Revenue slippage. For the 3,200-member RTNDA, the conflict hurt in several ways. One of RTNDA president David Bartlett's goals is to "get the 'R' back into RTNDA—or more accurately, keep it there," but "I've got NAB in my way." Slippage in convention attendance and exhibitor revenues could slow RTNDA's agenda. Its battle against the fairness doctrine—which he labeled "a symptom . . . of something larger, government control of the news"—will be costly and strain the budget, as he told his board of directors.

Bob Priddy, a former RTNDA chairman, warned, "If RTNDA is to be a big leader in protecting the rights of press freedom . . . , we must be aware the costs will be high and our commitment must be deep." RTNDA, which already has trimmed its budget from the initial $1,850,000, now "spends more than 20% of its legal budget on matters directly related to the fairness doctrine fight," Bartlett added, but "revenue growth is flat, while the cost of continuing activities, not to mention the many new programs we want to undertake, continues to climb."

One way out of its financial predicament, says Bartlett and Rob Sunde, RTNDA's chairman-elect, is to move beyond present means of providing services and to put new programs under the aegis of its foundation, supported by a multimillion-dollar endowment.

If there can be summit meetings between onetime enemies like the U.S. and the Soviet Union, surely there can be a meeting of the minds on slating important broadcast industry conventions. So we'd like to resurrect a suggestion we made a few years back—namely that some organization, perhaps the NAB, should act as a central clearinghouse on future convention planning matters. Then, if one group was considering convention dates that would conflict with another's, this early-warning system could bring that to both entities' attention and hopefully work out a satisfactory compromise.

Sol J. Paul

In four weeks, Cosby client stations will find new ways to play the game. And add value in the process. Put October 26/27 on hold, and watch the mail for an invitation that promises more than a good time.

Letters

Hispanic population

I applaud the efforts and concern that TV/RADIO AGE has directed toward the Hispanic market in the U.S. The special articles on Hispanics are enlightening and help to open doors that might otherwise remain shut.

My applause came to a halt, however, while reading the issue of July 24, 1989. Specifically, page A8, where two charts are shown indicating the 10 metropolitan areas with the largest numerical increase in Hispanics from 1980–1985, and 10 metropolitan areas with the largest number of Hispanics: 1985.

Ten metros were listed in each chart, but to my disbelief, there was no Rio Grande Valley (better known as the McAllen-Harlingen-Brownsville market). When, if ever, are we in the R.G. Valley going to be recognized as one, solid and unified metroplex?

According to Strategy Research Corp., our market ranks eighth among the largest U.S. Hispanic markets, with a population of 669,200—and it bears mentioning that this represents 87.9% of the total population; in other words, Hispanics *are* the general market.

On population, in 1980 Hispanics numbered 432,200; by 1985 the figure was at 537,800 for an increase of 105,600 people.

Comparing with page A8, the Valley market ranks somewhere between San Francisco and Dallas on the blue-bar graph (largest numerical increase), using the Census data. With Strategy Research Corp. estimates, it ranks fifth between Houston and Chicago.

For the second graph, pink bars, the Rio Grande Valley is between San Antonio and El Paso.

Understandably, I am making comparisons of two different data bases—a Census estimate, and an SRC estimate. In certain cases, nonetheless, the differences are not so remarkable [see table].

MANUEL A. ESCALANTE G.
General manager,
KIWW(FM) Harlingen, Texas

FM licenses

Quoting from the NAB filing regarding community of license (*Washington Roundup*, Aug. 7, page 73), where did the association ever get the idea that under the 80–90 rule, the people who purchased these FM frequencies, and then moved them, had any interest in better serving the original community of license? Indeed, the main purpose of the purchase, and the moving of studios and transmitter sites was for one purpose only, "to seek enhanced financial opportunities in well served urban areas."

As one who has worked in radio for 33 years, and has personally witnessed and experienced, I think the National Assn. of Broadcasters should act like a broadcaster and "tell it like it is."

PETE BLUHM
Owner/manager,
WMVA-AM Martinsville, Va.

Data comparison of metropolitan areas with the largest numerical increase in Hispanics, 1980–1985 (000)

	U.S. Bureau of the Census	*Strategy Research Corp.*
Los Angeles	894	616
New York	301	378
Miami	188	152
Houston	148	127
Chicago	137	101
San Francisco	126	89
Dallas	100	58
San Diego	84	65
San Antonio	82	143
El Paso	60	55
Rio Grande Valley	**N.A.**	**106**

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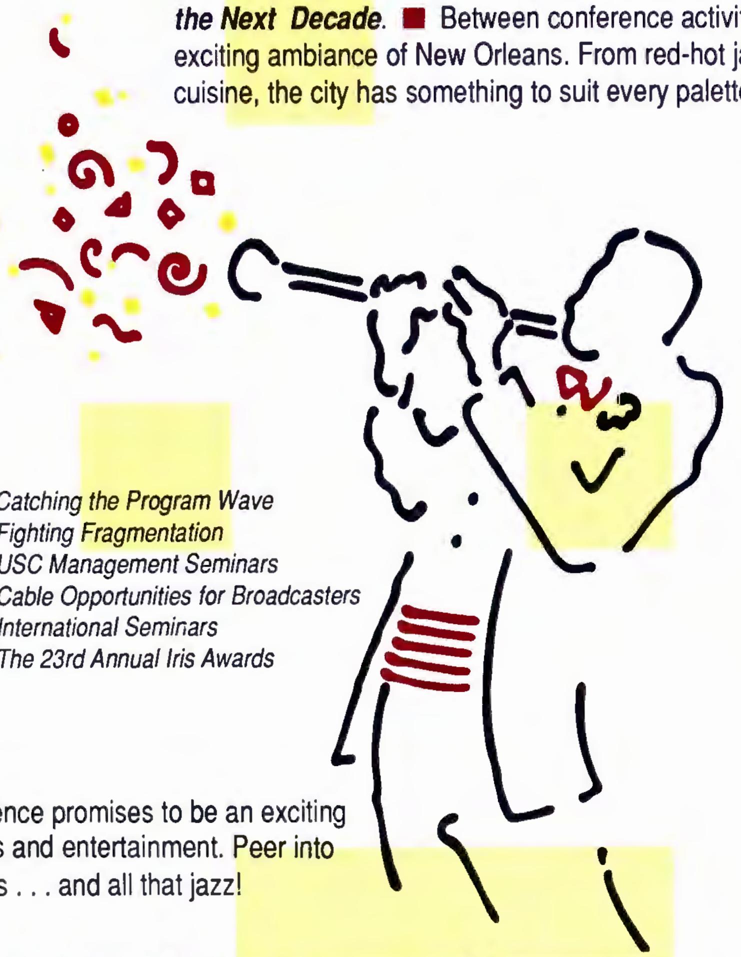

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FOCUS
Events, Trends, Analysis

WTOG first to sign for metering in Tampa

Though Nielsen would not reveal any station clients when it announced it would meter the Tampa-St. Petersburg DMA last month, it has been learned that Hubbard's WTOG(TV) has signed. Nielsen will start metering the market during the upcoming November sweep with an initial sample of 300 homes.

Tampa-St. Petersburg is the 24th market either metered or scheduled for metering by Nielsen. Together they make up almost 48% of U.S. TV households. Arbitron has 13 markets with household meters, all, except Cleveland, also metered by Nielsen. In addition, Arbitron provides people meter and product purchasing data in Denver and is planning four more people meter markets, including New York, where service is scheduled to be kicked off next year.

Of the top 20 DMAs, the only other holdout from Nielsen metering besides Cleveland is Pittsburgh. Other markets besides Tampa-St. Petersburg to be metered by Nielsen in November are Indianapolis and Cincinnati, the latter being the 29th DMA, the smallest on the Nielsen metered roster.

Arbitron stays neutral in Nielsen/Airtrax battle

While Arbitron has a direct interest in the battle between Nielsen and Airtrax over the use of line 22 for transmitting of program and/or commercials codes (see story on page 37), it has taken a neutral position in its FCC filing in response to the commission's request for comments. Arbitron is scheduled to launch a national people meter-cum-product purchase measurement service next year and presumably would use its own program coding system, LineTrak, which it acquired from the ill-fated AGB Television Research.

Airtrax maintains that its codes cannot coexist with Nielsen's AMOL codes on line 22, a barrier that would also affect LineTrak.

FCC urged. In its filing Arbitron urged the FCC to consider some fundamental issues carefully. These include (1) whether line 22 is the only line suitable for program and commercials encoding, (2) whether, if that is so, line 22 can be shared by competing or complementary users, (3) whether, if the answer to (1) and (2) is yes, there is any public interest reason why sharing should not be required, and (4) how, if the available line capacity for encoding is limited and cannot be shared, that capacity can best be allocated among existing and future competing users "so as to enhance and foster the public interest." A key point in the filing is Arbitron's position that any encoded information transmitted in this way should be required to be made available for general use.

Meanwhile, in the belief that encoding and commercials checking is not well understood and is emerging as an important question, the Assn. of National Advertisers is sponsoring an educational session for its members and their agencies at the General Foods offices in White Plains, N.Y. on Oct. 26. Presenting their cases will be representatives from Arbitron's LineTrak and MediaWatch, Nielsen's Monitor-Plus and AMOL, Airtrax, VidCode and Advertising Verification Inc. The session is under the auspices of the ANA's Financial Management Committee, chaired by Richard Bruder of Procter & Gamble.

Blair's CBS outlets hone sports sales techniques

All CBS TV affiliates expect to cash in on the network's acquisitions of the rights to Major League Baseball contests and the '92 and '94 Winter Olympics, but Blair Television's CBS outlets have made an extra effort to prime their sales weapons.

The rep firm mounted a Sports Marketing & Sales Seminar for its CBS stations in Columbus, O., on Sept. 21–22, where the stations exchanged ideas, brainstormed others and listened to speeches from CBS marketing executives, representatives of the U.S. Olympic Committee and the International Olympic Commitee and Bill Giles, president/owner of the Philadelphia Phillies.

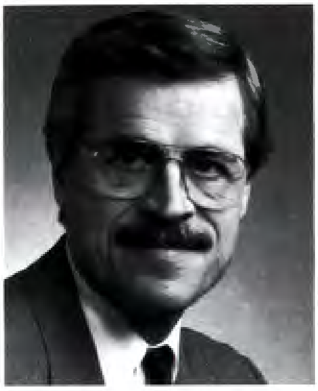
Host of the event was Gene D'Angelo, president and general manager of WBNS-TV, owned by the Wolf family's *Columbus Dispatch.* The family-owned Wigwam, a conference center and retreat in suburban Pickerington was the scene of the happening. The seminar evolved out of discussions between Robert Foster, general sales manager of WBNS-TV, and Dave Herman, Blair's CBS Division vice president.

Participants in the seminar included 34 general managers and sales and marketing executives from 22 stations and groups. The Blair contingent of exactly one dozen was led by Jim Rosenfield, chairman/CEO of Blair Communications.

CBS-TV network executives who addressed the seminar were Dick Goldstein, vice president/marketing for affiliate relations; Hal Trencher, vice president, sports marketing sales, and Larre Barrett, vice president, Olympic sales. Others were Mike Moran, director, media, public information and TV relations for the USOC, and Robert Prazmark, vice president, marketing for ISL, which sells sponsorship rights to advertisers for the IOC.

During the station exchanges, much of the emphasis was put on how to package the various network sports offerings. However, a number of stations felt they could not ignore CPM and cost-per-point factors, as the network apparently intended to do.

It's a once-in-a-lifetime job, says Moll of N.Y. post


William Moll

"You don't get asked twice to take over a once-in-a-lifetime job like running the No. 1 station of the No. 1 network in the No. 1 market," says William G. Moll, who will exit the presidency of the Television Bureau of Advertising to take over as vice president, general manager of WNBC-TV New York when his two year contract with TvB runs out Oct. 31.

Moll succeeds Carl "Bud" Carey who left in June to become president of Times Mirror Broadcasting. At presstime insiders said TvB senior vice president, national sales, Jim Joyella was a strong contender and a likely pick by the TvB board's search committee to move up into Moll's top spot. The search committee is headed by Paul Hughes, president of King World Broadcasting.

Moll, who says he had the option of renewing his TvB contract or accepting the WNBC-TV offer made by Al Jerome president, NBC Television Stations Division, added, "I feel some real ambivalence about leaving TvB. I've had a 10-year commitment to the bureau, as a member of its board, as its secretary and as TvB chairman over the course of eight years, before my stint as president for the last two years."

'Refocused' TvB. Thomas A. Oakley, president, Quincy Broadcasting Co., and TvB chairman, says "Bill Moll's stewardship of TvB over the past two years, and his contributions over the past 10 years have been extraordinary. He has refocused TvB, strengthened service to members, and has put us on a solid foundation to face the future." However, TvB membership has dropped by about 50 stations in recent years.

Meanwhile on the heels of a strong network upfront buying season, TvB's board estimates TV revenues will climb 7.1% next year. Specifically, the board's prediction is that network TV revenues will be 6 to 8% ahead in 1990, spot TV up 5 to 7%, local TV up 6 to 8%, and syndication is expected to jump 15 to 17%.

Goodwill Games hits 40% of sponsor goal

With the recent signing of Miller Brewing Co., the Goodwill Games, to run on SuperStation WTBS, now has eight sponsors, representing "about 40% of where we want to be," says Farrell Reynolds, president of Turner Broadcasting Sales. He notes sponsorships will represent about 80% of advertising revenue and scatter the remainder.

Sponsorships typically include TV advertising, promotional and signage rights and exclusive national event sponsorship—in Miller's case, the ice hockey competition. The seven other sponsors so far are Pepsi-Cola, Gillette, Sports Illustrated, Frito Lay, Wendy's, Anheuser-Busch and Kodak. Reynolds says he expects sponsorships to be about 70% sold by year's end and 100% by the time the games run July 20–Aug. 5 next year in Seattle. The first games, four years earlier in Moscow, were only about 25% sponsored.

Cable systems carrying WTBS must pay about $1 per subscriber to get the games feed; otherwise, they receive the regular WTBS schedule. Reynolds says about 35 million homes, representing 85–90% of all subscribers are now covered by commitments and he expects total coverage to reach 40 million homes.

Most new syndicated strips not successful

Of the 10 first-run non-kids strip series introduced into syndication this fall, the majority are falling below the marginal line, with three or so falling on the positive side. There appears to be no immediate outright hit, according to Ron Martzolf, Petry Television director of programming, although *Hard Copy* may turn out to be an exception.

Based on Nielsen overnights in 18 metered markets and three Arbitron metered markets—Detroit, Cleveland and Boston—in the week ending Sept. 22, Petry's findings indicate that in the talk show genre, *The Joan Rivers Show*, tracked over the first three weeks, hasn't shown much improvement from its initial week's outing. During the week ending Sept. 22, it was up slightly in ratings in four markets, down in four, and flat in 10.

Mother's Day with Joan Lunden, which made its debut the week of Sept. 18, appears to be a victim of poor time periods and is not doing well, although it earned a 3.7 rating and 16 share on KTVI-TV St. Louis. In tabloid shows, *Hard Copy* appears to be off to a fast start for that type of show, notes Martzolf, competing against other tabloid shows in four markets. In Los Angeles, for example, *Hard Copy* registered a 9.5/16 on KNBC-TV, the first week of its run, beating *A Current Affair*, on KTTV(TV).

Too early to tell. *Inside Report*, another tabloid, is in only five of the metered markets, notes Martzolf, "so it's difficult to draw a bead on it." In games, there are *Third Degree*, *Last Word*, *Jackpot* and *Talkabout*. Of the four, *Third Degree* has the better numbers, reports Martzolf, coming up with a 5 rating on WBZ-TV Boston, the week ending Sept. 22. Of the other three, *Jackpot* fared best, averaging a 2.9 in Philadelphia on KYW-TV, with the others averaging a 1 rating. All three have been on only a week, notes Martzolf, "so I don't like to draw any conclusions. They are in bad time periods."

OUTGUNS TI

SOURCE: NSI 9/11-9/15/89

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6.7 RATING / 14 SHARE

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PROGRAM	RATING	SHARE
HUNTER	**6.7**	**14**
NIGHT COURT I	4.4	9
GROWING PAINS	5.7	11
MR. BELVEDERE	4.4	9
BATMAN	5.6	11
COSBY	5.9	11
NIGHT COURT II	5.7	10
FAMILY TIES	5.4	10
CHARLES IN CHARGE	5.8	10

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OUTJUMPS

SOURCE: NSI 9/18/89

E SITCOMS!

14.8 RATING /23 SHARE

21 JUMPSTREET ON WNYW OUTJUMPS THE NETWORK SITCOMS!

PROGRAM	RATING	SHARE
21 JUMPSTREET	**14.8**	**23**
ALF	11.4	18
HOGAN FAMILY	12.6	19
PEOPLE NEXT DOOR	14.1	21
–and–		
MACGYVER	11.6	18

21 JUMPSTREET

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News departments becoming part of the family at stations

Just as TV and radio stations seem to be trending to greater cooperation with each other and with cable in the news realm, so are various departments within broadcast stations adopting a spirit of togetherness for mutual benefit.

That was the gist of a panel discussion at the Radio-Television News Directors Assn., convention in Kansas City, Titled "The 'Real' TV News Team," the panel was moderated by Robb Dalton, president, Lifeplanning, Scottsdale, Ariz.-based syndicator, who noted that a survey done for the occasion indicated that 49% of TV news directors responding met daily with promotion managers and 70% with sales management. In addition, 71% include various department heads in planning sessions and 66% include news talent.

'Open stations.' "To be successful, you need cooperation" from the various departments, said Howard Kennedy, vice president, general manager, KMTV Omaha. Noting that "not all great ideas come from the station's management," he said general managers must run "open stations" and "take the good with the bad input."

Bill Vance, news director, WBNS-TV Columbus, Ohio, acknowledged that the news department typically is "the greediest department in the station" as well as the most difficult to deal with—"a 900-lb. porcupine," as he put it. News directors, therefore, should "take the time to say thanks" or apologize if a breaking story interrupts a commercial break or program. "When you burn a client, you take money out of your sales guy's pocket," he said.

When he bought a Paintbox for graphics, Vance told the promotion department that it, too, could use the equipment, one way to offset "ruffled feelings" about news getting all the newest equipment first.

Dalton noted that the survey indicated that promo directors felt they were not sufficiently informed by news directors to have timely promos on news scoops. Vance pointed out that he invites the promotion staff to his meetings so they are aware of the stories worthy of promotion. Promotion people cannot be expected to know everything that is on the air, he said.

Promotion vital. Mitch Farris, president, Farris Communications, Sunnyvale, Calif.-based consultancy, agreed that promotion is "a vital ingredient in making people aware you're better than the other guy." He also suggested that the sales and news sides share research data to improve both their perspectives. Sales data could provide the news staff with a "more insightful" view of the station's viewers, he felt.

Dalton also pointed out that since the survey showed 73% of stations responding sell sponsored news features, "the bottom line is news and sales are intertwined." However, lest stations be trapped into sales execs' suggestions for "good news" that won't offend sponsors, Dalton said the final word on editorial matters must rest with the news directors.

"It's evident that the wall is coming down" between news and sales, said Mike Hanrahan, general sales manager, KSNW-TV Wichita, Kansas. Still, he cautioned, "We have to be careful of sponsorships of news broadcasts" since conflicts could arise. Should there be problems over covering a sponsor in a story, he said he would prefer to be involved in contacting that account to "soften" the blow somewhat.

As for Vance's comment that burning an account takes money out of the salesperson's pocket, Hanrahan maintained that the money actually is coming out of everyone's pocket, since the client is not the sales department's alone but "the station's client."

TV's breached the Iron Curtain, ABC's Koppel says

In his latest primetime *Koppel Report*, "Television: Revolution in a Box," ABC News' Ted Koppel pointed out that this "form of democracy is sweeping the world" including the Communist bloc.

TV "has fallen into the hands of the people" who have thus taken some control away from their governments. "George Orwell was wrong," the ABC newsman continued. "The media, which he predicted would become the instrument of totalitarian control, has become instead its nemesis."

In Russia. In Russia itself, Mikhail Gorbachev has seized on TV as a tool. "Television is being used in and by the Soviet Union as never before," said Koppel. "It began to change significantly after the accident at the Chernobyl nuclear plant in 1986."

