

Global shops for stations

Home shopping network follows in competitor HSN's footsteps

By Rich Brown

While Barry Diller works to replace Home Shopping Network programming on the Silver King TV stations, upstart competitor Global Shopping Network plans to build distribution for itself using the old HSN/Silver King model.

New York-based GSN expects to reach 30 million broadcast homes (20 million of which are also cable homes) by the end of 1997 and has pinpointed local TV stations in a dozen markets to carry out the plan, says Barbara Laurence, president of GSN and a 15% partner in the service. The first, WRAY-TV Raleigh-Durham, N.C., is expected to debut GSN as early as this week.

Laurence says deals to launch GSN on TV stations in San Francisco and Boston are expected to be finalized by February; additional markets will roll out as follows: Los Angeles; Cleveland; Detroit; Houston; Louisville, Ky.; Knoxville, Tenn.; Dallas, and Seattle.

The TV stations that will carry GSN are being purchased by Ramcast, a separate company formed by the GSN partners. Laurence's partners in both ven-

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tures are Rachimim Anatan (75%) and Moti Gal-Oliver (5%). Anatan is founder and owner of USA Detergents, a multimillion-dollar company that produces Extra laundry detergent; Gal-Oliver has strong ties to New York's Diamond District, which supplies the jewelry that constitutes 60% of GSN's merchandise.

"Each one is the equivalent of passing a kidney stone," Laurence says of the task of finding and closing on the TV station properties. Brian Cobb of Media Venture Partners is helping Ramcast in

its aggressive search for TV stations.

"We are acquiring only channels with strong signals," says Laurence. "We are not counting on must carry."

Ramcast is prepared to cut deals with cable system operators in the event that must carry disappears, Laurence says. (Under the FCC's must-carry rules, TV stations can require local cable system operators to carry their signal.) She says GSN is already closing in on a deal with one top multiple system operator to carry the service in markets where the network does not plan to have broadcast affiliates. The MSO in exchange would receive 5% of the gross sale of merchandise in its markets plus what Laurence describes as a "very small" equity stake in GSN.

Ramcast plans to program the stations with a variety of programming that will include GSN as well as local content and other networks to be launched by the partners. (GSN expects to debut a second, as-yet-undisclosed network in the first half of 1997.) Laurence has hired former Tribune syndication sales executive David Sifford to acquire three hours of weekly kids programming, which will be included in the schedule to meet FCC requirements.

Laurence says there is plenty of room for home shopping services despite a growing list of competitors that now includes Home Shopping Network, QVC, Valuevision, Shop at Home and various new infomercial networks. Shopping services will always find room because they provide carriers with the opportunity to share in the revenue, she says.

In addition to TV station and cable carriage, Laurence hopes to interest direct broadcast satellite providers in the service.

Since its debut last March, GSN has been available only to the 2.3 million homes equipped with backyard dishes. To gear up for its expanded distribution, GSN has just boosted its daily live programming lineup from eight hours to 16 hours. The network's staff has grown to 200 employees.

In other GSN developments, the network has signed an eight-year contract with Satcom C-4 and will switch to the satellite from Galaxy 1R in January. ■

WGN-TV gets Christmas present

Tele-Communications Inc. gave WGN-TV an unexpected pre-Christmas bonus, reversing a decision to drop the superstation in five states. TCI systems in Illinois, Indiana, Iowa, Wisconsin and Michigan will continue to offer WGN-TV come Jan. 1.

TCI based its change of direction on a deal between WGN-TV and the NBA that allows the station to continue carrying Chicago Bulls games (WGN-TV also carries the popular Chicago Cubs baseball games). Consumer outcry and protests from systems managers also influenced the decision.

"We did hear from more than several hundred concerned customers about WGN," said TCI spokeswoman LaRae Marsik.

Although consumers in those five states may have notched a win, others weren't so lucky. Roy Bliss, president of United Video Satellite Group Inc., resigned—apparently under pressure—after criticizing TCI's decision to drop WGN-TV. UVSG uplinks the station and other programming to TCI and other MSOs. TCI owns 37% of UVSG Class A shares and 85% of super-voting (10 votes per share) Class B shares.

TCI is developing plans to "cherry-pick" the most popular WGN-TV programming and provide it in those systems where the superstation was not reinstated. To do that, TCI plans to preempt certain programming on "host" networks such as Animal Planet, C-SPAN, C-SPAN 2 and "anyone else who will legally allow us," and insert WGN-TV programming, Marsik said. —PC