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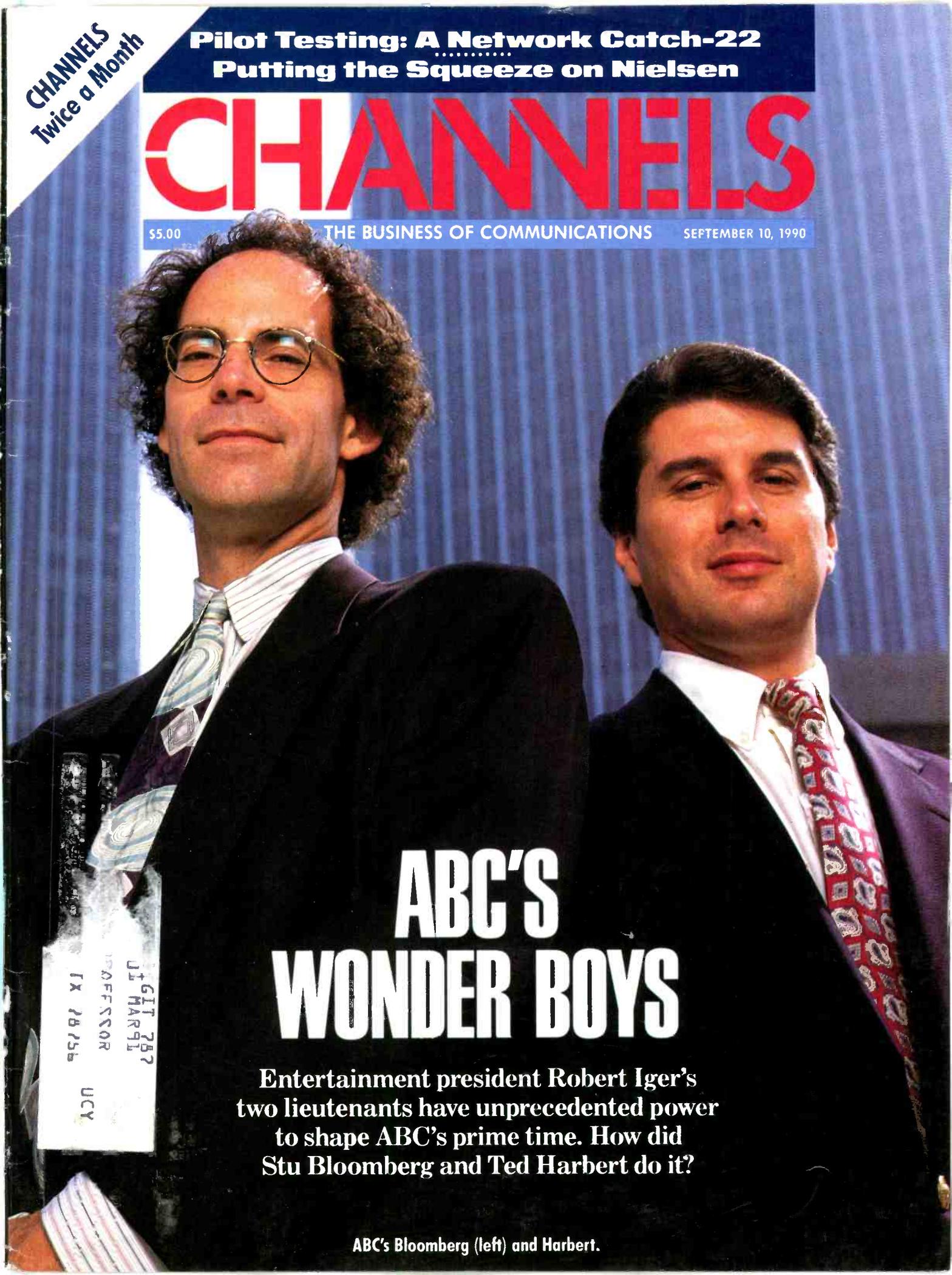
Pilot Testing: A Network Catch-22
.....
Putting the Squeeze on Nielsen

CHANNELS

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THE BUSINESS OF COMMUNICATIONS

SEPTEMBER 10, 1990



ABC'S WONDER BOYS

Entertainment president Robert Iger's two lieutenants have unprecedented power to shape ABC's prime time. How did Stu Bloomberg and Ted Harbert do it?