Television programs now range from a faith healer "on the Soviet equivalent of *Good Morning America*" to the news magazine *600 Seconds*, which does exposes, for example, on chicken processing, to Russia's evening newscast, which has been covering "delicate issues" like ethnic unrest and the coal miners' strike.

Letting off steam. "In a nation where consumer protection is low and frustration is high, the opportunity to let off steam on television serves as a safety valve for public frustration," Koppel observed. Still, he added, "The Soviet public is becoming increasingly impatient with bountiful images and empty shelves."

Gorbachev, moreover, has learned to use U.S. TV to his own ends. Vladimir Posner, Soviet TV commentator, noted that his jumping out of the limousine during his Washington summit with President Reagan "did more than any speech" to build his image in the U.S.

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Sidelights

Disney, Universal pitch news stories at RTNDA displays

Scattered amid companies with goods and services to offer the news industry, several of the Radio-Television News Directors Assn. exhibitors hoped to generate eventual local news stories by grabbing the attention of the hundreds of news directors roaming the exhibit aisles.

RTNDA officials at the Kansas City convention site acknowledged that that was the intent of companies like Walt Disney Co., Universal Studios and Procter & Gamble.

Apparently the strategy has been a successful alternative to pitching stories to the stations individually by phone or mail, RTNDA officials added, since Disney and P&G have been exhibitors for several years. Universal joined this fall to call attention to the May '90 opening of Universal Studios Florida in Orlando—near archrival Walt Disney World and its new Disney/MGM theme park. In addition to displaying a large mockup of its theme park, Universal ran a promotional film short on the convention hotels' closed circuit and left Universal coffee mugs in all the rooms. In Kansas City KCTV reported on the RTNDA's expensive industry "toys" and included footage on the Universal attraction.

Disney's staffers, meanwhile, cited Disneyland's 35th anniversary next year as a story possibility and added that Disneyland Broadcast Services "provides full satellite services, live-remote facilities, editing and field crews."

P&G's booth was positioned as a place not only to learn about the company and its many consumer products but also to receive "traveler's aid."

Still others promoting themselves at the convention as solid sources for their respective fields were *The Congressional Quarterly*, Washington; the Food Marketing Institute, Washington; the U.S. Department of Agriculture, Washington; and the U.S. Space Camp & The Space & Rocket Center, Huntsville, Ala.

Park honored

Ithaca College's new Roy H. Park School of Communications got off to a roaring start with hundreds of friends and colleagues of Park, chairman of Park Communications, showing up for the dedication in upstate New York. Above, Park is flanked by Tony Malara, l., president, CBS affiliate relations, who served as MC, and Allen Neuharth, chairman of the Gannett Foundation.

Will Murrow get stamp of approval —or canceled?

The Radio-Television News Directors Assn. hopes to get the stamp of approval for Edward R. Murrow.

David Bartlett, RTNDA president, has asked the U.S. Postal Service to consider the late CBS news correspondent as a subject for a future commemorative stamp, marking the 50th anniversary of his famous broadcasts from London during World War II's Battle of Britain.

Reconsidering. Bartlett says the Citizens Stamp Advisory Committee in Washington, the group that recommends stamp subjects to the postmaster general, promised to reconsider Murrow—who was passed over in previous years following similar requests made by former RTNDA president Ernie Schultz, most recently in 1988.

"We submitted no artwork," says Bartlett, "just the idea. We've never gotten far with it [in previous years], which is surprising and curious—especially since they put out stamps honoring dinosaurs [on Oct. 1]."

Bartlett has been urging members in the RTNDA newsletter *Intercom* to send letters to the USPS' philatelic design and stamp information branch in support of the Murrow commemorative. USPS officials say they get thousands of suggestions for stamp topics each year.

Medical reports cited as news-hole cure by exhibitors

The RTNDA convention was just what the doctor ordered for a batch of exhibitors marketing medical-themed programming.

Among the more than a dozen companies promoting health/medical reports to the nearly 1,500 news industry people at the Kansas City convention were: CNN, Atlanta; Ivanhoe Communications, Orlando; Medstar Communications, Allentown, Pa.; NewsAge Communications, Washington; NIWS Productions, Culver City, Calif.; Orbis Medical News, Chicago; and Worldwide Television News, London.

Ivanhoe and NIWS have conducted separate studies indicating that medical is one of the most sought after program types by viewers and news broadcasters alike.

AMA exhibits. Orbis Medical's product includes *The JAMA Report*, a weekly package culled from news in *The Journal of the American Medical Assn.* The AMA itself was another RTNDA exhibitor, promoting the availability of various free services to news media. These include daily reports for radio and weekly video news releases for TV and cable.

TV Business Barometer

Spot down 0.9% during August

The dreary news about national and regional TV spot continues to appear as reports on the third quarter come in from the *TV Business Barometer* sample of stations.

The August number came out to be a minus—though a very small minus. August was the second month to show a minus sign in '89, the first month to do so being February, which was also down by a small amount. Unfortunately, there has not been much on the up side. The best month of the year to date in terms of percentage growth was May, which was up 3.8%.

To get down to specifics, August showed a 0.9% drop in national/regional spot time sales. It is not likely that this augurs a continuing situation. February spot was down 1.2% and this was followed by a 3.2% increase in March. Still, a minus figure has poor psychological vibes.

The spot volume for August was $448.0 million, compared with $452.1 million during the corresponding month in '88. For the previous month of '89, the billings figure came to $526.8 million. The drop from July to August is primarily caused by seasonal factors. August is one of the slowest months of the year for spot as a rule, a kind of doldrums before the heavy promotional activity is unleashed after Labor Day and as the new TV season gets underway.

A minor element in the drop from July to August is the fact that July was a five-week Standard Broadcast Month (SBM), while August was four weeks. The same situation prevailed during the summer of '88. However, as noted many times, most stations reporting on an SBM basis—and they are a minority by far—are in the under-$7 million bracket.

This bracket, it so happens, shows the best performance for spot this year in the *Barometer* returns as against the other two revenue brackets. August was the sixth month to date that the under-$7 million stations showed the biggest percentage increases. The $7–15 million group was first in February, that is, it showed the smallest decline, while the larger stations—those in the $15 million and over bracket—were No. 1 in July.

For the year to date, spot stands at almost $4 billion, the precise figure being $3,989.7 million. As will be seen in the next *TV Business Barometer* report, this is only slightly ahead of local TV billings.

More market data

In the last *TV Business Barometer* spot report, BAR billings during the first quarter of '89 for 17 top markets monitored fulltime were shown along with the percentage change from '88. Other markets are monitored one week a month. With that kept in mind, here are the biggest gainers and losers in the remaining markets among the top 50 ADIs: Hartford, up 16%; San Antonio, up 15%; Birmingham and Greensboro, up 14%; Salt Lake City, down 11% and Nashville and New Orleans, down 10%.

August

Network (millions $)

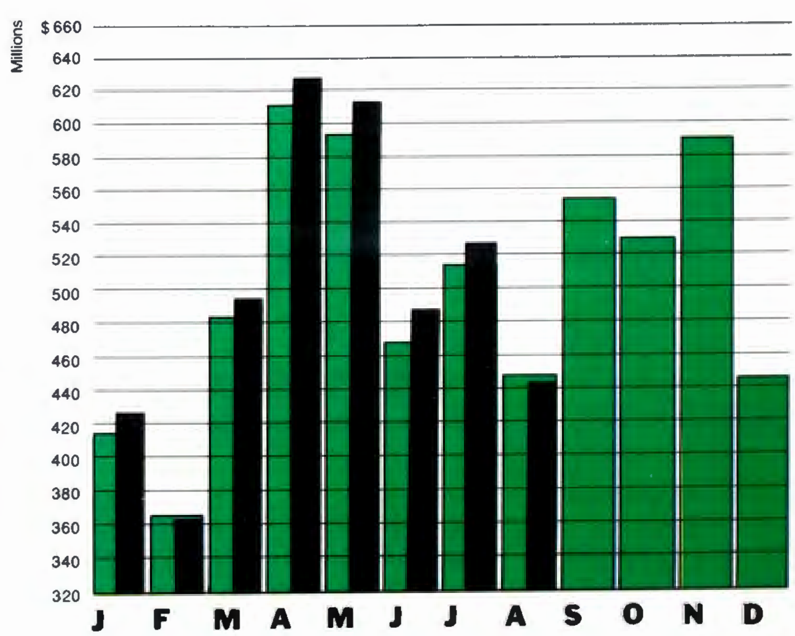
National spot — −0.9%

(millions)

1988: $452.1 — **1989: $448.0**

Changes by annual station revenue

Under $7 million	+10.0%
$7–15 million	−0.3%
$15 million up	−2.1%



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F INFLUENCE

International Report

Reed exhibition chief discusses MIDEM acquisition, growth plans

"We bought MIDEM to grow," declares Mike Rusbridge, Reed Exhibition Cos., chief executive for the U.K. and Europe, in response to a question about whether Reed might have overpaid for the French exhibition company which runs MIP, MIPCOM and MIDEM.

Although Rusbridge acknowledges MIDEM and the other publishing and exhibition operations in the $50 million package couldn't be categorized as a cheap buy, he says he is confident that the price would be more than justified by the growth of events, existing and contemplated.

Rusbridge is saddled with having to double his profit in four years.

Mike Rusbridge

He says he was not only on target but anticipates achieving the goal sooner. Despite Reed's pace-setting worldwide exhibition business, 190 events this year, Rusbridge says he thinks there are certain things he could learn from the MIDEM, management citing, as one example, its ability to organize and run full events.

Launches. On the other hand, Rusbridge, points out that MIDEM would benefit from Reed's policy of aggressively launching new shows, nine a year, of which last year seven survived, and from the company's capacity to quickly transplant ideas which work in one part of the world to another. "We will be able to help them grow," comments Rusbridge, adding without detail that Reed already is instituting a mechanism to stimulate business growth in France.

Rusbridge says that the company is preparing to launch a new exhibition in France after MIPIM concentrating on industrial property, settles into place. It will be one of several on the drawing board and, although again, Rusbridge refuses to elaborate, he does say, of the projects in the works, two are media related. MIPIM was already scheduled for next March at the time of the reed acquisition.

Rusbridge dismisses out of hand suggestions that Reed plans to cut MIDEM costs extensively, declaring that he wants the operation to grow substantially, ideally, he says, launching at least one new exhibition each year. He also reports that his group is evaluating a number of spinoff options, but reiterates that it is to early to discuss any of them.

Rusbridge assures that both the MIDEM U.K. and U.S. sales operations will continue to operate as before, praising those responsible for the work they have done in the past. At the same time, Rusbridge feels that Reed's worldwide organization can provide additional sales and promotion assistance.

Synergy. Although Rusbridge says that company executives have not yet arrived at any specific conclusions, they are exploring a MIDEM role for the trade magazine, *Variety*. "Obviously," he says, "there is a synergy between the two." He also notes the synergy when discussing Reed's original approach to TVS. He assures, however, it was not the reason why Reed wished to acquire MIDEM. He says that the company, anxious to make greater inroads into Europe, considered several other French companies before settling on MIDEM. Rusbridge explains that outside organizers are allowed to operate in France whereas they are not in some of the other European countries.

"It's a matter of timing," says Rusbridge. "They were open to sell and we were interested in buying." Rusbridge says that TVS expanded talks about MIDEM to include the other parts of the Telso operation, which Reed ultimately purchased. He adds that Bob Binham's Button Group, part of which specializes in exhibition design and stand construction, would fit neatly into Reed's plans for expansion: "We have 10,000 exhibitors in the U.K.," he notes, adding, "We believe there is significant potential for growth in the Button Group."

Bingham also is deeply involved in planning a series of concerts for the music oriented MIDEM exhibition, held yearly in January. Rusbridge says negotiations are underway with an outside distributor to handle the selling of the shows.

As for expansion of MIP-TV and MIPCOM, Rusbridge discloses that talks are being held with Palais des Festivals officials about utilizing more space. "Our only problem in Cannes," he says, "is our physical ability to grow," He rules out, however, having more than one focal point, as does the Cannes Film Festival, saying that

As for the expansion of MIP and MIPCOM, Rusbridge discloses that talks are underway with the Palais des Festivals officials about utilizing more space.

while he recognizes talks are held in hotels, the reason for MIDEM's success, he believes, rests in the fact that the exhibition has a very real hub. "All business," he observes, "is concentrated in one location.

Don't expect any changes in MIPCOM this year, Rusbridge says, noting Reed only recently acquired the company: "Everyone is very busy making sure the show will fulfill expectations."

MIPCOM setting attendance, exhibitor records: MIDEM's Roy

Xavier Roy, newly elevated to Paris-based president/director-general of the MIDEM Organisation, is projecting attendance for the Oct. 12–16 MIPCOM international market at a record 6,200 so far.

That estimate, which tops his initial projection of 6,000 made at the end of last April's MIP-TV market (TV/RADIO AGE, May 15), would be 16.9% higher than

MIDEM's Xavier Roy

MIPCOM's tally for last fall—and more than double the 2,503 who participated at the Cannes event in 1985.

The increase is largely due to more new channels operating or yet to come in Europe and elsewhere, Roy says.

MIPCOM exhibit space has been bought by 335 companies, up 24.5% from the 269 exhibitors of last October, he continues. That figure includes 40 newcomers, 20% more than last fall's first-timer count, says Roy, who until early September had shared the joint managing director title with Bob Bingham. The London-based Bingham now is managing director of MIDEM's Button Group, London-based exhibit services and design company.

The newcomers, Roy says, include Home Box Office, Alfred Haber/Alliance Communications, Hemdale Communications and Trans World Entertainment's Moon International from the U.S.; Tyne Tees Enterprises and Magestic Films International from the U.K.; West Germany's Telepool; Switzerland's FOCA TV; Ireland's TV3, and Canada's Alliance International.

The addition of HBO as an exhibitor is yet another indication that cable will "figure prominently" at MIPCOM. Earlier commitments from the U.S. cable field include CNN, Arts & Entertainment Network, The Disney Channel, ESPN and Showtime, he adds.

Breaking out still more figures, Roy estimates at presstime that at least 1,400 companies will have participants at MIPCOM, whether as buyers or sellers, compared to 1,368 last October and 802 in 1985. Twenty days before the upcoming MIPCOM there were 1,097 companies committed to sending personnel, up 32.6% from 827 companies at the same 20-day juncture a year ago, he notes.

The registrations include no fewer than 1,143 program buyers thus far, up from 906 who attended last time, the MIDEM exec continues. In late August, the buyers had numbered about 900.

Roy notices two major trends so far in those statistics—that the contingent from Japan and Southeast Asia has risen "dramatically" and that the group from Spain also is up sharply over the past year, the latter due to the upsurge in new channels there. MIPCOM, he notes, will stage a conference on the Spanish market, with all the new channels represented.

Not leaving Cannes. The key difference between MIP in April and MIPCOM, Roy says, is that MIPCOM attracts more buyers from the home video, cable and satellite sectors. In addition, there are more new series and movies product available now, since the U.S. TV networks had not finalized their 1989–90 primetime season schedules until well after MIP.

Roy sees no major changes in MIDEM or its conventions as a result of MIDEM's acquisition last summer by Reed International. He calls the outcome "absolutely positive" and cites "the important synergy between [Reed's] activities and our activities." Responding to speculation that since there is not yet a contract renewal for the Cannes site beyond 1990, the Reed-run MIDEM might consider moving MIP and MIPCOM out of Cannes and circulating it around Europe, Roy maintains that that is "absolutely untrue ... I want to stay in Cannes and we are working for that now with the mayor [of Cannes] to renew a new contract."

MIPCOM is quickly catching up to MIP, which Roy sees as evidence of the need for two strong international TV markets per year. Last spring, MIP drew 7,200 attendees, up 5.5% from 1988.

Rousselet, Canal+ founder, named 'man of the year'

MIDEM Organisation has created a "Man of the Year" award and named Andre Rousselet, president and founder of Canal Plus, as its first recipient.

Rousselet, who runs "one of the world's most successful pay TV channels," as MIDEM points out,

Andre Rousselet

will receive his award at the MIPCOM international TV market Oct. 15 in Cannes.

Rousselet's Paris-based service, marking its fifth anniversary in November, expects to reach 2.8 million subscribers by year's end. In addition, his company is a partner in other pay TV ventures in Spain, Belgium and West Germany and is a major producer of TV programs through its Ellipse subsidiary. Prior to Canal Plus, Rousselet was president of France's Havas advertising agency.

NBC Radio News listens, acts, on affil requests through advisory board

Managing editor Ed Belkin reports NBC Radio Network News has already started to implement some of the suggestions made by its affiliates' new News Directors Advisory Board: "We've already held followup meetings with our producers—the people responsible for making the moves that answer the needs our Advisory Board members expressed in our first meeting."

One of those members, news director Fred Honsberger of KDKA Pittsburgh, says, "I'm encouraged. Anytime there's a major change [as when Westwood One took over NBC Radio], there's uncertainty, not only internally but among the customers, too, So there'd been some unrest among NBC's affiliates when Westwood One took over. But they had to get organized and grab the reins internally before they could start talking to the affiliates about suggestions for improving the service."

Honsberger says that as a result of the first meeting of the Advisory Board Aug. 28 and 29 in Arlington, Va., "My impression is Ron [Nessen, vice president, news, Westwood One Inc.] now has the reins. He and his people also have an open ear and open mind to our requests, and that means things should keep getting better. They listened to our complaints, and where Ron didn't have the answer off the top of his head, he called whoever was in charge of the particular problem under discussion and either got an answer for us on the spot or we hashed out right there what should be done to fix it."

Genesis. Board member, Steve Mace, news director of KLIF Dallas, describes the Board's genesis: "Ed Belkin called me and said NBC was interested in forming an advisory board. Since I run a news-talk operation in a reasonably large market, would I be interested in being part of the resulting four or five member group? There was no formal agenda. But in the process of switching from NBC to Westwood One ownership, they'd lost some of their anchors and have had to undergo some retooling. They figured suggestions from the news directors themselves, as opposed to the general managers, could be helpful in fine tuning their operation to best meet our needs."

Mace adds, "One thing they wanted to know was how we use their product. At the time, one of the most recent stories was the Giamatti-Pete Rose baseball business, with NBC feeding both of their press conferences. NBC wanted to know what we did with them.

"There were also suggestions that NBC try to speed up the turnaround time and improve the selection and professionalism of their news feeds. There was some feeling that the feeds were often too heavily weighted toward events from the Middle East, and not enough material originating from our own affiliates in markets across the U.S. where good stories are often breaking."

Tom Birch leaving his firm for group ownership

Thomas C. Birch, chairman/CEO of Birch/Scarborough will exit the company he founded and built in January to go fulltime into radio station group ownership. He and partner Raymond M. Quinn have formed Opus Media Group, which already owns WWAV(FM) Fort Walton Beach, Fla.

Birch/Scarborough president William P. Livek will take over Birch's CEO title as well as his primary

Thomas C. Birch

duties, and Livek says he expects a smooth transition. Bill Engel, the company's executive vice president, will assume responsibility for the research and special projects currently under Birch's direction.

NBC teams up with Westwood's 900 service

NBC Sports has signed on as a partner in Westwood One/Audiotex's recently announced Scores Plus interactive telephone sports scores and news service (TV/RADIO AGE, May 29). The joint venture now is renamed NBC's Scores Plus.

At 95 cents per one-minute phone call, this 900 interactive phone service offers a menu of sports scores and reports round the clock, seven days a week, for all major pro and college sports events.

Westwood One has been promoting the service on its 5,000-plus stations since May, and NBC Sports began promoting it on its various NBC Television Network telecasts in September.

CBS, Eastman, marry their unwired webs

As Eastman Radio and CBS Radio Representatives link up their unwired network facilities to form their Independent Radio Networks combination, Barbara Mihalich will be handling the CBS end as nonwired network manager and Valerie Vaughan will continue as Eastman's network operations manager.

Vaughn notes that although radio reps originally put together their unwired networks with the idea of competing directly against the wired webs, "We're used today primarily as a way to make it more convenient for the agencies to use the stations we represent in either a multimarket spot buy or as a fill to strengthen a wired network buy, to name just two examples."

Between CBS and Eastman, IRN starts life with some 170 radio stations at its advertisers' disposal, to offer them a wide variety of formats and demographics. On top of that, Vaughan says IRN, set for a fourth quarter startup, will offer its customers "the added benefits of the CBS wired networks, Eastman and CBS sports franchises, state networks, the Intermountain Network, CBS Hispanic Marketing and Eastman's overnight truckers' network. And down the road, she says, IRN is also looking at plans to offer multimarket syndicated radio programs.

Two radio groups chart ambitious expansion

Radio groups making news include one new one, Waldron Broadcasting Company, Inc., making the scene, and Apollo Radio Ltd. forming an investment relationship with MH Equity Corp., an affiliate of Manufacturers Hanover Corp., and with Equitable Capital Management Corp. an affiliate of The Equitable Life Assurance Society of the United States, to provide capital to acquire media properties.

Chairman of Waldron is H. Patrick Swygert, who is also executive vice president of Temple University. As president, he's tapped Larry Wexler, vice president and general manager of WPEN/WMGK(FM) Philadelphia. Swygert says Waldron has filed applications with the FCC to acquire radio stations KBFM(FM) Edinburg in Texas' McAllen-Brownsville market; KVKI AM-FM Shreveport, La.; and WMGR/WJAD(FM) Albany, Ga. And he says Waldron is also "actively negotiating to acquire five more stations in four more markets."

Apollo partner Terrence A. Elkes, a former senior Viacom executive, says Apollo will be looking "at both kinds of radio properties: reasonably priced, low-rated stations we can build up through improved programming and promotion, and stations that are already winners and don't need a lot of fixing."

Management first. Elkes recalls, "At Viacom we concentrated on turnaround situations. They're usually the most interesting. The radio business offers a lot of opportunity, but it's management intensive. A station has to be managed well to perform well in both its audience and financial departments."

But Elkes adds, "We'll also look at some of the strong No. 1 and 2 stations in their markets that currently generate a nice cash flow, but still, in our estimation, may be underperforming for one reason or another. But, initially at least, we're not looking in the top 10 markets. Owning and operating a station in New York or Los Angeles is an ego trip, akin to owning a major league baseball team. On the other hand, markets 26 to 75 can prove very interesting. Our long range goal is to build up a group of 15 to 20 radio stations and

Larry Wexler

keep upgrading their performance."

Elkes' partners in Apollo are William Stakelin, former president of the Radio Advertising Bureau, and two more ex-Viacom executives, Kenneth F. Gorman and George C. Castell. Elkes says the arrangement with the two financial entities will provide Apollo with acquisition financing "sufficient to purchase several hundred million dollars in media properties."

Two 'new' clients for webs appear in June top 10

Two advertisers who were not on network radio during the first half of '88 appeared in the top 10 spenders for June, according to BAR data. One, Marriott Corp., which was not on web radio at all last year, spent \$1.7 million in June and \$3.7 million for the first half. The other, J. C. Penney, which advertised on the networks during the second half of '88, spend \$1.2 million in June and \$4.4 million during the first half.

Network radio's leading spender, Sears, was off somewhat in June, down from \$6.5 million to \$4.8 million, but General Motors, the No. 2 spender, was up from \$1.7 million to \$3.4 million for the month.

The top 10 spenders for the first half were Sears, up 3.1%; GM, up 28.5%; Procter & Gamble, up 17.8%; Motel 6 (\$8.8 million), up 160.1%; Cotter, down 1.1%; U.S. Armed Forces (\$7.1 million), up 13.2%; AT&T (\$6.9 million), up 1.8%; Warner-Lambert (\$6.8 million), down 11.0%; Ford, up 52.9%, and Campbell Soup (\$6.1 million), down 36.7%.

Top 10 network clients—June

Parent company	June expenditures	Year-to-date expenditures
Sears Roebuck	\$4,783,655	\$30,308,440
General Motors	3,424,725	19,246,960
Ford	1,841,675	6,508,750
Marriott Corp.	1,710,650	3,733,510
Tandy Corp.	1,398,000	3,406,800
Cotter & Co.	1,308,330	7,423,200
J. C. Penney	1,246,825	4,367,825
Philip Morris Cos.	1,126,050	3,911,065
American Home Pdts.	1,124,800	2,423,015
Procter & Gamble	1,052,400	10,631,560

TV network production, distribution seen affecting small syndicators most

Fin/syn relaxation prospect making syndicators jumpy

Television/Radio Age

October 2, 1989

By ROBERT SOBEL

The spectre of the return of the 1950s and 1960s, when the three major television networks were accused of dominating and abusing the production and syndication business, is haunting many in the syndication community.

As heated talks between the Hollywood studios and the networks flare up on the issue of the financial interest and syndication rules, adopted in 1970, many syndicators fear the worst if the rules are dumped or relaxed sufficiently so that the networks can again become active players in syndication and production.

The subject itself has touched already frazzled nerves, and major syndicator/producers doing business with the networks begged off from giving comments, as did network executives. Syndicators that addressed the issue either have no direct network ties at this moment or chose not to talk for attribution. Indeed, these syndicators see the ghost of those pre-rules years beginning to rise via moves made recently by the three networks calling for increases in in-house production.

The most recent developments on the in-house front at the networks are these:

At NBC Entertainment, Brandon Tartikoff, president, recently told press people that the division "now has a very healthy production slate at the in-house studio," including the two on the fall primetime schedule, *Hardball* (in association with Columbia Pictures Television) and *Mancuso, F.B.I.* (with Paramount Pictures Television), with *Truck One* (with Grosso-Jacobson), which has a full order of 13 episodes, in the wings. Other possible NBC Entertainment primetime series are *Shannon's Deal*, which was a Sunday Night Movie, and *The Louie Anderson Show*.

But already set is the first show to be produced by NBC Productions under the joint venture between NBC and Group W Productions. Called *The Open House Show*, the one-hour syndicated entertainment and information show was conceived by the NBC Program Development Group and will run in daytime or early fringe, beginning in January. The program will be shown on the seven NBC TV stations and on the five Group W Broadcasting outlets, and Group

NBC Entertainment president Brandon Tartikoff reports "a very healthy production slate at the in-house studio."

NBC/Columbia's "Hardball"

CBS Entertainment's "Wolf"

W Productions will distribute the show nationally in syndication.

While ABC Entertainment has no in-house series at the starting gate this fall in primetime, it's likely the picture will not be the same, come fall 1990 or soon after. Capital Cities/ABC Inc., parent company, recently announced that ABC Entertainment president Brandon Stoddard has resigned to become head of a new in-house production unit, representing a "major move by the network to create its own production unit, which will supply the network with series, movies and miniseries."

At CBS Entertainment, in-house produced series for this fall represent "only" two for primetime: *Rescue 911* and *Wolf*. Both are action/adventure hours. But CBS hopes to produce at least 10 made-for-TV movies for the coming season, according to some sources.

Aftermarket equity

To the syndicators interviewed, this new reliance on in-house production by the webs means that the networks are banking on a relaxation of the rules, giving them some aftermarket equity and perhaps eventual control of production and syndication.

At All American, George Back, president, sees the dangers in networks setting up a syndication shop, or otherwise becoming heavy players in marketing, as primarily the same as those before the rules. The dangers, he says, were the possibility of warehousing (networks' tactics of storing a series for competitive or financial reasons) and of affiliate control, whereby an off-network show would end up with the affiliate.

Back says that while he doesn't envision the networks becoming participants again in syndication—either under their own auspices or through financial considerations—any speculation on their involvement should guarantee that history will not repeat itself. "You have to ask the question that will this come free of warehousing and affiliate control? If those are not inherent in the system, then I think the system is OK. But if you allow the restrictions to come back, then it's all wrong again."

The real danger comes in allowing a network to become a distributor, he continues, and Back is adamantly against the notion for the foreseeable future for the webs either to distribute their own off-network product or in the first-run arena, in which they may play a development role. Ultimately, Back foresees a dark future for syndicators if the networks are allowed to become distributors. "It could have enormous detrimental affect—allowing the power of the three primary programmers the potential to use devices that are anticompetitive."

Another syndicator sees a similar pattern unfolding: "I remember going through this before, and I can see a similar scenario developing, whereby the networks began with only small control and abused their hold on the industry to an extreme. However, I really don't know what they are going to do until after they do it. They can always say it's all hearsay at that point.

"But the impact could very well be that they will tell the producer that they have to get on the back-end in order for the show to get on the air. What they apparently used to do is keep shows from entering the syndication market that would be in competition with them. I must say, too, that those times were not as bad as they potentially can be now. When the networks were in syndication, the independent stations weren't as prolific. The off-network syndication business was mainly addressed to affiliates, which aired the programs close to primetime.

"The result of the syndication and the financial interest rules, along with the prime access rule, was to allow the independent stations to become strong. So now how will the networks be able to justify selling a program to an affiliate rather than to a leading independent in the same market?

"When it comes to in-house production, they have to be looking at the back-end, but not because they are losing anything, but because they want to add to their profit picture. If they want to be in the back-end, then they shouldn't be in the network business. Let them not have affiliates and let them form their networks the way we do, so at least we can all compete. These people, if you analyze it, cry wolf, but still have a very successful business."

Small syndicators

One veteran midsized syndicator/producer of first-run shows believes the projected web in-house production increase will affect the small syndicator most. "The major studios are against any rule changes, so imagine what it will do to the small syndicator without any studio ties? The majors with syndication divisions have more than one avenue of obtaining income.

"They can fight any network incursions because several wear a number of hats as a result of mergers and spinoffs. Universal and Paramount each own 50% of the USA Network. Paramount owns the Madison Square Garden Network; and then there is the Warner-Time merger. All of them have a number of businesses they can fall back on for other income if syndication falls behind. But a small distributor has only one business."

Stephen Palley, COO and executive vice president at King World, says he believes that one of the major reasons for the networks looking at heavier in-house production is that they expect to be a back-end participant. "I think they believe the financial interest rules will be sufficiently changed so they will be a participant in the syndication profits. But that doesn't mean they will be syndicators."

Even if they don't become participants, continues Palley, there are other advantages for the networks to do their own shows. "The argument that ABC has always made over *Moonlighting* is that, as owners of the series, they can run it as many times as they want."

Palley, in fact, sees that some changes that may be made in the syndex rules as not all that bad. He notes that King World at this point is not a network supplier, although it's the company's intention to become one. In that case, "changes may benefit us. At the moment, the table is carved in a distinct fashion and we are not sitting at it. So a change may give us an opportunity to sit at that table in an easier fashion.

"For example, if there is a resolution whereby the networks pay greater license fees so that the deficit funding isn't as significant as it is today and making the risk/reward ratio better than it is, it might be positive for us."

An executive at a major syndication company which handles off-network product and first-run shows for syndication feels secure with ruling changes so long as the webs don't start syndication spin-offs. In that scenario, he sees web in-house productions as a source of product for syndicators.

Vested interest

"Granted, what they will probably do is keep their own production on the air longer, giving it syndication possibilities. *Punky Brewster* is a good example. Had that not been produced by NBC, it probably would not have stayed on long enough for it to wind up in syndication."

The executive doesn't condemn this form of favoritism. "If the network has a vested interest in such a project, it will try to keep it on the air longer. If I were a network, I certainly would do that, especially if two projects were identical in form and if I owned one but not the other. Even if my show was a few rating points inferior to the other, I would leave it on so I could get to the magical number of episodes for stripping in syndication, especially if I were part of a wealthy company such as General Electric."

But King World's Palley says that in the end a show has to deliver an audience, regardless of who owns it, and to deliver that audience, quality programming is necessary. "So even if the network has an interest in keeping the show running for back-end purposes, it wouldn't do so because it's hard to sell a show that's not working.

"The networks are still very good businessmen, and that means they will have to treat the programs they produce similarly to the way they treat independently produced programs. Possibly, however, if there is a tough decision to make on its running, they will give it the nod, because it's theirs.

"But I don't think that General Electric will permit a low-rated program to keep going just because it is a large company with vast wealth, for the purposes of the back-end, because there won't be any. Too, if it stays on the network too long and is not working, it will hurt the shows around it."

Another form of favoring an in-house production over an outside producer's that is conjectured as a possibility relates to time periods. And the executive at the major syndication shop believes that network productions will most likely launch in better time periods than the shows contributed by outside producers. But, he adds, that's the realities of the business." If there are no regulations that prohibit that, and they can make shows that will run long, there's nothing wrong with giving your show a good send-off. This is not really a question of fair play. It's time to make dollars, and we are all in the television business to make money. It's a business of profits and losses, and certainly the networks are interested more in profits than losses."

In fact, it's pointed out that, at a recent press conference on the West Coast, Kim LeMasters, CBS Entertainment president, said that to avoid criticism the two CBS Entertainment shows on the fall schedule are being put into "two of arguably the toughest time periods on network television.

"I think that if we had put on a show in a protected time period that was a CBS Entertainment show and taken a producer's show and jammed it into a rugged one, we'd be open for criticism. We did not do that.

"We put those shows on because we believe they were the best programming available for us. We took into consideration where we were putting them for the specific reason of—if we're going to put on our shows, are we going to be riskless—are we going to put them behind *Murder, She Wrote*—or are we going to put them where they're tough?"

What could have been

Also, Tartikoff of NBC notes that only 40% of the shows in development are in-house. "I mean we had 12 pilots shooting out of 30 or so, and you know, a lot of the shows that didn't make the fall schedule may have not made it because they were NBC Productions. We could have programmed 80% of our available time periods with in-house productions."

He continues that the philo-

"Rescue 911" from CBS

NBC/Paramount's "Mancuso, F.B.I."

sosphy at NBC hasn't changed. "If we have a show that we think in the right hands can be a hit, they're going to get first call. The hits generate far more revenues than you could ever expect from a show that you create yourself." *The Cosby Show* profits for NBC, he continues, far outweigh any possible syndication success. "Maybe that's not the best example—*Cosby* is in the stratosphere...But I'm sure over the time it's going to run on NBC, we'll have had commensurate profits and, in addition, the profits of the shows that have been fortunate to follow it throughout that night."

The veteran syndicator skeptically says that evaulating a show's placement in the schedule on anything other than its merits is wrongdoing by itself—whether it's a network-produced show or not. "It should be judged solely on its merits, not by any other criteria. The fact that LeMasters is acknowledging he is doing otherwise is so as not to antagonize outside producers."

Regardless of Tartikoff's slighting of the revenues fetched by the off-network *Cosby*, notes one of the syndicators, 'they must be very upset that they can't share in the profits, which will bring in an estimated $400 million–$500 million in syndication money." Also, he adds, "Look at the syndication business in general. Between barter and cash, syndication is expected to go from a $3 billion industry to $5 billion or more by 1995.

"If I were a network and saw all that money available, I certainly would do everything I could to get a share of it. This makes sense especially now because the networks' shares and ratings are eroding and because there are so many viewing alternatives available. I'm not saying they are not making money, but their percentage of dollars could be much higher with syndication shares."

Meanwhile, as the networks plan stepping up in-house productions, syndicators see no easy road ahead for the shows to make it into syndication as successful off-network programs, regardless of the role of the networks. "I think it will take a while for them to get back into heavy production," notes one of the syndicator executives. "They will have to hire away a lot of key people from the independent studio community. People make programs, not networks.

"The networks have learning curves they will have to go through because they haven't been successful in production. Also, none of them have fulfilled the maximum number of hours they are allowed in-house at this point, although CBS, with the *Arsenio Hall Show*, is the exception." The webs may use as much as five primetime hours of their own programming per week. But the ceiling will be unlimited, starting with 1990, when a part of the Justice Department consent decrees with each network expires.

In addition, points out the syndicator executive, each network has 22 hours to fill in primetime. "There's no way each will be able to fill all those hours with their own productions. Obviously, the networks will vie for a lot of the production and writing and acting talent, but they can't fill their needs. I believe they will try to make deals with the independent producers once the financial interest rules go away—if they go away—and would do what they did many years ago—control the back-end rights."

Web limitations

King World's Palley adds that the networks claim that the syndication universe has vast riches it derives from off-network programming. But, he continues, it will not be as easy for a network to get into marketing if the opportunity arises. For example, it would be "very cumbersome and fraught with conflict for a network to sell a potentially successful off-network show to its affiliate competitors. On the other hand, we or any other distributor can sell shows to a station that has the best environment for these shows, or for the best price in the market, or for any other combination thereof."

A network's affiliate body would be "outraged" if a *Cosby Show* were sold to an indie or to a competing affiliate in the same market, Palley notes. Also, he says, the network faces difficulties with the producer of a show if both parties have a net profit deal and the network settled on a lower price on the show because it went to an affiliate. "Probably even the contract will have been violated. A syndicator has a fudiciary obligation to the producer to maximize the return when the producer is a profit participant."

But to the executive of the major syndicator, all the in-house production talk by the webs and the possible link with the financial interest rules represent only a portion of the network's plans. "I think there is a hidden agenda. It's not just the rules, because that won't have any immediate impact, and possibly will take as long as five years to be felt, if there is a change.

'Hidden agenda'

"A show has to be on four years before it goes into syndication, so I don't see anything happening for some time. Instead, what the networks need is a quick fix, which I call the hidden agenda. This means they are really looking to develop programs for prime access. Access is an hour that the networks don't control in terms of program, viewing and revenues.

"Producing shows for access would also help affiliates in providing them with shows which may have hit potential. For example, why shouldn't they produce a *Wheel of Fortune* for access. Of course, they are prohibited from doing that now. "When I mean the access time period, I mean what it may stand for in the future—primetime. That's why I'm suspicious when I hear that primetime is being looked at on the West Coast as 7–10 p.m. This could mean that eventually prime access as we know it now could go away, putting the networks in control of an additional hour." □

Electronic ad checks: slo mo

Arbitron commits to 'passive' launch; coding reemerges

By ALFRED J. JAFFE

Electronic monitoring of commercials via passive means was announced and scheduled by Nielsen back in 1985 and jointly by Arbitron and Selling Areas-Marketing Inc. (SAMI) the next year. In 1989, their plans to provide syndicated information on nearly all TV commercials aired—both from broadcast and cable sources—have still not come to fruition.

However, in July Arbitron again committed itself to a definite launch of MediaWatch, the name of its electronic monitoring service. The announcement, by Ken Wollenberg, vice president for advertiser/agency services, provides for a kickoff during the second quarter of 1990 and for monitoring 75 top markets fulltime by the end of next year.

The automated MediaWatch technology will replace the manual system employed by Arbitron's Broadcast Advertisers Reports, which now turns out comprehensive data on advertising expenditures and commercials activity covering network, spot, local and cable TV, barter syndication and radio networks. (Arbitron's parent company, Control Data Corp., bought BAR from the SFN Cos. and SAMI from Time Inc. subsequent to the original MediaWatch announcement.)

History of failures

Both Monitor-Plus, the name of Nielsen's electronic monitoring service, and MediaWatch are called passive systems because they do not require the cooperation of the advertiser. They were developed to get around the problem of "stamping" codes on commercials, which would then be identified by electronic decoders at the market or national level when the commercials are aired.

Such coding has had a history of failures since the early '70s, when the pioneering Digisonics system was offered. However, the coding approach has again come to the ad industry's attention via a proceeding at the Federal Communications Commission. Airtrax of Burbank, Calif., which has begun to offer a commercials verification system through coding, is seeking to block the effort of the A.C. Nielsen Co. to move the syndicated program portion of its Automotive Measurement of Lineups (AMOL) system from line 20 in the vertical blanking interval to line 22, which is part of the active (picture) signal. Airtrax, which already has FCC approval to use line 22, says its codes and those from AMOL cannot co-exist on the same line for technical reason, which Nielsen denies. (See also *FOCUS* in the September 18 issue.)

The recent Arbitron announcement that it would go ahead with MediaWatch, meanwhile, puts pressure on executives from Nielsen and its parent, Dun & Bradstreet, to make up their minds about the best way to market Monitor-Plus, which has still not been fully uncorked. The decision process has been going on for months.

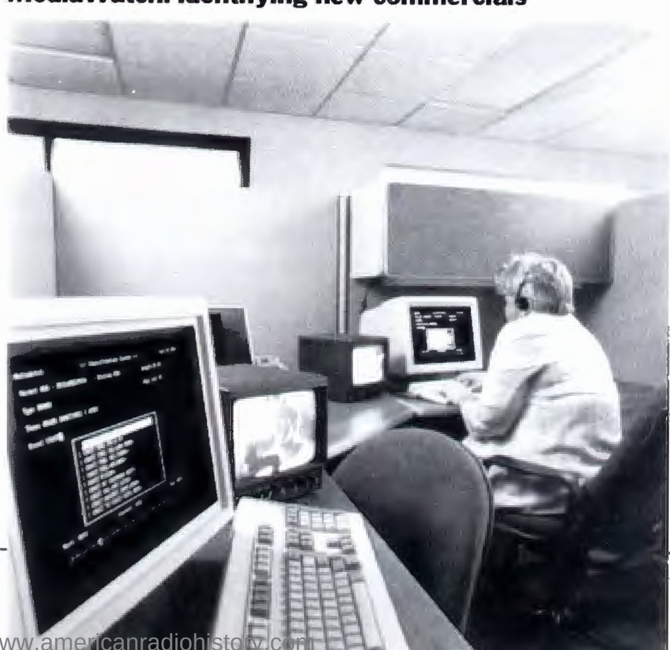
Both MediaWatch and Monitor-Plus employ the technology of computerized pattern recognition (CPR), but the software, transmission modes and other aspects differ and this has led to claims of superiority by both parties. One of the areas in dispute is how well the two systems can distinguish between commercials and programs.

To simplify the explanation of a complicated technology: CPR, as used by MediaWatch and Monitor-Plus, involves digitizing the TV signal of a commercial, that is, converting the signal into a series of numbers, storing those numbers in a data bank and then using the stored information to identify the same commercial when it is repeated.

Nielsen has been selling limited marketing data based on Monitor-Plus installations in 23 markets, which cover about half of U.S. households. This data combines Monitor-Plus with local viewing information. Nielsen is also using the CPR technology to identify network ad campaigns and compute their weight and reach as part of the regular NTI service, according to David Buckley, vice president of marketing for Nielsen Media Research. However, Nielsen's original plans called for a comprehensive commercials checking service by 1987 covering ad activity and expenditures on the TV, cable and barter syndication networks plus spot and local ad data in 75 top markets (see TV/RADIO AGE, Feb. 17, 1986).

MediaWatch originally surfaced

MediaWatch: identifying new commercials



as Telecount, developed by Time Inc.'s cable system, American Television and Communications, and then turned over to SAMI. The joint venture with Arbitron was made public in January, '86. Arbitron and SAMI, which at the time were also partners in ScanAmerica, announced MediaWatch in June, '86, and said that launch plans had been completed. The longterm goals for MediaWatch included not only a comprehensive commercials monitoring service, along with client and brand expenditures, but audience information and purchase behavior as a result of the blending of Arbitron's and SAMI's capabilities. Thus the effectiveness of TV advertising on purchases behavior could be estimated.

Nielsen's plans

This media/marketing integration also was part of Nielsen's plans, perhaps the major part, though, when first announced, Monitor-Plus was positioned primarily as a commercials monitoring service. When Neilsen's monitoring plans became apparent in the spring of '85, BAR, which had been supplying Nielsen with network TV commercials data, gave the required 12-month notice of contract cancellation. This forced Nielsen to hastily assemble a BAR-type operation to provide itself with the necessary information on network brand and client advertising. Though it was testing Monitor-Plus in three markets, the service was not yet proven. By the end of '86, with Control Data preparing to take over BAR, the situation had metamorphosed into a familiar business battle—Arbitron vs. Nielsen.

Nielsen's Monitor-Plus technology was invented by John Lert, who is not an engineer. He licensed the idea to Nielsen after starting work at the company in 1982, and is now general manager of Monitor-Plus.

Lert explains that there is some processing to reduce the amount of material to be examined electronically: 18 hours of material is reduced to about 7½ hours. In parallel with the monitoring, video tapes are made with a time stamp.

Each remote site—that is, each market—has its own computer with its own data bank and a receiver for each commercial station. How does the equipment know when a commercial is being telecast? "If it meets certain 'rules,' it is assumed to be a commercial," answers Lert. These rules have to do with "duration" and "adjacency." But a key factor is the blank frames between a program and a commercial. These tell the computer that a commercial or program is coming up.

"If a commercial is new [that is, if it is not already in memory] and there's no blank frame, we'll miss it," explains Lert. But he maintains this rarely happens and it only affects the first commercial in a pod. "Eventually we would catch a deliberate attempt to avoid blank frames."

Nielsen says that AMOL and Airtrax can coexist on line 22, but the latter feels there are too many technical problems

The material collected at the remote sites is sent by telephone line to a central operations center, located in Wilton, Conn., every night, including, says Lert, "what was recognized and what was acquired or suspect." Tapes are sent to the operations center every few days.

It is at the central site that manual operations are required. Someone has to examine an unmatched commercial to identify the client, product and creative execution. That means that millions of commercials have to be identified initially at least once. Lert has estimated that upwards of 20 million different commercials are aired on TV every year.

Better than manual

Still, Lert points out, compared to a manual system like BAR, "we only look at a commercial once, so we can spend more time capturing information." The Monitor-Plus manager says that his system can identify any commercial that's at least 10 seconds long, but he notes that because of the data compression the system cannot pickup, say, a three-second dealer tag at the end of a commercial.

Lert says that a big problem in developing the Monitor-Plus system was integrating data from the remote sites, not the CPR technology itself. "The central system has to deal with differences (or similarities) in the acquisition of the same commercial" in different markets. According to Lert, this was a factor in delaying the full application of Monitor-Plus.

Meanwhile, Nielsen must decide whether to emphasize the marketing applications of Monitor-Plus (commercials exposure related to sales) or its commercials checking (ad expenditures and proof-of-performance) function.

There are a number of broad similarities between the Arbitron and Nielsen systems, but also significant differences. Michael Ellis, Arbitron director of technology, feels the biggest difference, to his knowledge, is the greater degree of automation by MediaWatch. "Except for the classification of new commercials, MediaWatch is totally automated."

MediaWatch also examines the entire commercial, says Ellis, using both digitized video and audio. Ellis says MediaWatch employs more computational power than Monitor-Plus, which Lert acknowledges, though Lert maintains that MediaWatch "is where we were in '86 and '87." Whether or not this is so, a source at MediaWatch contends its debut was delayed by the changes in ownership affecting the original MediaWatch and BAR.

An 'expert system'

Another difference between Monitor-Plus and MediaWatch is the communication link between the remote sites and the central operations center—which, in the case of MediaWatch, is located in West Chester, Pa. Where Monitor-Plus uses telephone lines and mail, MediaWatch uses satellite transmission.

Ellis describes MediaWatch as an "expert system," a term describing a form of artificial intelligence.

To snatch a commercial, or commercials, out of its surrounding programming, explains Ellis, MediaWatch employs multiple cues. "Fade to black is only one of them. We don't depend on that [alone]. Originally we did, but we learned." Other cues include fade to silence, rapid scene changes and previously known commercials, such as instances where two 15s back-to-back include one known and one unknown ad.

MediaWatch is particularly important to Arbitron, since the company believes that the economies of CPR automation will enable the service to monitor all 75 local BAR markets fulltime, instead of only 17 as at present—and maybe more. Most of BAR markets are monitored one random week a month via audio tapes, providing considerably less than 100% accuracy for ad expenditures.

Claim high accuracy

As for the accuracy of CPR in general, both MediaWatch and Nielsen claim the percentage of properly identified commercials is in the high 90s. Ellis makes the point that sheer accuracy is not the problem. It is a question of cost, he says, a matter of how much computer power is thrown against the problem and how affordable that is. "You don't want overkill," Ellis comments.

The Airtrax people, however, maintain that identifying a commercial is not the end of the story. Arnold Dubin, president/CEO of Airtrax, who puts his service in a somewhat different category than Monitor-Plus and MediaWatch, contends that the bottom line in commercials monitoring is to identify the source of the buy. Airtrax people describe as many as nine different TV sources: network, spot, local, cable networks, spot and local cable, barter syndication, commercials "spun off" from barter shows and unwired networks. CPR cannot identify all those sources, Dubin holds. "Our system assigns different codes to spot, network and the other sources of the buy." His system works, he says, because "commercials are not bicycled."

Dubin also explains, "We're an accounting system." Airtrax, which is still testing its system, is set up to work for clients who want checking data on their own commercials. Its purpose, says Dubin, is not to gather competitive information or expenditure data.

Airtrax, through an affiliate, Republic Properties, has, as noted, received permissive authority from the FCC to use line 22 for carrying codes of commercials (as has Vid-Code Inc., which took over from TeleScan). This past July, Nielsen asked for similar authority "to transmit encoded advertisement and/or program identification signals" and received tentative approval.

Despite the broad reference to commercials and programming, Nielsen sought the FCC's okay primarily for its syndication service. It intends to keep the AMOL service for the Big 3 networks on line 20. But Nielsen has been having problems with identifying syndicated barter shows, which are frequently recorded and played back later.

SID stripped

Explains James Lyons, president of Nielsen Media Research: "Some VTRs strip the SID [signal identification] code from line 20. But it is easier to strip the code from line 20 than from line 22." Some sources say the reason for the stripping is misalignment of the recorders, but in one of its filings, Nielsen argues that "Due to the design of the recording and editing equipment used in many stations today, . . . the SID Codes appearing on line 20 are often 'stripped' or deleted before they can be detected by Nielsen's AMOL decoders in the various television markets." There is also a history of stations resisting the transmission of ad codes on line 20 because it falls within the vertical blanking interval, which is "owned" by the station. Line 22 is in the active picture area, though it can't actually be seen, but the FCC does not require stations to carry signals on line 22, either.

Airtrax filed in opposition to the Nielsen request, citing a number of reasons, the most important of which was, "Because the commercial advertisement verification codes are inserted at an earlier point in the distribution/transmission sequence than the AMOL codes, the latter would obliterate the former." As it happens, it works the other way around, too, since the Airtrax codes require the entire line and both fields of the interlaced TV frame.

In its answer to Airtrax, Nielsen objected that giving Airtrax its way would be giving it a "monopoly" on line 22. It also stated in a footnote that even though Airtrax could obliterate AMOL codes, the marketplace should decide between the two services.

However, Lyons now argues that ways can be found to allow Airtrax and Nielsen codes to coexist. "We are exploring all alternatives" for sharing the line, he says. But Dubin says there are too many engineering problems.

The Nielsen request to use line 22 for AMOL also generated let's-look-into-this-question letters to the FCC from a number of advertisers, including Procter & Gamble and General Foods, plus the 4As, LBS Communications and Donovan Data Systems. These were reportedly stimulated by Airtrax.

The reason for the letters, as typically expressed by one of the advertisers: "Procter & Gamble is concerned that the granting of this request might restrict the range of services utilizing line 22 which are available to advertisers."

The result was a commission call for public comment, with a deadline of September 22, and the deadline for reply comments of October 3. □

Monitor-Plus: remote hardware

Sharing staff, supplying local inserts, simulcasts viewed with mixed feelings

TV, radio, cable news partnerships seen on the rise

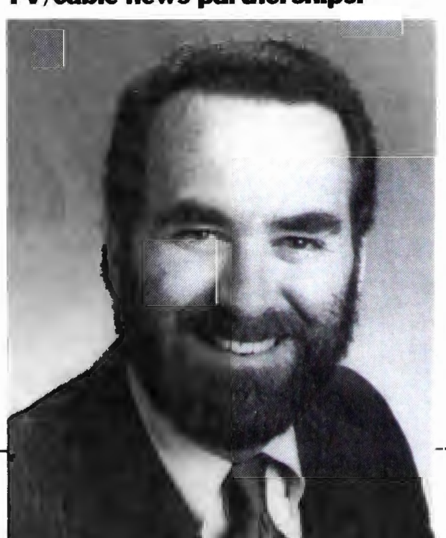
By JAMES P. FORKAN

In the local news realm, the battle lines are starting to blur thanks to various current or planned partnerships, some involving TV and radio stations, others linking TV outlets with cable systems.

NBC and Cablevision Systems Corp. are planning a national cable news service that will have the network's affiliates contributing local news inserts, and Conus Communications is planning a similar news coventure with Viacom International's Viacom Satellite News (TV/RADIO AGE, Sept. 4). Cable News Network, which also links with TV and radio stations, has just added to its services with Newsource Live Edition, whereby TV subscribers can get live generic or personalized reports by CNN's Newsource reporters from the scenes of breaking news stories and events.

Even as other broadcasters and cable systems are mulling the pros and cons of such cooperative news arrangements, many TV and radio outlets already have news partnerships that most find mutually beneficial. Others, meanwhile, are less enthused about this concept of sharing. Many of these tie-ins involve cable or radio simulcasting of a TV station's newscast or running it on a delayed basis—an approach that generates mixed emotions among not only the parties involved but interested observers.

RTNDA's David Bartlett favors TV/cable news partnerships.



Such news matchups were one of the hot topics at the Radio-Television News Directors Assn. convention in Kansas City. At a panel entitled "The Odd Couple: Radio/TV Partnerships," moderator Scott Herman, executive editor at WMAQ(AM) Chicago, said, "Like Felix and Oscar, can radio and television live and work together? The answer is yes."

In Springfield, Mo., for instance, KYTV(TV) and KTTS(AM, FM) have been working together in newsgathering for about nine years. In Pittsburgh, Group W's sister outlets KDKA-TV and KDKA(AM) also have a longtime news-sharing agreement. In Rockford, Ill., WIFR-TV also is part of a news-sharing team. A Chattanooga broadcaster adds that there "everybody's in bed with everyone else," what with CBS' AM affiliate simulcasting CBS' TV affiliate local news and ABC's AM station doing the same with the ABC TV affiliate's local evening news.

Meanwhile, WWL-TV New Orleans and WNEM-TV Saginaw, Mich., have news links with Cox Cable Communications systems, while KOAA-TV Colorado Springs has its newscast repeated on a local cable channel. WLWT Cincinnati is about to start *Take Five for News*, a five-minute newscast to be made available, commercial-free, to local schools via Warner Cable. Elsewhere, KGO-TV San Francisco and KUTV Salt Lake City are among outlets looking into TV/cable associations of their own.

Although TV/radio news partnerships are "not very widespread yet" and "the opportunities for this being fruitful are probably limited," David Bartlett, RTNDA president, says, "Where it is fruitful, the potential could be great. I don't think its potential is as broad-based" as the TV/cable linkage should become.

Bob Brunner, executive news editor, WSAZ-TV Charleston/Huntington, W.Va., and a past chairman of RTNDA, recalls that TV/radio news cooperation was quite prevalent until the early 1970s when the FCC broke up multiple ownerships within markets. Then the number of such combos plunged "from several hundred to several dozen." Now, he continues, the number of such news partnerships is "significantly on the increase again." Some stations fax news scripts to statewide news service bureaus, he says, and state radio networks are using stations within each state "as stringers" in effect. In addition, various TV network affiliates are providing various other broadcast affiliates with audio from newscasts, he says.

Bob Priddy, news director of radio's Missouri Network and the immediate past president of RTNDA, says TV/radio sharing is "something we're seeing develop. There are different kinds of partnerships," ranging from a radio reporter being given a lift in a TV station's copter to a radio outlet merely rebroadcasting a TV newscast. He calls the latter "an unfortunate situation."

Stretching limited resources

Partnerships make sense as both TV and radio stations cope with news budget and staff cutbacks and try to "stretch their limited resources." Moreover, he feels, there is "not that great a competition" between TV and radio since they operate on such different news schedules. Thus, he adds, "there is room for greater cooperation."

"Sure, you don't want the local radio or newspaper to beat you, but TV stations' competition really is in the same medium as they are," maintains Tom Bier, news director at WISC-TV Madison, Wis., and the current RTNDA chairman. He agrees that such linkups are growing because broadcasters generally are "a little tighter on cash and need to make the best use of their resources."

Dan Shelley, news director at KTTS (AM, FM), and Marci Burdick, KYTV's news director, agree that their news-sharing experience has been a positive one. "We conservatively estimate $20–35,000 a year savings" due to this arrangement, she says, emphasizing that their only outlay is a $29-a-month charge for a direct phone link.

Because "each has needs the other fills," this setup has been "very effective," Shelley says. KTTS, for example, has news people on duty round the clock, unlike KYTV, he adds, and KTTS can share KYTV's helicopter to cover breaking stories. With KTTS having 30 news people and KYTV eight, this pact "bolsters our manpower, if nothing else," and cuts overtime, notes Burdick. To cover elections across their market's 40-plus counties, both combine their news resources, Shelley adds.

Fred Honsberger, news editor, KDKA(AM) Pittsburgh, agrees that such partnerships can be especially helpful for election-related coverage. KDKA(AM) and TV share poll results and costs, something radio alone could not handle, he notes.

More pros than cons

To apply such arrangements elsewhere, station partners need to recognize some things, Burdick states. "This relationship will not work unless you trust" the other partner. Shelley adds, "'It's my story'—you can't have that attitude or this won't work." Both stations must agree that they "fight a common enemy—basically, everyone else." Burdick emphasizes, "We still enterprise and work independently." Some investigative stories may not be shared, while others may be released with an even break for both, she observes.

As for "the downside," Burdick feels that "our list is very, very short—more mediating personality clashes than anything else." Such negatives are "far outweighed" by the plusses, she feels.

The KDKA Pittsburgh experience, in the meantime, has inspired Group W to suggest that its other co-owned TV/radio combos explore ways to join forces in news, Honsberger says.

"There are times we share reporters," Honsberger continues. For instance, during a long-running court case, a TV reporter "can earn a couple of extra bucks" by reporting for radio as well, he points out. Moreover, "We share sportscasters," with the executive noting that having KDKA-TV's sports anchor on the radio outlet's afternoon slate brings "a recognition factor" good for both parties.

Danger cited

Bart Feder, news director, WJXT Jacksonville, Fla., is among those concerned about the trend toward news sharing. Such ventures with radio "could be dangerous," he contends. "I want our viewers to feel that if they miss our [evening] newscast, they didn't get the news." Although WJXT has been simulcasting its news on an unspecified AM station, he fears this ultimately could dilute the impact of his station's newscast for some viewers. "We're in competition with the newspaper and radio is our competition too." Since no radio outlet is strong enough to bring much to a partnership with WJXT, he says, "I'd have to think real hard" about sharing credit with radio on stories.

Feder maintains that each station must "look at what your marketing strategy is" before entering such a pact. In some cases, Feder recognizes, "Operational needs may outweigh the marketing." In Boston, for instance, the multimedia New England News Exchange—which encompasses not only TV and radio but newspapers—is beneficial to all because the ADI is too large for any one outlet to cover fully, he says.

Turning to the more recent trend of coupling TV and cable in news coverage, RTNDA's Bartlett says, "I see no drawbacks. It's entirely beneficial to the consumers, to the TV stations, to the cable systems, you name it. It is certainly a wave of

Bob Priddy, l., and Tom Bier see TV/radio news linkups rising.

the future, the next area of growth in TV news. It comes in all sizes and shapes but it's definitely designed to produce revenues," not merely generate exposure for the news people. "The cable system benefits—it gets programming and sells the spots [within it]. The station gets a piece of that revenue pie and lays off the fixed cost of its news department over a greater number of spots."

Brunner dismisses talk about TV dealing with the so-called "enemy" in cable. "I see that attitude as pretty much in the past." Bier agrees, noting that both media "have a lot in common—an audience." Linking with cable is "a way to work together and to expand the station's audience."

Jeff Bass, news director at WTWC(TV) Tallahassee-Thomasville, is less enthused. "I suppose there'd be some mutual benefits" from TV and cable joining forces in news. Such ventures as NBC's and Conus' "should increase visibility" for the participating stations, he says, but "there could be a down side to it. There might be some confusion on the part of the audience that maybe the networks aren't worth watching any more" if they appear to be trying to keep going via cable alliances. Executives at KING-TV Seattle, meanwhile, fret that such cable tie-ins may eliminate local TV stations' key advantage over cable, namely lcoal news.

WISC's Bier probably sums up the situation best when he states, "There's a difference of opinion on what's good and what's bad" about such alliances. Nonetheless, he predicts, "It's probably going to intensify in years ahead." □

Paid props enter CPM era

Getting products into movies big business; TV gun-shy

By EDMOND M. ROSENTHAL

Question for advertising agencies: "What's the cost-per-1,000 if Batman were to take a quick swig of your client's beer in the current Warner Bros. release?"

Well, for the movie alone, it could be $10–15, but if you go all the way through foreign release, videocassettes, pay TV and network, it could be more like 10–15 cents. But that's provided that the network doesn't cut the scene.

This is what product placement in films is coming to. Although advertising agencies are yet to recognize its validity, product placement brokers are starting to come up with research that's on the same wavelength as TV advertising. And the professionalism that's entering this business is a long way from an earlier era where some wheeler-dealer walked onto the set with a promise of free beer and soda to the crew for the duration of filming in hope that some of it would find its way into the movie.

In many cases now, they're no longer talking freebies at the back door but big bucks to offset climbing production expenditures. With regular departments in place at many of the studios to negotiate placement, deals with a single product supplier have gone as high as $250,000, according to one studio executive who does not wish to be identified.

Meanwhile, television is yet to become a major recipient of branded props. According to Cliff McMullen, president of one of the major brokerage firms, UPP (Unique Product Placement) Entertainment Marketing, the trend started in the '60s with the directors, "who were clamoring for more realism." Network executives note that has more recently become true in TV—but, for the most part, the networks still not only have their fingers on Section 317 of the Communications Act but also have some provisos of their own.

Section 317 calls for disclosure in a program's credits if fees or other considerations have been accepted in exchange for product placement. The networks all claim they go well beyond this, even to the extent of cutting gratuitous product exhibition out of theatrical movies when they can do so without disturbing continuity. But then there was that ever present Coke machine in the cafeteria on last season's *TV 101*.

A CBS spokesman says the deal was made by GTG Entertainment, and the machine's presence was accepted because it was "noninvasive." Richard Kostyra, executive vice president, director of media services at J. Walter Thompson contends a deal like this is more likely to be accepted by a producer of a new show whose payoff is not yet in sight.

But what about the payoff for Coca-Cola? Poking fun at the rival network, Alan Gerson, vice president, program standards and marketing policies at NBC, queries, "For whatever Coke paid, the show got lousy ratings; did CBS have to make good?" He adds, "It's a bad deal for a lot of reasons. They were put in a position where they had to write a cafeteria scene every week, and they couldn't have the kids kick the machine or rob it. When I was in high school, the kids kicked the Coke machine all the time."

Worse yet in Gerson's book: "They made GTG a vendor of advertising time. We don't want to allow any other party to sell commercials in our programs."

The CBS spokesman comments, "This is something the producers work out. We recognize that some producers make tradeouts with airlines, etc. But the product has to be noninvasive, and there has to be a credit at the end of the show indicating there was a consideration." In made-for-TV movies, he notes, the network has earlier control and can nip such arrangements in the bud. Theatrical movies, he says, are frequently cut to minimize product exposure.

Network approval

At Capital Cities/ABC, Alfred R. Schneider, vice president, policy and standards, says brand name props used in programs that the network acquires require network approval—and are consequently either forbidden or listed in credits. He notes airline tickets have been accepted for the network's *Good Morning America* and credited. Practice on theatricals parallels that of the other two networks.

Gerson notes that some of the theatricals being offered have been vetoed altogether by Standards and Practices because they are overcommercialized. As for TV programming, he says everyone in the production chain is prohibited from accepting cash. Wardrobe and prop arrangements, he adds, are strictly controlled, and these are either returned or bought by the production company at used value.

As an example, Gerson relates, "We let the producers of *L.A. Law* get their lawbooks from West Publishing Co. They're credited, and

"TV 101" went better with Coke

they're going to get the books back."

Gerson says NBC's policy on airline transportation has changed several times over the years. He says, "We generally don't permit it because we consider a credit commercial time, and we'd rather sell the time. We don't allow our suppliers to do it because we pay a license fee for the program and *we* sell the time."

The exception: In a special program with special transportation needs when the costs were not anticipated in the license fee, or in an NBC program where these needs were not anticipated in budgeting. This is rare, he notes, and then no cash and only the tickets absolutely required are accepted.

Ad community awareness

In theatrical films, where most deals in the past were made between brokers and production companies or direct with the supplier, advertising agencies are now becoming more involved in the process, but primarily in an advisory capacity. J. Walter Thompson recently put out an analysis, *Products as Props in Movies and Television*, in which it concludes:

"Like many other promotion or event sponsorship opportunities, product placement is a 'gut' decision. In rare cases like *E.T.* and Reese's Pieces, the placement paid huge dividends. Other times, in more 'average' situations, the response is more difficult to gauge. Potentially there are huge payoffs, but success is a lot like playing the lottery. For those few who win, they win very big."

Kostyra says two JWT clients that have used movie placement extensively are Miller beer and Eastman Kodak. He says this kind of exposure can be effective as a backdrop to traditional advertising if the product plays a real role, and, "If the advertiser does some merchandizing and promotion, it can be much more effective."

In fact, some film producers are now working more in this direction. Mary Barnum, director of national promotion at Twentieth Century Fox Feature Films, is responsible for coordinating all product placement in the company's films, but she's looking for more deals that help promote the film as well. She reports currently negotiating tie-ins for the upcoming *War of the Roses*, starring Danny DeVito, Michael Douglas and Kathleen Turner. A motor vehicle and a cellular phone company were recent prospects. Dealers might use the tag, "As seen in *War of the Roses*," and possibly they would wrap it all together with a give-away—for example, tickets to the Rose Bowl game.

Straight placements, Barnum says, often don't amount to much—$1,000 or $2,000 in a film that costs $30 million to produce, for example. But there are some freebies that are well worth it, she indicates—like arrangements with a water company while filming in the desert, or, on *Vital Signs*, the supply of hospital costumes by the WorkWear subsidiary of White Knight, which saved thousands of dollars.

What they're paying

There are few straight fees, she says, that come near the high of $250,000: "Fees of $5,000, $10,000, $15,000 and $50,000 are more realistic." For the more routine placements, Twentieth now has a three-month trial deal with Krown/Y&R, Los Angeles, to represent it exclusively in hunting down props "to put out fires."

To Rob Friedman, president of worldwide marketing at Warner Bros., it doesn't matter whether the studio works through a broker, an ad agency or direct, but "regardless of who we work with, we like to have a direct line to the manufacturer" in order to avoid misunderstandings as to how the product will be presented. Echoing other producers, Friedman says Warner never lets the product get in the way of creativity. He notes most suppliers pay cash for their involvement and that there is a sliding scale based on exposure.

Almost all of Warner movies have some product placement, he notes. The new *Batman* film, for example, utilizes a lot of camera equipment and features several brands. *Lethal Weapon 2* has numerous contributors, including colognes, beverages, automobiles and trucks. Although it's not a formal rule, Friedman says, "We're not in the cigarette business," adding, "We're cautious in the way alcohol is used."

If advertising agencies are becoming more involved in the process, it's mostly as consultants. Such is the case with Backer Spielvogel Bates, where Bill Croasdale, senior director of radio/TV programming, says, "We recommend that our clients be very selective in the product placement companies they deal with. We tell them to make sure they have the right to turn down a movie that is antithetical to the product—like *Revenge of the Space Sluts*."

Some time back, when he was with McCann-Erickson, Croasdale was involved in furnishing automobiles for movies and for TV series like *Kojak*, featuring Buick Century, while *Hawaii Five-O* was Ford country. Having observed the results of cars on loan to stars, producers and directors for a year, he warns that these cars are typically not maintained and returned as "junk." He notes it's sometimes less costly to place a candy bar and pay for it.

He doesn't anticipate placing products on TV in a package deal with a time buy: "It's more economical to use a product placement service and pay $50,000 to $100,000

L.A.'s loaned lawbooks

"Batman" a product showcase.

a year to get placed in a number of films than to tie placement to an advertising commitment of $2½ million."

According to Harold Mintz, research analyst for CinemaScore, Los Angeles, ad agencies have changed their attitudes toward product placement now that research has come into play and are now saying, "Send us your proposals." Unlike others involved in product placement, CinemaScore was a research company first. For the past 10 years, its key business has been exit polling viewers to movies on opening night, with its results syndicated by *The Los Angeles Times*.

Involved in product placement for the past two years, CinemaScore concentrates on major deals vs. placement volume and bills its clients against an agreed upon cost-per-1,000. One example is the movie *Chances Are*, which includes Cybill Shepherd eating a York Peppermint Patty. The company's poll, which is audited by Peat Marwick & Main, showed an 89% recall of the big bite, but 15% was deducted for the error factor. Mintz says subsequent calculation of error factor will come from mentioning a competing product in questioning. Then this remaining 74% was multiplied by expected audience (domestic revenue divided by average ticket price).

Mintz says use of a product by a major star can result in a CPM of $14–15 while a lesser performer can call for about $12. If the product is visible only, it's more like $10. Although CinemaScore is not particularly interested in dealing with quickie exposures, Mintz says something like a beer sign in a bar will be recalled by only 3–10% of the audience. CinemaScore, based on negotiation with the studio, gets 40–50% of the fee, Mintz reports.

Agency recognition of product placement opportunities is demonstrated by Young & Rubicam's involvement in the business. Sometime back it acquired a going operation in the Los Angeles area, now known as Krown/Y&R, and this company also is talking CPMs with its clients, based on generic research. Eva Steortz, director of research, got her start in the business much like Fred Silverman launched his TV career—with a master's degree thesis. Her yearlong study at West Virginia University, using Burke day-after phone interviewing methodology, is now the basis for CPM figures given to Krown clients.

Figuring the average picture makes $25 million and dividing this by average ticket price, her study tracked movies almost entirely through their life cycles—theaters, videocassettes, foreign distribution, pay TV and networks. Only syndication wasn't considered. Steorz found the average film reached 100 million people over the period traced and there was an average 38% recall for all placement including background placement. The average for verbal reference and hands-on usage was 56%, Steorz reports.

For a 30-second spot on TV, she notes, average recall is 22% "and has been declining for five years, so we say our results in recall are 2½ times that of TV advertising." Although Krown mostly uses these generic figures, it commissions outside companies to do specific recall studies when requested.

As for what the CPM comes out to, based on the full distribution cycle covered, Steorz says, "It gets really silly. We're talking a CPM of 10–15 cents."

Krown's arrangements can be either with the studio or the manufacturer, and Jeffrey Mayne, director of marketing, notes certain filmmakers have contracted Krown to be their exclusive agent for a production. Recent clients placed in films include the National Milk Advisory Board in *Field of Dreams*, 7-Eleven in *Say Anything* and *Twins* (with Arnold Schwarzenegger drinking a Big Gulp) and a Pioneer TV set in *Lethal Weapon 2*. When working for the studio, Krown gets a percentage of funds generated. Advertisers pay Krown on a fee basis.

Pouring lots of milk

Where the Milk Board, for example, is interested strictly in placing milk in volume, Mayne says, others are more interested in promotional tie-in with a hit movie. *Batman* and the Indiana Jones movies, he comments, have had a particularly heavy amount of promotional activity connected with them.

UPP Entertainment is most typical of the companies placing products in films. Says McMullen, "We work with clients on annual retainers and try to put those clients into as many films as we can. We typically work with 300 film properties a year."

Although UPP claims to be the largest, other brokers operating similarly include Associated Film Promotions, considered the founder of the business, and Norman Marshall & Associates, heavy in automobiles and also representing Miller beer. Both are in the Los Angeles area.

UPP has a separate promotion and licensing department and represents such companies as Greyhound, Amtrak, Caterpillar Tractor, U-Haul and Buick. Dealing in volume, UPP doesn't expect to have too much say on how the product is presented: "If we were to hang our hat on a specific movie, we'd have very large pituitary glands here." □

Viewpoints

Gene P. Mater

Former CBS senior vice president. He is now with John Adams Associates, a Washington public affairs consulting firm.

So what's TV doing lately for women, blacks and Tlingit Indians?

Another survey has come out to prove scientifically that television entertainment programs do not accurately reflect the problems of our society.

Thank God.

And the same survey proves that the minority roles in those television entertainment programs do not match the percentages of the minorities in the population.

So what.

In my years at CBS and to this day, I have read and still read dozens—by now it seems like hundreds—of similar studies. They have been issued by unknown special interest groups and well-known researchers. Only the dates, numbers and perceived injured group or groups seem to change.

Today's lesson comes to us in a 44-page report issued by an organization with the jawbreaking name of the National Commission on Working Women of Wider Opportunities for Women. The name may not make much sense but that's what two groups—the National Commission on Working Women *and* Wider Opportunities for Women—came up with when they merged in 1987.

The report, funded by the Ford Foundation, goes through the usual monitoring of network entertainment programs, examining the representation of women and minorities in terms of numbers and roles, and comes up with the usual parade of horribles.

Statistical dictatorship

Because the U.S. population comprises 51.22% women, 48.78% men, 12.24 percent blacks, 5.99% Hispanics and lesser percentages of a host of other recognizable groups, must these percentages prevail in the casting of television entertainment programs? Or any predetermined percentage of those percentages? Indeed, why not go further and require 5.82 percent black male and 6.42 percent black female roles?

Seriously, and with no disrespect intended, I remember some years back when the Tlingit Indians—of whom I had never heard—suddenly became a point of West Coast percentage discussions.

No other art form—and, like it or not, for better or for worse, television is an art form—has been pushed and prodded to reflect the population statistics of the audience it serves. Why not similar quota systems for books, movies and Broadway plays? Or for the comic strips in our daily newspapers?

More important, does it matter? I can't recall any study attempting to demonstrate that television itself or society would be better served by such a character quota system. The people who make these quota arguments generally aren't even talking about equal employment opportunities; they talk about social consciousness.

Then there are the complaints in today's survey sermon that television entertainment doesn't show racial bias and "the reality of oppressive social structures." But is that what we really want to see when we turn to television for entertainment? And, again, will that make television better or make us better citizens?

Television does cover those "oppressive social structures," the racial bias and many if not all of the other abhorrent societal ills but television does so where such coverage belongs, in news and public affairs broadcasts.

Escapist fare

Television entertainment is just that—entertainment. We turn to those programs to relax, to laugh, to enjoy a dramatic presentation (soap or otherwise), not to see a reflection of the world's daily cares and concerns that we are trying to escape. And television entertainment fare is primarily escapist. It would fail of definition and purpose if it became preachy or otherwise tried to tell us, day in and day out, that the fabric of American society was being destroyed.

Most of the people who do these studies or decry the results are probably well-intentioned. I would not mock their efforts. However, I would object strongly and I would be concerned if any of these people came close to advancing successfully complaints such as those just outlined. This latest report contends that television is "consistently sweeping such major societal problems [as racism] under the rug," all because they don't show up in entertainment programs.

And this survey modestly suggests that it is "one step toward documenting TV's portrayals of minorities so that viewers, as well as broadcasters, can effectively work toward the creation of characters and programs which truly reflect the diversity and complexity of people living in America today." Unasked and unanswered is the question of who will watch such programs.

We never treated such studies too seriously at the networks when I was at CBS. I doubt that the situation is any different today. So let these people do their studies and let the television columnists report the results. Just keep your hands off *Murphy Brown*, *L.A. Law* and my other favorite programs.

Programming

Catch 22 time for many syndicators; want clearances, get unwanted times

As the new syndication season gets into swing, distributors of first-run product are facing an intensified "Catch 22" situation. The majority of distributors are finding that with so much barter involved, a mandatory 70% clearance is necessary—keyed to major markets—to attract advertisers, while at the same time the cards are stacked against them because the shows are not positioned in the dayparts for which they were designed.

That's the educated opinion of Mitchell Praver, Katz Continental vice president, director of programming, who says further that this season the pressures put upon syndicators have reached a new level, with these programs winding up in poor time periods and, consequently, not only suffering in the early ratings but even disappearing down the road.

The problem first surfaced with the advent of barter minutes taken out of first-run syndicated programs, according to Praver. This forced the distributors to clear major markets, which in turn forced them into a 70% clearance rate to pull in advertisers, he continues.

To achieve 70%, oftentimes distributors have to accept clearances that are not the best showcase for new programs, he says. "Programs designed for early fringe and access are often buried in early or late night time periods, where they don't get a chance to perform."

Some reasons. The reasons for these shows getting undesirable time periods, according to Praver, are basically tight availability in early fringe and access, the multitude of off-network sitcoms being triggered this season and last season, and the success of hour talk shows.

In 1985, says Praver, the only major sitcom to be introduced in off-network was *Gimme a Break*; in 1986, it was *Facts of Life*; and in 1987, there were *Family Ties* and *Cheers*. But in 1988, triggered was *The Cosby Show*, *Night Court*, *Newhart* and *Kate & Ally*, while this season there are a number of sitcoms, such as *Who's the Boss?* and *Growing Pains*.

In hour talk shows, the successful ones such as *Geraldo*, *The Oprah Winfrey Show* and *Donahue*, have been upgraded to early fringe, "taking up a lot of time periods," notes Praver. Adding to the tight marketplace is that longterm commitments to programs have increased. You have three and four-year renewals for *Oprah*, *Wheel of Fortune* and *Jeopardy*, for example. Access, especially, is very tight with *Wheel* commited, *Cosby* in markets below 50, and *A Current Affair*, which is being upgraded to access, plus other shows which are running in access such as *Entertainment Tonight*, *Inside Edition* and *Family Feud*."

Game shows. In game shows, many designed for affiliate access are being positioned on indies in the daytime or on affiliates in late night, where games tend not to perform. This season "misplaced" shows include *Jackpot*, *Third Degree*, *The Last Word* and *Talkabout*, points out Praver.

Mitchell Praver.

In reality shows, the situation has been similar, he says. Last season *Group One Medical* and *Family Medical* were positioned to be in a court show block or as a soap opera adjaceny, but in metered markets that was hardly the case. In the current mix, *Trial By Jury*, among court shows, and *The Joan Lunden Show*, for one, are all over the lot, with late-night and noon clearances, although talk shows perform best in the 9 or 10 a.m. slot, Praver notes.

Too, most distributors don't have the leverage to get the first crack or to secure time periods comparable to what they want, notes Praver. King World, Paramount and Tribune Entertainment are among those that generally fare best when it comes to positioning their product, he says.

Looking at 1990 programs, Praver believes many in the syndication industry are getting into a similar trap. "There are some two dozen game shows in development for next season's race. There's a possibility there's a need for one for early fringe, so that's 24-1 odds. In access, too, there's perhaps a need for one program. Game shows are being developed because they are cheap," but it's evident that those few that make it will wind up in poor time periods.

A few distributors have pulled the plug on a show rather than have it potentially airing in an unwelcome time slot or get poor clearances, adds Praver. This includes *Celebrity Secrets*, via Casblanca IV. "They saw what was out there and decided to hold the show instead of potentially damaging it."

Europe barter confab on Nov. 2

The first European Conference on Advertiser-Supported programming has named its speaker line-up and chosen panels for the confab, to be held in London on Nov. 2. Chairman of the one-day event will be Michael Peacock, former head of BBC-2. The conference is sponsored by Advertiser Syndicated Television Association and the U.K.'s Independent Programme Producers Association.

Participants from the U.S. include George Back, ASTA/All American TV; James Connell, Procter & Gamble Co., Inc.; Tim Duncan, ASTA; James C. Dowdle, Tribune Broadcasting; Roger God-beer, Colgate-Palmolive Co.; Irwin Gotlieb, D'Arcy Masius Benton & Bowles; Karl Kuechenmeister, Warner Bros.; William Lynn, Coca-Cola Co.; David E. Salzman, Lorimar Television; Paul Talbot, Fremantle International; and Jack Otter, ASAP.

The day of the confab will open with "Free TV: Threat or Opportunity? The morning session will focus on "Syndication in the U.S." and on "Advertiser Suported TV: Will It Work in Europe?" Afternoon panels will center on "Regulation and Finance in Europe," "Barter in Europe" and "The Producer and Advertiser Standpoint."

On Nov. 3, ASTA will sponsor a breakfast, "Where Do We Go From Here?"

MCA TV-Para barter tie detailed by Schwab

The recently announced formation of a joint venture between MCA TV and Paramount Domestic Television for selling advertising distributed by both companies is a reflection of the dramatic changes taking place in the syndication marketplace, says Shelly Schwab, president, MCA TV. (See feature story on barter alliances, TV/RADIO Age, Sept. 18.)

"The marketplace is consolidating," he says, and the reason why the joint venture, Premier Advertiser Sales, "makes sense to us is that this association now makes us the fifth largest source of advertising time in the country, behind the three networks and Fox." Schwab says the joint venture will now represent about 25% of the estimated $1 billion in barter syndication. "The combined companies do about $250 million, and make us the largest supplier of first-run syndication to national advertisers."

Economics was one of the least important reasons for the forming of the new company, notes Schwab, so far as MCA TV was concerned. "We were looking at the big, big picture, which dictates that companies that are able to represent themselves as a major player are in a better position to negotiate with agencies and clients than as separate entities." The joint operation also works well for the agencies and clients, he continues, in that they "can sit down with one representative who can put together a lineup of shows that meet most of their clients' needs."

Home base. Premier will be home-based in New York, with offices in Chicago, Los Angeles and Detroit. Marc Hirsch, executive vice president of International Advertiser Sales, which was the joint barter sales venture of Paramount and Orbis Communications, joins Premier as president.

With the new joint venture, IAS is dissolved. Under the new company, Orbis product will be sold by Premier, but Orbis will not be a participant in Premier. David Brenner, senior vice president, MCA TV, becomes executive vice president of Premier.

The new operation will be governed by a six-member board, made up equally of three from each alliance partner.

At this point, Schwab says, advertiser-supported activity at Premier will be limited to shows from MCA TV and Paramount. However, the door is open "to whatever makes sense to the new venture. And if it makes sense down the line to expand the venture, we will. But right now our only goal was to form a company that would represent both MCA and Paramount product."

Programs to be represented by Premier include Paramount's *Star Trek: The Next Generation, The Arsenio Hall Show, War of the Worlds, Friday the 13th: The Series, Hard Copy*, and its first-run movie package. MCA TV brings to the Premier table: Universal Pictures Debut Network, *Lassie, My Secret Identity, The Munsters Today, Out of This World, Inside Report*, a new daytime talk show hosted by Cristina Ferrare, currently in development, and *Charles in Charge*.

Barter sales of *Charles in Charge* are handled at present by both MCA TV and Tribune Entertainment. Now Premier will share the sales efforts with Tribune, says Schwab.

A new game show, *aptly called "Trump Card," marking Donald Trump's initial venture into TV production, will be developed by Lorimar Television and distributed by Warner Bros. Domestic Television Distribution. "Dealers" signing the deal are, l. to r., Dick Robertson, president, WBDTD, Trump and David Salzman, president, Lorimar Television. The show is aiming for access, in a fall 1990 kickoff and is being offered to stations on a cash-plus a barter minute-and-a-half for national sales. "Trump Card" will include home participation in several test markets during the first season and may go nationwide after that.*

Several network series 'dogfights' loom at 10 in fall on three nights

Several of the hardest fought ratings battles of the TV networks' new fall season will occur in the closing hour of primetime on Tuesday, Wednesday and Friday nights.

Last season's Nielsen wars say NBC's *Midnight Caller*, with a 24 share, edge ABC's *thirtysomething* by a mere point Tuesdays at 10 p.m. (ET). The following night CBS' 22-share *Wiseguy* slipped past ABC's *China Beach* by just two share points. And ABC's 25-share *20/20* topped CBS' *Falcon Crest* by three points in the 10 p.m. Friday spot. Those time slot winners should repeat this fall, most agencies say. However, since none is a runaway hit, there is potential for upsets, some agencies feel.

Kim LeMasters, CBS Entertainment's president, sees Richard Chamberlain's *Island Son* as "a perfect alternative" to the returnees in the 10 p.m. Tuesday slot. *Midnight Caller*, however, has proven to be NBC's strongest series in that time period in a long time, says Brandon Tartikoff, NBC Entertainment president. At ABC Entertainment, Robert Iger, president, feels *thirtysomething* will be bolstered by women delivered by its lead-in comedies.

Most agencies expect *Caller* to take this time period once again this fall. McCann-Erickson cites that series' strength with women 35-plus and men 50-plus. Bozell sees *Caller* edging ABC as *Island Son* finishes "a distant third." On the other hand, BBDO predicts a tie between *Caller* and *thirtysomething.*

"Quirky" Wednesday. Iger anticipates that the audience-flow benefits for *China Beach* on Wednesday at 10 p.m. will be similar to those aiding *thirtysomething*, although he acknowledges that the Vietnam War series again will be "in a real dogfight" there.

"Caller," top, vs. "thirtysomething."

CBS' Wednesday strategy, says LeMasters, is to create "enough of a HUT level" from 8 to 10 to boost *Wiseguy*'s fortunes. Each network is offering relatively uneven audience flow into the closing hour of Wednesday night, he observes, because "10 o'clock operates out of its own demographic," unrelated to what has gone before. *Wiseguy* has a strong urban following but loses ground in rural areas, other CBS execs point out.

Tartikoff, meanwhile, sees potential for *Quantum Leap*. Though a late starter with so-so ratings last season, this time-travel series "merits our patience," he feels. Given the odd assortment of programs on its Wednesday roster, Tartikoff concedes that it's "the quirkiest night of programming."

Here too most agencies feel *Wiseguy* will repeat its winning ways his fall, albeit narrowly.

"Night of opportunity?" Until last season, Friday was an ABC trouble spot but thanks to the success of another of its 8 to 10 p.m. comedy blocks, Iger says, this is "now a solid No. 1 night for ABC." The durable *20/20* now consistently beats CBS' *Falcon Crest*. CBS' LeMasters says he was unwilling to drop that serial, with a slipping 22-share, since soaps offer "the opportunity to refresh" storylines and characters and since there would be no guarantees its replacement could score that well.

For NBC, Friday represents a night of opportunity," in Tartikoff's opinion. He feels *Mancuso, F.B.I.*, part of its male-oriented block, can attract elusive young men while also draining some viewers from *20/20* and *Crest*. McCann predicts *20/20* will win but *Mancuso*'s male audience will give it the "undisputed second spot" ahead of the femme-appeal *Crest*. Bozell expects "a virtual three-way tie for the night" but at 10 "ABC should edge out NBC, with CBS a close third."

Turning to Thursday at 10 p.m., where NBC's *L.A. Law* is the time period powerhouse, McCann-Erickson predicts yet another tight race. CBS' *Knots Landing* should add "about a dozen share points to its soft 9 o'clock lead in [*Top of the Hill*] to bring [CBS] wihtin a share point of NBC's *L.A. Law*."

DLT looking for 'The Saint' movies to go marching in strong in fall debut

While other producer/syndicators are locking horns, fighting to lock up access or early fringe time periods for their first-run product, DLT Entertainment is enjoying the first-run primetime period almost all by itself via original movies.

The project, Mystery Wheel of Adventure, 10 two-hour movies, is looked at by Don Taffner, president of DLT, as the indie stations' answer to network programming in primetime, and as an appealing replacement for stations which have been running a movie in that time period.

Although DLT has the first-run primetime movie field virtually all by itself this fall, the financial risks in such a large-scale venture were especially high, given the network and off-network movie competition and the escalating costs of production. To help the deficit financing, DLT, says Don Taffner, president, has again called on overseas partners, as he has with many previous projects.

"We're involved with London Weekend Television in London," says Taffner, and CND, which is part of Radio Luxembourg, on the *Saint* films. Six of the films in group are based on the Saint and star Simon Dutton. On three others, which are adaptations of Dick Francis mystery novels, DLT is linked with CTV, in Canada, and RTE, the Irish Television Network, in Eire. The 10th film is *Star Trap*, an original offbeat mystery.

Worldwide rights. DLT has the worldwide rights to the package, and the partners "have the advantage of getting the entire package for airing, although they only took part in producing a few of the movies," says Taffner.

DLT put up most of the money for all 10 pictures, says Taffner, with budgets of some $2.5 million each. Two of the Saint films, *The Brazilian Connection* and *The Blue Dulac*, have already been run on LWT, where "they got pretty good ratings," according to Taffner. In New York, the movies start on WWOR-TV on Sundays beginning in mid-October. The DLT plan is to have the package run weekly in the fourth quarter over 10 weeks, and repeat at the end of the first quarter into the second quarter of 1990.

The new *"Saint" for the 1990s stars Simon Dutton, in six of the 10 made-for-TV movies from DLT Entertainment.*

The movie package has General Motors and Procter & Gamble as its major sponsors and has a lineup of close to 80% of the country. Taffner looks to a coverage of 85% or so by the time the initial movie begins its run.

The long-range production plan is to develop and produce an additional 10 in the package. "This is a pilot test for us, and it's possible we'll add additional characters as we produce more movies."

Another option is that *The Saint* may be spun out of Mystery Wheel and become a weekly hour series, says Taffner. "If we find enough stations want *The Saint* as a series, we'll replace it in the movie package. We're giving the stations as much flexibility as we can to run original programs."

If *The Saint* is spun off, a search will be conducted by Taffner to find other characters "of marquee value" to replace *Saint*. "When we talk about *The Saint*, people know who he is. We can't start from scratch with an unknown as the networks do, which can use national promotions to introduce the character."

Both *The Saint* character and the Dick Francis novels are internationally known, points out Taffner, so he envisions strong international sales on the film package. "Things are coming in quite well internationally."

Other areas. In other areas, DLT is introducing *Talkabout*, game show, and a half-hour special, *Igor's World*, this fall. In the case of *Talkabout*, the program premiered Sept. 17 and has been cleared in "just under 60% of the country, and we are out there trying to find advertisers for it."

Wright keynotes at NATPE meet

NATPE International has named Robert C. Wright, president and CEO of NBC, as its keynote speaker at the opening of the 27th program conference, and has announced its tentative agenda. Wright will deliver the opening address of the confab, to be held in New Orleans, Jan. 15–19, at the general session breakfast on Jan. 16.

As to the agenda, business highlights are Monday meetings by the reps, groups and networks, and a session on Minority Programming. The moderator will be the Rev. Jesse Jackson. On Tuesday, Jan. 16, there will be three concurrent workshops: A View from Washington, Promotion, and Advertising. After the general session/lunch, an international seminar is scheduled.

On Jan. 17, a general session/breakfast will focus on Primetime 90s: Movies, Movers and Shapers, followed by three concurrent workshops: Movin' Up or Movin' Over, Syndication, and Hot Issues. Also on Jan. 17 is a seminar, Television for the 90s: How to Face it in Latin America.

Thursday's schedule has three concurrent workshops in the 8:20–9:30 a.m. slot: Catching the Programming Wave, Local Program Money Makers and Cable Opportunities for Broadcasters. Also on Thursday is a Technical workshop, Fighting Fragmentation, and Sex in the 90s.

On Jan. 19, is a USC seminar on Managing the 1990s and a luncheon, and winding up the convention is a business meeting.

Syndication shorts

Republic Pictures Domestic Television's *The John Wayne Collection*, film package of 16 titles, has been picked up by nine markets, increasing the total percentage of stations cleared to 76% of the U.S. Among the new stations are KRIV-TV Houston, KDNL-TV St. Louis, KOKH-TV Oklahoma City and KXIV-TV Salt Lake City.

Harmony Gold has acquired the worldwide distribution rights, excluding Canada, to the Canadian feature film *Remembering Mel* from Entertainment Inc. The movie follows the ill-fated efforts of a bizarre film crew who set out to make a documentary about the life of Mel, a self-admitted loser.

TeleVentures has launched *Pegasus II*, 21 feature films from Tri-State Pictures. Among the titles are *See No Evil, Hear No Evil, The Principal, Bat 21, Like Father, Like Son* and *Chances Are*.

ITC Domestic Television has acquired *Sex, Lies and Videotape* along with eight other pictures to be released by Miramax Films.

Latest stations to join the *Jackpot* lineup are WTNR-TV Indianapolis, WCSH-TV Portland, WHBF-TV Davenport and WJW-TV Cleveland. The game show strip, which is distributed by **Palladium Entertainment,** has a current lineup of 90 stations.

Man in the Moon's *Today in Music History*, a music calendar series of 365 30-second vignettes, went into its sixth year this fall. The series is covering 90% of the U.S., including WPIX(TV) New York, KHJ-TV Los Angeles, WGN-TV Chicago, WTAF-TV Philadelphia, KBHK-TV San Francisco-Oakland-Santa Rosa, WFXT-TV Boston and WKBD-TV Detroit. Other vignettes produced by Man in the Moon Productions include *Quick Shtick, Another Guinness Record* and *Classic Moments*.

I.A. Entertainment will distribute *Jake's Fitness Minute* internationally. *Minute* is a series of 200 one-minute segments.

MCA TV has launched half-hour comedy series *What A Dummy* for fall 1990. Concurrently, MCA has cleared the series on six Fox-owned stations, which represent 22% of the U.S.: WNYW-TV New York, KTTV(TV) Los Angeles, WFLD-TV Chicago, WTTG-TV Washington, KDAF-TV Dallas and KRIV-TV Houston. The series is available via barter and is targeted for early fringe/prime access daypart. *Dummy* is production of Arthur Co., which also produces *Munsters Today* and *Adam 12*, among other shows distributed by MCA.

JM Entertainment has begun clearing stations and selling advertising on *Red Hot & Cool*, half-hour weekly music series set for a January debut. The show, produced by Bill Davis for SI Communications, is hosted by song stylist Nancy Wilson. A pilot of the ad-supported series, which will contain 26 episodes, has been shot, and features Bill Henderson and Lee Ritenour. Future shows will be taped before a live audience in Los Angeles.

Eclipse entertainment has cleared *Travel & Adventure* in 46 markets, including all of the top 10 and 14 of the top 20. Stations include six network owned stations: WCBS-TV New York, KNBC-TV Los Angeles, WLS-TV Chicago, KGO-TV San Francisco, WRC-TV Washington and WKYC-TV Cleveland. Among other stations cleared are WBZ-TV Boston, WDIV-TV Detroit and WFAA-TV Dallas.

Ike Pappas, *host of the Orion Television's "Crimewatch Tonight," is flanked by KPLR-TV vice president and general manager Bob Fulstone, l., and Elliot Troshinsky, GM of KRBK-TV Sacramento, at Koplar Communications event. Both stations air series.*

Zooming in on People

Guber-Peters Television has made a series of appointments. **Howard Mendelson,** senior vice president, advertiser sales since January 1985, becomes executive vice president. **Lee Rudnick,** who joined the firm as vice president, eastern region sales in December 1987, becomes senior vice president, east coast sales and general sales manager. **John Weiser,** vice president of program sales, is appointed senior vice president west coast sales. He joined the company in March 1988.

Other appointments: **Katherine Kladopoulos,** operations manager, becomes account executive. **Patrica Domina,** with program sales, east coast, since 1987, is director of creative services, east coast; and **Mary Jester** is director of creative services, West Coast.

Margaret "Mara" Sternthal has been named manager, International TV Sales, **ABC Distribution.** Before joining Capital Cities/ABC Inc., she was assistant vice president, Europe division, at the Irving Trust Co.

Ami Hope Witt has been appointed central division manager at **DLT Entertainment.** Witt comes to DLT from the Silverbach-Lazarus Group, where she was vice president, central division.

G. Gregory Miller has been appointed a vice president, programming, at **Tribune Entertainment.** He joins Tribune from Great American Broadcasting, where he was vice president, television operations, representing GA in numerous partnership arrangements.

Robert Liuag has joined **Group W Productions** as senior analyst in the research department. Liuag was senior research analyst at 20th Century Fox Television.

Paul Landau has joined **Harmony Gold** as director, business and legal affairs. Most recently, Landau was at NBC in its business affairs department in Los Angeles.

Jim Ricks, Jr. has joined **ITC Domestic Television** as senior vice president, southeast sales. Prior to the ITC appointment, Ricks was senior vice president, general sales manager at Barris Program Sales. Previous to that Ricks was with Orion and Viacom among others.

Jerry Rettig, former senior vice president of creative services at Worldvision Enterprises, has

Jerry Rettig

joined **SFM Entertainment** in marketing. Prior to his Worldvision post, Rettig was sales manager at WPIX(TV) New York, a Tribune Broadcasting station.

Roger Lefkon, executive vice president, **Ventura Entertainment Group,** and **James Osmond,** president, Ventura Media Center, have been elected to the board of directors at Ventura Entertainment Group. Prior to his appointment at Ventura in May, Lefkon was president of DIC Enterprises Entertainment division. Osmond joined Ventura in July.

Cable Programming

USA's the USA World Premiere Movies will unveil six movies in the first quarter of 1990 as part of its commitment to create 24 original productions in the first season, which started in April. The upcoming lineup of films are *Pride and Extreme Prejudice*, *The China Lake Murders* (working title), *Dangerous Pursuit*, *Personals*, *A Casualty of War* and *The Take*.

Also at USA, the network has acquired *MacGyver* for broadcast beginning with the 1990–91 season. *MacGyver*, hour-long action adventure show in its fifth season on ABC, is the first off-network, presyndication series sold by Paramount Television directly to a basic cable network.

The A&E Network will present the North American premiere of an eight-part documentary series, *The Road to War*, beginning Oct. 11. The series examines the two decades leading up to World War II.

HBO Pictures has three new films in various stages of production: *Precious*, *Grand Tour* and *Red King, White Knight*. *Precious*, called a romantic caper film, stars Jeff Goldblum. *Grand Tour*, a thriller, features a cast including Powers Boothe, Rebecca DeMornay, Martin Landau, James Earl Jones and Rip Torn. *Red King, White Knight* stars Tom Skerritt as an ex-CIA Man lured back into service. Max von Sydow is featured. A fourth film, *The Image*, will air on HBO in January.

TELEVISION/RADIO AGE

Station Report

October 2, 1989

PROMOTING TO BELIEVERS

A religious format isn't keeping WWDJ Hackensack-New York from innovative advertising sales approaches—such as a taste test party at a local shopping mall for the Jenny Craig diet plan./55

PITCHING HISPANIC TV

Hispanic TV audiences aren't the same old story from market to market. The differences in how several of these stations pitch their audiences indicate a market that's not as homogenous as it seems./56

SELLER'S OPINION

As advertiser dollars have shifted from advertising to promotion, the next step is seen as shifting promotional dollars to public relations./57

SPOTLIGHT ON . . .

Automobile marketing is no longer a matter of reaching men only, says the media director of an advertising agency serving the Honda Dealers of Western Pennsylvania./59

"...the most authoritative source."

Darrel Cunningham
General Manager
KHBS-TV
Fort Smith, AR

Darrel is one of thousands of engineers, programmers, general managers and financial people who get and regularly use the **Television & Cable Factbook.**

Pictured above *(left)* with news director, Craig Cannon, Darrel told us, " Since we got our *SKYLINK* satellite news gathering vehicle, we talk to TV stations all over the country."

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WWDJ promotions include listener taste test for Jenny Craig diet plan

On Sept. 5 WWDJ Hackensack-New York unveiled its new sound and new look as "New York's Christian Radio." While the station has been featuring Christian teaching and music for 15 years, general manager Joe Battaglia says the repositioning includes more music, offering the latest in contemporary Christian favorites from such artists as Amy Grant, BeBe & CeCe Winans, Sandi Patti, Deniece Williams and Michael W. Smith. With all this comes a new logo and new on-air IDs and jingles.

But Battaglia says WWDJ has been working up to this for 15 years and already has solid roots in its market. What's new, he says, is that "Now we're out to prove that Christian radio can be just as much fun to today's younger, with-it listeners as any other kind of popular format. We want to go where Christian radio has never been before."

Sponsor tie-in. Battaglia adds that his format comes complete with on- and off-air contests, stunts and parties, much like a lot of other formats these days. And the promotions often involve advertiser tie-ins.

As one example, Battaglia recalls. "We approached Jenny Craig [a weight-loss program similar to Nutri/System in respect to its testimonial commercials and recommended foods] with the idea of a listener taste test party at a local shopping mall to introduce the plan to our listeners. We had our air personalities out there to broadcast live reports and get our listeners involved first-hand by letting them find out for themselves that the recommended diet food is not only not boring; it actually tastes good."

For another promotion, Battaglia notes that WWDJ had no corporate sponsor for its July 29 Big Splash family beach party, "But it was so successful we're looking for sponsors for our re-run of Big Splash next summer. The Ocean Grove Beach folks tell us they attract about 2,000 on a normal nice July day. But 7,000 or 8,000 showed up on Big Splash day, and that evening we filled their 6,500 seat stadium for our contemporary Christian concert."

But before the concert, Battaglia says the Big Splash events included a 5 K run for the joggers, a sand castle building competition for the kids and a volleyball tournament for youth groups from over 20 different churches.

Sports tie-in. He says the station also reaches out to such widely diversified audience segments as sports fans and to both listeners and to the needy in Manhattan.

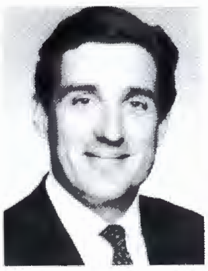
There was the evening, for instance, when WWDJ staged a performance by a contemporary Christian music group following a New Jersey Nets home basketball game in the Byrne Arena in New Jersey's Meadowlands sports complex.

By Battaglia's reckoning, the performance "drew a crowd of close to 4,000 people, over and above normal Nets attendance. Nets management told us it was one of the most successful game-linked events in their experience."

In Manhattan WWDJ stages a monthly contemporary Christian music concert at the Lambs Theater at 44th Street in Times Square. Says Battaglia: "We bring in our top artists, and our personalities act as masters of ceremonies and hosts for the evening. Also, in line with the Christian philosophy of asking, 'What can I give?' instead of 'What can I get?', we cosponsor Cold Busters with the City of Hope Ministry. During the winter we work with City of Hope to distribute 'Cold Buster' bags with a scarf, warm mittens or gloves, a warm drink, a Gospel of John and a list of addresses of Christian shelters. Most of these are in a church and are cleaner and safer than most city shelters."

Joe Battaglia

Group W sells regional cable sports



Atherton

Heath

Kent Atherton and Lavada Brown Heath are among the sales managers named by Group W Sports Marketing to head its six sales offices. Group W Sports Marketing is the new sales and marketing organization formed by Group W to serve the regional cable sports business and already works for several regional cable sports networks. These include three Prime Network regional sports cable webs: Home Sports Entertainment, Prime Sports Network and The Sunshine Network; Prime Ticket and Home Team Sports.

Atherton, who had been national sales manager for Group W Television Sales, will head the New York office. Heath, named Los Angeles sales manager, had been general manager of Seltel's Los Angeles sales office.

Other sales managers include Ron Murphy, former president of Game Plans Marketing, in Chicago; Dale Foshee who had been general sales manager of WCAY-TV Nashville, in Dallas; Jim Liberatore, former MMT Sales account executive, in Detroit, and Mike Panethere, who had sold for Katz, in Atlanta.

XEWT-TV, KENS-TV, KVDA-TV, WBFS-TV promote Hispanic viewers

The different approaches used to sell their Hispanic audiences by television stations straddling the nation's southern border reflect some of the market-by-market differences along those borders. Some of these stations speak Spanish, others speak English and a few speak both, depending on the time of day.

Some use research. Just across the border from San Diego, XEWT-TV Tijuana uses both market facts and an emphasis on the attraction of its made-in-Mexico programming to an audience that is Mexican in Tijuana and of overwhelmingly Mexican origin in San Diego.

Growing buying power. XEWT director general Jose Luis Guasch points to Strategy Research Corp.'s estimate of $2.8 billion in purchasing power for the almost half million Hispanics in fast-growing San Diego alone, then adds 1.5 million Mexican residents of Tijuana plus a "floating population" of another 300,000 who live in Tijuana but work and shop across the border in San Diego. Guasch shows U.S. Hispanic Chamber of Commerce data indicating that Tijuana residents spent $1 billion in San Diego retail outlets last year. These shoppers, he adds, made an average of 6.7 shopping trips a month to the U.S. side, spending an average of $136.35 per visit.

Jose Luis Guasch

While *Sales & Marketing Management's* August 1989 *Survey of Buying Power* duly noted that San Diego alone is the fifth fastest-growing U.S. market, jumping two notches from 15th ranked market in 1987 to 13th ranked last year, Guasch shows prospects that although San Diego's general market has indeed climbed 104% since 1970, the Hispanic part of it jumped 290% over the same period, according to Strategy Research Corp.

Other SRC data on San Diego Hispanics indicate 32% hold white collar jobs and 51% hold blue collar jobs that together bring their families a median income of $27,457, close to San Diego's general market median of $29,891.

Turning to the R. L. Polk track of automobile sales, Guasch notes that while San Diego's general market total vehicle sales volume grew 71% between 1984 and '88, Hispanic spending on cars and light trucks jumped 147% over the same four years to reach $176 million last year. And SRC, he adds, "counted an average of two cars per San Diego Hispanic household."

Report available. Cars are just one category XEWT uses to illustrate the value of its Spanish-speaking market, concludes Guasch, brandishing a 55-page report including all of the above and more. He notes, "Agencies don't have to call us in Tijuana to get a copy of this report. They can call our representative, Univision, in Los Angeles or New

York, even though we carry only a couple of Univision's most popular shows like *Sabado Gigante* and *TV Mujer*. We're primarily a Televisa affiliate. That means most of our entertainment programming is produced in Mexico, our local news is the product of our own news teams covering both San Diego and Tijuana, and our world news is fed by ECO from Mexico City."

All this, he adds, "attracts what SRC tells us are younger, larger and brand-loyal families, best reached in their own Spanish language. And our advertiser and agency friends get them in two markets, San Diego and Tijuana, for the price of one."

Jerry Policoff

Go east to Texas, to border markets like San Antonio, where more Hispanics are more assimilated second, third and more generation Mexican-Americans, and there are English language stations also selling their Hispanic viewers to advertisers. They also use a variety of approaches to both attract Hispanic audiences and promote them to advertisers.

Jerry Policoff, national sales manager of Harte-Hanks' English speaking CBS affiliate KENS-TV San Antonio also uses research. He quotes numbers from Hispanic Arbitron and other sources to compare Hispanic viewing to KENS and to Univision affiliate KWEX-TV.

Policoff's KENS presentation finds further support from non-broadcast sources. One is a report by Hispanic researchers for the (*continued on page 58*)

One Seller's Opinion

Broadcasting seen as a good tool for public relations

Roda

Just as the 1980s saw the shift of promotional dollars from advertising to sales promotion, the 1990s will see another shift of these dollars into public relations. Consumers became disenchanted with too much clutter and too many misleading half-truths in advertising, and now the public has little faith in sweepstakes (reinforced by Kraft's current dilemma). Premiums and refunds also are rarely received within the six to eight weeks promised in the advertisers' "rules and regulations." The fulfillment house is usually blamed as if the advertiser has no control over what happens.

Many customers are also fed up with coupons that offer free sample sizes that are seldom available in the supermarkets, and shoppers are beginning to hear about "slotting allowances" paid to supermarket chains that limit competition and the number of new products offered to the public. Most of thse sales promotion dollars are going to the trade and rarely benefit the consumer. These advertisers will eventually have to explain these cash payments and the so-called marketing agreements in the courtroom.

The 1990s should be the "Decade of the Consumer," with a rapidly changing social, economic and political environment. The advertiser will spend less money promoting products and services as he is forced to shift to explaining his corporate policies—including pricing, pollution, food additives, labeling, excessive packaging, and product safety.

Beer and cigarette companies will have to explain their under-21 target marketing, and tuna processors will find it necessary to explain their fish inspection policies. And the meat and poultry producers will feel consumer pressure to prove the need for the antibiotics and the hormones found in their products.

Supermarket chains may still be featuring broadcast advertising about "values" in the 1990s but will also stress that their products are adequately marked, free from pesticides, and not biologically or genetically "improved." Wine companies will be required to list their products' ingredients on their labels, and the automobile manufacturers will use broadcasting as a means to support the safety claims of their vans and light trucks. Also in the 1990s, banks will be spending more advertising dollars to explain their branch closing and check-cashing policies in low income areas.

But private advertisers will not be the only entities using broadcast advertising as a public relations tool. Politicans at all levels of government—federal, state and local, will be doing this too. Housing departments, welfare agencies and boards of education from one end of the country to the other will have to explain their many failures in a positive way, if they can. And broadcast advertising can be one of the most effective tools for delivering these kinds of messages that can help be part of the solution to the public relations dilemmas of the '90s.—**Charles Roda,** *adjunct professor, Pace University and new business development consultant*

(from page 57)
Southwest Voter Registration Education Project of San Antonio called *The Mexican-American Electorate: Information Sources and Policy Orientations* showing news sources most used by San Antonio's Hispanics. Another is an insurance industry-sponsored study by Response Analysis among Hispanics with household incomes of $18,000 and up that indicated more Hispanics at this income level who also have telephones preferred to reply to telephone interviewers in English. And Policoff's Arbitron reach and frequency comparisons put KENS' performance among San Antonio's second and third generation Hispanics above that of Spanish-language KWEX-TV.

Arthur Emerson

New station. But such numbers aren't discouraging more new Spanish language competition. Last month KVDA-TV hit the air to give Telemundo an over-the-air San Antonio affiliate. Its vice president, general manager is none other than ex-KENS sales manager Arthur Emerson. The optimistic Emerson is buoyed by Telemundo's assertion that "Wherever we have entered an established Univision market, Hispanic viewing as a whole has climbed by at least 20%."

Meanwhile KWEX general manager Heberto Gutierrez told the San Antonio *Daily Commercial Recorder* he expects his ratings to be helped by Univision's newest programming, "updated to meet the tastes of the growing number of younger Hispanics living here."

The way Emerson sees it, Univision is being pushed into such improved programming by the competition from Telemundo, "now producing over 40% of our programs here in the U.S. to make it more attractive to Hispanics who live and work here in the U.S." Either way San Antonio's 824,200 Hispanics now enjoy a wider choice of programs on their home screens.

Emerson also says that even before KVDA went on the air, "We were designated the official station of the Hispanic State Fair held in San Antonio in July. Through our support of the fair, thousands of people saw our commitment to the community, even before they saw Telemundo's great programming." And KVDA, he adds, was also the official sponsor of September's Diez Y Sies Parade commemorating Mexico's independence from Spain. KVDA broadcast the celebration live.

Finally Emerson points to KVDA's signal strength with its newly installed 1,500 foot tower and an ERP of 5 million watts. He adds that coinciding with KVDA's debut is addition of Telemundo programming to Paragon Cable, "San Antonio's only cable system passing over 400,000 homes. Thus Telemundo programming becomes part of the basic service for Paragon's 250,000 subscribers, about half of whom are Hispanic."

Bilingual basketball. A third tack has been taken by English-language WBFS-TV Miami. This is a move John Cuddihy, director of Katz Hispanic Television Sales, says will enable advertisers to insert both Spanish and English language commercials "directly into live sports programming."

WBFS general manager Jerry Carr explains, "Sports Channel of Florida has the cable rights to Miami Heat NBA basketball and they've permitted us to deal with the six or seven cable companies serving large Hispanic subscriber bases in this market—companies who already have their own agreements with Sports Channel of Florida."

Carr says these cable systems are allocating WBFS a second cable channel position during the 25 Miami Heat games scheduled for the upcoming NBA season starting this fall: "We'll have Spanish speaking sportscasters and avails for Spanish language commercials that we'll be selling locally and Katz will be selling nationally. First refusal goes to last season's sponsors of our English-language play-by-play on WBFS."

These advertisers included Miller Beer, Texaco, Nissan, Bank Atlantic, Burger King and Publix Food Stores. Carr says 1988 was the first season for Miami's then new NBA expansion team. "The Heat generated so much excitement that every game was an event. The Heat's new arena seats 15,000 and last season's games were 96.9% sold out. Over 13,000 of these fans were season ticket holders and a large percentage of these ticket holders had Spanish surnames."

Says Katz's Cuddihy: "Miami is not only a top Hispanic market, but Hispanics here, although generally bilingual, have a decided preference for speaking Spanish. That makes Spanish language telecasts of the Heat a natural."

Cuddihy also sees the WBFS arrangement with the cable systems as "one of the few ways to reach young adult Spanish speaking males by television. Sure they love baseball. But Miami has no professional baseball franchise. The Heat and football's Dolphins are the only two professional teams Miami has."

Seltel forms fifth team in Chicago

Seltel, Inc. has formed the Rockets, a new fifth sales team in the rep's Chicago sales office. The Rockets will be headed by Dan Trapani, now promoted to team manager following five years as an account executive in Chicago. President Raymond Johns calls formation of the new team "a response to Seltel's explosive growth this year. During this last year we have made many enhancements in our operations and service, and earned representation of 20 new stations. The Rockets was also formed to answer recent growth in Chicago's advertising marketplace."

Spotlight On...

Frank MacNamara

Executive media director, Chief executive officer MacNamara, Clapp and Klein, Inc. New York

Frank MacNamara explains that, though the new commercial the agency created for the Honda Dealers of Western Pennsylvania kicked off in mid-September only in the Pittsburgh market, he expects to see it rolled out into other markets, "because it's a common practice for one dealer group to sell its best commercials to other dealer groups around the country."

MacNamara observes that automobile marketing "is no longer a matter of reaching men only. Both Honda's own surveys and syndicated research show women today exerting much more influence on car purchasing than they used to. One result is we still use sports to reach men, but now we add news and selected primetime programs to reach both men and women."

He says that in working with auto dealer groups, "We're careful to coordinate with the factory's national schedules in order to extend Honda's exposure and avoid overlap and duplication. For instance, if the factory is running spots on a primetime show on one of the networks, we'll extend that reach to additional viewers by buying on local independents covering the dealer association's territory."

MacNamara says the new Honda commercial uses "a new application of paintbox technology that speeds up and slows down the display of Honda cars. Our visual is actually composed of individual 35mm slides of the cars, and we used Production Masters in Pittsburgh to transform the slides into a commercial. The process they use enables the still slides to come to life by making their background colors consistent, changing the car colors, rotating car wheels and adding shadows. And on top of all this, our Honda commercial was produced in record time, two days from start to finish, entirely in the studio."

Other MCK clients using broadcast, he says, include MEM, on both television and radio, *Omni* magazine on television, and some wines. For instance, he says Antinori's Galestro Wine "used radio quite successfully this summer."

Appointments

Stations

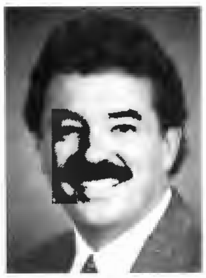
Bill McGowan has been appointed vice president, operations and sales, Fox Television Stations Inc. He is replaced as vice president, station manager of Fox's KTTV(TV) Los Angeles by **Mitchell Stern** who had been vice president, chief financial officer for Fox TV Stations.

John Sloan has been promoted to president and general manager of KWQC-TV Quad Cities, recently acquired by Broad Street Television from Palmer Communications. Sloan came to KWQC in 1987 and now moves up from station manager.

Raymond J. Schonbak has been named executive vice president, broadcasting of Koplar Communications. The former general manager of KDAF-TV Dallas-Fort Worth and WXIX-TV Cincinnati has most recently been a partner in the San Francisco-based media brokerage firm, Media Venture Partners.

Stuart B. Powell has transferred to Chicago to become vice president, general manager of Fox Television's WFLD-TV. He had been vice president, general manager of Fox's KNXW-TV Phoenix and before that had been in sales management at KSHB Kansas City.

Peter Walker has been named vice president/station manager of Tribune Broadcasting's KTLA(TV) Los Angeles. He transfers from Tribune's WGN-TV Chicago where he had been general sales manager. At KTLA he reports to Steve Bell, senior vice president and general manager.



Steve Mauldin has been named vice president, general manager of Gaylord Broadcasting's KHTV(TV) Houston. He had been vice president, station manager of Gaylord's KTVT Dallas-Fort Worth, where the new vice president, general manager is **Ed Trimble,** who had headed KHTV.

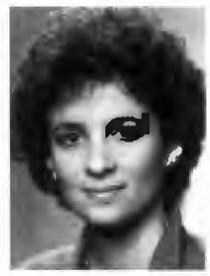
Kim Romano has been promoted to general manager of Atlantic Ventures' WEZO/WRMM(FM) Rochester, N.Y. She came to the stations nine years ago and now steps up from general sales manager.

Valerie Tuttle has been promoted to general sales manager of WWJ/WJOI(FM) Detroit. The former McGavren Guild Radio manager joined the stations earlier this year as an account executive.

Michael Crusham has been named general manager of Shamrock Broadcasting's WWSW AM-FM Pittsburgh, freeing **Diane Sutter,** who had been general manager of both stations, to concentrate on heading WTVQ, Lexington, Ky. Crusham had been general manager of WGFX(FM) in Nashville.

Nancy Reynolds has been appointed vice president, general manager of KOY AM-FM Phoenix. She moves in from KFSD(FM) San Diego, where she was also vice president, general manager, to replace **Michael Horne,** now vice president, general manager of WRBQ AM-FM Tampa, also an Edens Broadcasting station.

Representatives



Debra Krayson has joined Independent Television Network, Inc. as vice president, research & marketing development. The former Grey Advertising and Scali, McCabe, Sloves researcher has most recently been vice president, product marketing and sales development for AGB Television Research in New York.

Christopher M. Raleigh has been promoted to vice president, sales manager of Blair Television's NBC Gold Team in New York. Raleigh joined Blair in 1982 and has managed the NBC Gold Team since 1986.

Bill Hahn has been elected a vice president of Petry National Television. He joined the rep in 1983 and is currently group manager of the Green Team in New York.

Jon Latzer has been promoted to manager of Katz Radio's Philadelphia sales office. He joined Katz in 1985 and moved up to senior account executive in 1988.

Wall Street Report

Summer movie box office power fuels investors' interest in top studios

The Walt Disney Co.'s, acquisition of Henson Associates brought rave reviews from Shearson Lehman Hutton. Its entertainment analyst Alan Kassan says, "In our view, Henson will be an excellent fit for Disney, [which] will be able to leverage the Muppet characters. And Muppet attractions will be incorporated into the Disney theme parks. Part of the expansion of the Disney/MGM studio tour [in Orlando, Fla.] will include the 3-D Muppet attraction. This is an excellent acquisition for Disney."

The acquisition terms were not disclosed but various industry sources estimate the pricetag at $150–200 million. Rights to the Jim Henson-created Muppet characters on *Sesame Street*, licensed to producer Children's Television Workshop, are not included in the buy.

Even before that deal, Wall Street was excited by Disney's movie successes. This summer its Buena Vista theatrical distribution arm surprised many in both the movie and financial sectors with a $285 million-plus box office performance. *Honey I Shrunk the Kids* and *Dead Poets Society* alone brought in a combined $200 million-plus, with *Honey* helped by being coupled with the animated Roger Rabbit featurette *Tummy Trouble*. BV, which also scored with Tom Hanks' *Turner & Hooch* and the *Peter Pan* reissue, had just one disappointment, *Cheetah*.

In home video, Disney's *Bambi* shipped on Sept. 28 with 9.8 million units presold, for $264 million at retail. That now ranks second only to MCA's *E.T.* (14 million sold). *Bambi* is likely to be surpassed in mid-October by Disney's own *Who Framed Roger Rabbit?*

Stars shine for MCA

MCA Inc.'s motion picture and music groups are expected to show strong profit gains, but Shearson Lehman Hutton predicts that its third quarter earnings per share will be "negatively affected by the flow-through of its portion of the loss—$39 million less some reserves MCA had previously set up—reported by 49%-owned Cineplex Odeon in the latter's most recent quarterly period." Analyst Kassan adds, "After a skirmish for control of Cineplex between MCA and Cineplex president Garth Grabinsky, Cineplex has been put up for sale. If Cineplex is sold before year-end, MCA may be able to restate its third quarter and treat Cineplex losses as a discontinued operation."

Despite a likely 10- to 20-cent loss to MCA resulting from its interest in Cineplex, the analyst feels that "MCA's fundamentals are undergoing significant improvement, owing to the reemergence of its motion picture operation as one of the strongest in the industry." MCA, with $110 million-plus in summer box office grosses, emerged fifth in that season, behind Warner Bros., Buena Vista, Paramount and Columbia. MCA's biggies were *Parenthood* and *Uncle Buck*, with Shearson's Kassan predicting the former should wind up with a cumulative gross of $90–100 million and the latter closer to $50 million.

Looking ahead, Kassan predicts MCA "will do very well" into 1990 with *Back to the Future II* and *III*, due for Christmas '89 and summer '90, and several other major titles—all of which should combine to make this "MCA's strongest film line since 1982."

Time Warner's outlook eyed

Moody's Investors Service has lowered the senior debt ratings of Time Warner Inc. to Ba2 from A2, the suborinated debt ratings of Warner Communications to Ba3 from A3 and both companies' ratings for commercial paper. It also lowered the senior debt ratings for the company's majority-owned American Television & Communications to Baa3 from Baal.

Time Warner will experience "significant earnings erosion for the intermediate term" due to WCI acquisition-related interest and noncash charges, Moody's notes. However, Moody's forecasts that "Time Warner's operating cash flow will be sufficient to cover its debt service and cash preferred dividend charges."

At Oppenheimer & Co., analyst Dennis McAlpine says that lack of debt in the back end of the newly merged entity "will help cash flow, but Time Warner still will have close to $12 billion in debt." On a combined basis, he says, the company will have a reported loss of $670 million in 1990 and $560 million in '91. "However, net free cash flow will be $160 million in 1990 and $425 million in 1991. These calculations," the Oppenheimer analyst adds, "do not factor in any sale of assets, for example, Scott Foresman or Warner's stock portfolio."

Oppenheimer adds that, based on its estimates of operating cash flow for Time Warner—$2.18 billion in 1990 and $2.45 billion in '91—"cash flow multiples of 12–13 times less debt would result in private-market values of $160 and $185 per share respectively." Expecting "an objective price of about $165 next year," Oppenheimer says that given the current price of the stock, "We would defer purchase at this time."

A reading on Washington Post Co.

Merrill Lynch describes the Washington Post Co. as "one of the most attractive investments in the media group." The company's operating performance has been "among the strongest in the media group in recent quarters" and its estimated pretax multiple is an estimated 8.9 times for 1989 and 7.9 times for 1990.

At the Post Co., where the newspaper properties' operating income totaled $140.7 million in 1988 or 55.3% of the total, the broadcast division's came to $64.5 million or 25.4% of the total. The 1988 revenue gain of 5.1% for the Post Co.'s three TV network affiliates was "better than average for the companies we follow," says Merrill Lynch, which points out that "that gain was off a depressed base for the Miami and Jacksonville stations, which were impacted by the aborted Florida ad tax in 1987." First quarter '89 broadcast unit revenues rose 5%, with the second up 4%, the analyst notes.

FEEDBACK

What are the prospects for advertising revenues in children's programming?

"Fourth quarter seems like it might be a better spot market than we anticipated at the first of the year. Toy manufacturers seem to be spending more money than they thought they would. Bohbot Communications is spending about 50% more than it had anticipated for Toys R Us. Some of these deals are related to carrying their holiday specials—using a time bank. In local, there's very little being spent for kids. It's almost 95% national. It looks like, overall, children's advertising will be up 25–50% over what they anticipated for fourth quarter. Longterm, with the Disney and Fox block programming, I think we're going to see a friendly environment for spot dollars."

Harlan Reams
President and general manager
KAUT(TV) Oklahoma City

"Based on what I have heard from reps and others and what I anticipate, we're looking for an increase in the market and on my station. That's shortterm. The longterm answer is that the revenue picture is positive. We went through a period when revenues were sucked up by barter shows. Now I see more kids' dollars returning to spot. There will be a squeeze on time periods because of the Fox and Disney blocks. The biggies are coming to the forefront, and this will squeeze the smaller guys out of the syndication world. But we will see better quality shows. In the past there were one-year wonders, deal-driven shows. Also, people are becoming aware that kids and teens are responsible for many spending decisions."

Michael A. Fisher
President, general manager
KTXL(TV) Sacramento-Stockton

"We're seeing somewhat of a resurgence in advertising to children. After an almost quantum decline in recent years, advertising by those small remote-controlled powered cars and by some of the video games is making its appearance from the toy category. And from what we can see, General Mills seems to be shifting some of its cereal advertising away from adult targeting and a little more toward reaching children."

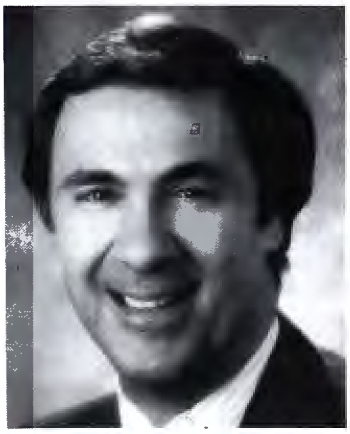
Peter Schruth
General sales manager
WLVI-TV Boston

"The level of ad revenues last year, at least on the West Coast, was a drop from the previous year. I don't see that level increasing in the next two to three years. With the amount of barter increasing, with Congress cutting down advertising on children's shows to six minutes a half-hour, it will lessen inventory. Maybe rates will go up, but not revenues. It used to be that there was X amount of dollars on the networks with the rest for spot. Now barter syndication is another umbrella-like network, which means less money for local stations. The Disney block is effectively a mini-network. So is Fox's."

Robert Qudeen
Vice president, general manager
KBHK-TV San Francisco

"In the short term, we get a lot of interest from institutional advertisers—such as Florida Power & Light and McDonald's—on a regional agency basis. We've had less success in going after the local mom-and-pop types stores. The only way I can see this changing is if you can tie in the spots with a local merchandising program."

Stephen L. Berger
General sales manager
WAQ-TV Palm Beach, Fla.



"It has been a pretty healthy year in children's advertising. There are a few key accounts that are up substantially and one or two that are flat. Overall, it will be a very healthy year for us, and we are running short of inventory already. Inventory for the fourth quarter we see as being in short supply."

Bill Scaffide
General manager
WUAB-TV Cleveland

"Prospects are good, despite there being no current breakthrough toy on the market. Some of the barter money has reverted to spot, and that's a plus. Specifically at our station we have programs like 'Steampipe Alley.' This features our local live host Mario Cantone who, besides introducing his cartoon segments, offers advertisers the value-added benefit of community involvement. For instance, as part of our long-range A Plus for Kids project, Mario works with sponsors like A&P to honor outstanding teachers each week on 'Steampipe Alley.'"

Donna Zapata
Senior vice president,
Sales and marketing
WWOR-TV New York

In the Picture

Jack I. Shubert

New media chief for all seven Earle Palmer Brown offices grew up with Gardner Advertising's Advanswers, one of the earliest agency divisions to handle outside media assignments.

Former Ralston Purina exec fine tunes agency media staff for today's challenges

Jack Shubert, formerly corporate director of advertising and research services for Ralston Purina and now senior vice president, corporate director of media for Earle Palmer Brown, overseeing media in all seven EPB offices, observes. "The number of viable media options an agency needs to explore has grown tremendously in the past few years. While I've been quite impressed with the strength of this agency's media staff, the challenge is to make sure it's organized to be as responsive as possible to all these ongoing changes in media and in the constantly shifting consumer market."

As just one example of the shifting consumer market, Shubert points to how the growth in numbers of women working outside the home "has turned a secondary target segment into a majority segment. But fortunately, as the consuming public keeps diversifying and fragmenting itself, so do the media options available to us to reach these shifting audience segments."

Shubert adds, "In today's environment of continuing financial pressure on client resources from all sides, maximizing the value of all these media options to our clients is no longer merely a matter of the best bottom line CPM we can get, but also of making sure the message is placed where and when it will generate the greatest impact and make the most effective impression on the client's customers and prospects. Of course, the creative is critical in producing maximum impact on both the consumer and on client sales. But presenting the message, once created, most effectively in today's cluttered advertising environment, and doing this with limited funds, is our job."

Separate agency division

Shubert majored in advertising at the University of Missouri Journalism School and then "was fortunate in being offered a job as a broadcast buyer in Gardner Advertising's media department in St. Louis. Later, I moved into planning."

Then, at a time when the first of the media services were getting started, and some of them were floundering along the way, Gardner was one of the first, and possibly *the* first agency to set up a media division that looked for media assignments for brands whose creative was produced by other agencies. That division is Advanswers Media/Programming, Inc.

Initially, recalls Shubert, Advanswers, spearheaded then by Kelly O'Neill and today by Don Stork, "started by handling brands manufactured by Gardner clients that also had other agencies doing the creative for these brands, but they still needed expert media planning and negotiation for these brands. To judge from the many media services that have grown up since then, there certainly turned out to be a big market out there for it. Kelly was one of the first to both recognize this market and do something about it from within an agency."

Growing with it

Shubert started with Advanswers in the research end, kept growing with the media unit, and eventually became its executive vice president before moving over to the client side at Ralston Purina in 1984 as director of media and advertising services.

In addition to Earle Palmer Brown's own media staff, EPB is a member of LIAN—the Leading Independent Agency Network. Shubert sees LIAN as "a strong resource that gives us market-by-market exchange of local media information with LIAN's other member agencies across the country."

Looking at the media scene from the seller's point of view, Shubert comments, "I might observe that the pressures on media departments to stay on top of so many more media options, plus the pressure to bring in their executions within reasonable financial limits, should be seen by the spot, syndication and cable reps as an opportunity to be helpful by providing more information, and more precise information, not only about their own audiences, but to do their homework to come up with more comparative analysis of how their audiences stack up against those delivered by our other options."

Shubert adds, "Of course, we also need the reps' followup—the ongoing servicing of watching over, maintaining and upgrading our schedules on their stations and cable systems. I want our people to be able to be confident that the sales people they work with are making sure that when better avails open up on their stations, and we have a schedule running on those stations, our clients have an equal opportunity to move into those newly opened better time slots, that we're notified, and that, on the back end, there's the follow through on reporting performance."

And Shubert says, "Because clients are concerned, agencies are equally concerned about network issues like the additional clutter caused by increased commercialization, and the problem of questionable program environment—trying to avoid association with programming that some viewers may feel is too violent, for instance, or programming that some may feel places a particular segment of the public in an unfavorable light."

Moral rights, work-made-for-hire issue could affect broadcast fare

Moral rights and work-made-for-hire legislation, once thought to be moribund, if not dead, issues, appear to have taken on new life with promises made in the U.S. Senate to give a serious look at whether to make either part of U.S. copyright law. The broadcast industry wasn't represented at a Senate subcommittee hearing on the issue, but a representative of the National Newspaper Assn. provided insight into what some feel would be the impact of codification of moral rights on the TV and radio industries. The senators merely had to substitute "station" for "newspaper" in his testimony; the problems would be that similar.

Protection. Moral rights is an idea that the creator of a product has the right to protect his creation from mutilation, even to the point of having veto power over any changes. Authors and others in several foreign countries have those rights, and with U.S. admittance into the Bern Copyright Convention effective this year, there has been pressure on Congress to extend those rights to U.S. authors also. Little attention has been given to the moral rights question in Congress, but it was riding the coattails of another copyright issue in which some senators have expressed an interest. That is work-made-for-hire contracts. Under those contracts, a publisher or station contracting for freelance work or any work by a non-employee can require the creator to give up his or her rights to the work after it has been created.

Jack Fishman, publisher of the Morristown, Tenn., *Citizen Tribune*, told the Senate Copyright Subcommittee considering legislation that a moral rights provision would require the publisher (or station) to grant veto rights to everyone who has anything to do with a story.

Fishman said, "Often, is it not clear who is the 'author' of a particular story or feature. This is because stories are often put together by teams of reporters—perhaps several teams on big stories—and heavily edited by editors .... The story or feature might be re-edited several times more by several other editors before a final product is settled upon. And, to that 'final' story, last-minute changes may come from the publisher. It is the publisher, after all, who must pay the costs of defending the story in court if the newspaper is sued for defamation or invasion of privacy."

'Disaster.' Fishman added, "Under the oral right of integrity, an author has the right to prevent others from making deforming changes in his work," and that would "spell disaster for our industry," he said. In addition to the news analogy for the newspaper business, broadcasters could be faced with similar complaints in the production of entertainment and public affairs programming, where several persons often contribute to the final product. It could even be applied to the advertising, Fishman suggested.

The moral rights issue didn't receive much of an airing at the hearing, but testimony on the work-made-for-hire issue elicited a sympathetic hearing by the senators. Sen. Orrin Hatch (R-Utah) even called for a separate hearing on allegations buyers of created works have been abusing their right of preeminence in deals with creators.

Sen. Dennis DeConcini (D-Ariz.), subcommittee chairman, agreed, but added that otherwise, "I am undecided whether changes need to be made in the work-for-hire area."

Work-for-hire contracts are those used for freelancers or other non-employees who make a contribution to part of an overall work. The creator usually loses all rights in future uses of the work. Sen. Thad Cochran (R-Miss.) introduced S-1253 after a U.S. Supreme Court decision to further clarify author's rights, chiefly by requiring work-for-hire contracts to be signed before work is begun by the freelancer.

New champion for minorities emerges in House

When Rep. Mickey Leland (D-Tex.) died in a plane crash in August, his departure from the scene left a vacuum on the Telecommunications Subcommittee of the House. He had been the unchallenged champion of broadcast issues facing minorities and women. Rep. Cardiss Collins (D-Ill.), the subcommittee's other black member, showed no inclination to take the helm, even though she ranked right behind Leland on the panel. In fact, she has not even participated in much of the panel's activity this year.

The apparent new champion for the minority cause on the panel appears to be Rep. Bill Richardson (D-N.M.), a Hispanic member who has served quietly on the panel since first taking his seat in 1983. He referred to the Leland vacuum during the panel's first oversight hearing with the new FCC, and indicated he was ready to step into it. His questions centered on non-minority issues, however.

Tombstone' ads for cigars, chewing tobacco: Koop

C. Everett Koop, in one of his last congressional appearances as Surgeon General of the United States, urged adoption of proposed legislation (HR-1250) that would ban the use of anything but text in advertisements for tobacco products and promotion that could be viewed by children.

But Koop told a House Hazardous Substances Subcommittee that he would rather see a total ban on tobacco advertising. Congress has the clear authority to go ahead and ban much of tobacco advertising, Koop said, because it can prohibit deceptive advertising and "in my opinion, much of today's advertising for tobacco products is deceptive."

Although cigarette advertising has long been banned from radio and television, the proposed legislation would extend to cigars and chewing tobacco, barring advertisers of those products from using glamorous images in connection with their ads. They would be limited to "tombstone ads," which carry text only.

Rep Mike Synar (D-Okla.), member of the House Telecommunications Subcommittee and a longtime supporter of bans on tobacco advertising, testified that the tobacco industry says it is spending $2.4 billion a year to promote brand switching, and fewer than 10% of the smoking public actually switches brands.

Ball on indecency tossed to NAB; revival of the code one prospect

The National Assn. of Broadcasters has moved to take one of the monkeys off the back of Al Sikes, new chairman of the FCC. Even before he took his oath of office, Sikes was faced with the issue of handling one of the hottest topics concerning broadcasting from a consumer viewpoint—the moral standards of TV programming.

He asked for, and now has received, a Court of Appeals remand of a case involving the hours during which allegedly indecent programming may be aired. In one of his first acts as chairman, he supported FCC enforcement of indecency complaints against three radio stations. At the NAB's radio convention in New Orleans, he made a direct appeal for the association to have broadcasters, one of which he used to be, clean up their own act.

Sikes, who had made the same appeal during his Senate confirmation hearing, asked the broadcasters to see what they could do to revive the NAB code of conduct, which was challenged by the Justice Department as a violation of antitrust law and abolished as part of a consent decree signed by the NAB in 1983.

NAB acts. Aware of the action afoot on the indecency front and the progress of legislation moving rapidly through Congress to encourage curbs on the level of violence on television, the NAB executive committee met for breakfast early the Sunday after the radio convention and agreed to order the staff to assess "the feasibility, effectiveness, legal, and legislative elements of and member support for devising a statement of standards or guidelines concerning programming in the public interest."

Code needed? No timetable was given, but Sikes, who had returned to Washington, D.C., issued his own statement saying he was pleased with the decision "to explore the revival of something akin to the old NAB code. Ultimately, however, the decision on whether to develop a code should be based on the broadcasters' view of whether one is needed."

Sikes' appeal to the broadcasters was made at about the same time the U.S. Court of Appeals agreed to send a case involving a congressionally mandated 24-hour ban on indecent programing to the FCC so it could conduct an inquiry on whether the record could support a total ban or whether it would justify only a channeling of programming to hours when children would not be expected to be in the viewing audience.

the marketplace

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Washington Report

Two technologies tout their friendliness to subscribers

A river and a week apart, two disparate groups held separate meetings that had nothing to do with each other but which, taken together, tell a lot about the cable industry today and some of what it may face in the near future. Both want the attention of the federal regulators.

Cable wants to change the image it has in the seats of power in the nation's capital. The largest cable system in the country, Telecommunications, Inc., which boasts more than 4.4 million subscribers on just its wholly owned systems, announced on Capitol Hill that it has officially moved beyond the development phase of its business and is now going to concentrate heavily on customer service. TCI had more than 50 people in town for its final decision-making, announcement, and visits with members of Congress.

A week earlier, a slightly larger group of entrepreneurs and would-be's gathered across the Potomac to hold the second Wireless Cable Assn. convention. The attendees were barraged with upbeat predictions about the fate of the fledgling industry, its own particular problems notwithstanding.

Although neither TCI nor WCA mentioned the other during their visit to Washington, D.C., their intended and unintended messages may have been intertwined.

J. C. Sparkman, executive vice president and chief operations officer for TCI, acknowledged reluctantly that part of the reason for the new customer-service emphasis was to stave off criticism that has been leveled at the cable industry in the wake of price increases. "Of course, it's an important element" of the plan, he said of congressional relations.

Second thoughts

Many members of Congress have responded angrily to the complaints, feeling betrayed because they acceded to the pleas of the cable industry five years ago and largely deregulated it, allowing it to take some of the actions that have spawned complaints.

Sparkman said he and his state and division managers from around the country would be fanning out at the Capitol a short distance away to "explain the aspects of this first phase" of TCI's new emphasis. The program is to raise the quality of TCI systems' customer service representatives, make them more responsive to customer complaints and even credit subscribers for disputed charges rather than fight with them—all in the name of bringing about better relations.

Sparkman would not reveal what the new move would cost TCI, even though it would be substantial. He did suggest the expense was less than $50 million, and, in fact, low enough that the company's profit-and-loss statement would not be affected. He explained that TCI would expect to reduce the customer churn. To a cable system, a customer represents a capital investment of about $2,500 in the more expensive builds. Although the building phase for most cable systems is over, they will be paying for that capital investment for years to come and need to hold onto their subscribers. And, although the nation's 9,000 cable systems claim an estimated 50.4% of television households, their only source of additional revenue is to increase that penetration.

According to Sparkman, counting TCI's systems and the other systems in which it has investments, there are "approximately 10 million people out there who don't take my service. That's a tremendous opportunity. This [the new effort], I hope, will help us get to that."

Wireless cable push

In that effort, however, cable is going to face some stiff competition from wireless cable, wireless cable people say. While cable is enjoying the fruits of deregulation, wireless cable, formerly known primarily as multichannel multipoint distribution service (MMDS), is attempting to take advantage of reregulation.

In the past few years, the FCC has taken steps that have the effect of opening up for wireless cable use dozens of other TV-size channels with alphabet names such as ITFS, MDS and OFS, that can be amassed to equal the offering of the average cable system. The FCC opened the door; wireless entrepreneurs are attempting to charge through it.

In doing so, they have adopted many of the ploys, and people, that the National Cable Television Assn. used in getting its industry off the ground and onto Wall Street. WCA's chief is even borrowed from cable. He is Robert Schmidt, who headed NTA from 1975–79 and now presides over a group that numbers only about 30 systems in operation but which faces many of the same problems the cable industry faced in his day.

Any association chief is going to be upbeat, but one programmer has put its money where its mouth is and is banking on the wireless industry taking off. George L. Schulman is vice president for marketing for Starion, the premier movie channel for wireless cable.

He is betting millions of dollars of Starion's owner, Amway Corp., that within the next two or three years, 25 million homes will be within reach of a wireless cable microwave signal and that at least 2 million of them will have signed up for the service. That's still fewer subscribers than each of the top three cable MSOs claim, but far more than the current estimated number of 300,000 across the country.

Next year, he estimates, about 200 wireless cable markets could open up because of the FCC's new policy to strip unused channels from licensees. If wireless cable truly has 300,000 subscribers now in just 30 systems, he asks, "can you imagine what will happen when 200 markets open up?"

The number of subscribers could be as high as 5 million, he says. TCI's efforts notwithstanding, Schulman notes that cable's own surveys find that 81% of its subscribers would jump to another system if one with equal progamming were offered at lower prices. That, he says, wireless cable can do.—**Howard Fields**

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1989

October 3–5	Atlantic Cable Show, Atlantic City Convention Hall
October 5–10	French International Television Festival, Cannes
October 12–16	MIPCOM International Market, Cannes October International Issue
October 15–18	American Children's Television Festival, Ambassador West, Chicago
November 2	Asta/Independent Programme Producers Association, Hyde Park Hotel, London
November 5–8	Community Broadcasters Association Convention, Riviera Hotel, Las Vegas
November 13	London International Advertising Awards, Royal Lancaster Hotel
November 13–15	Television Bureau of Advertising Annual Meeting, Century Plaza, Los Angeles November 13 Issue

1990

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

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