ABC's Bloomberg (left) and Harbert.

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cry foul, or bite his tongue if he
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always count on him
to slice through the
baloney and show
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is funnier.

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See the pilot presenta-
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CHANNELS

THE BUSINESS OF COMMUNICATIONS

VOLUME 10, NUMBER 12

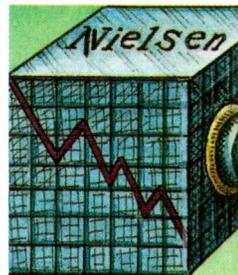
SEPTEMBER 10, 1990

FEATURES RATINGS

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BY MICHAEL COUZENS



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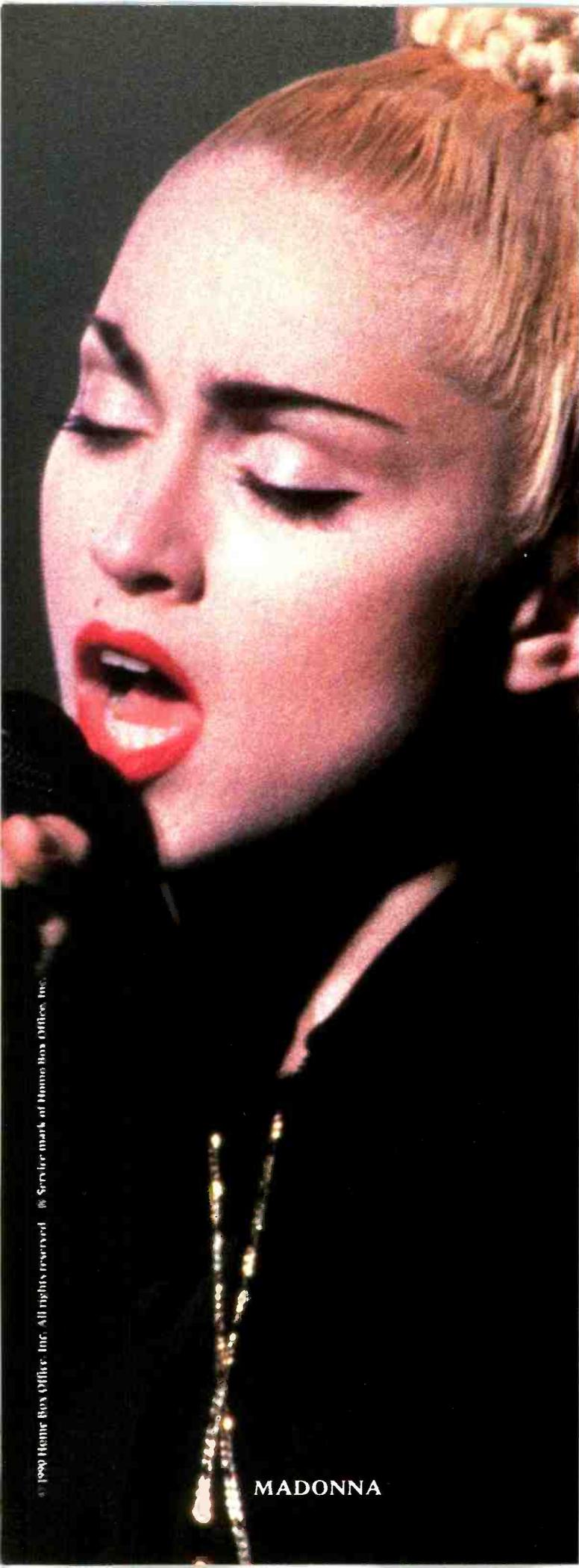
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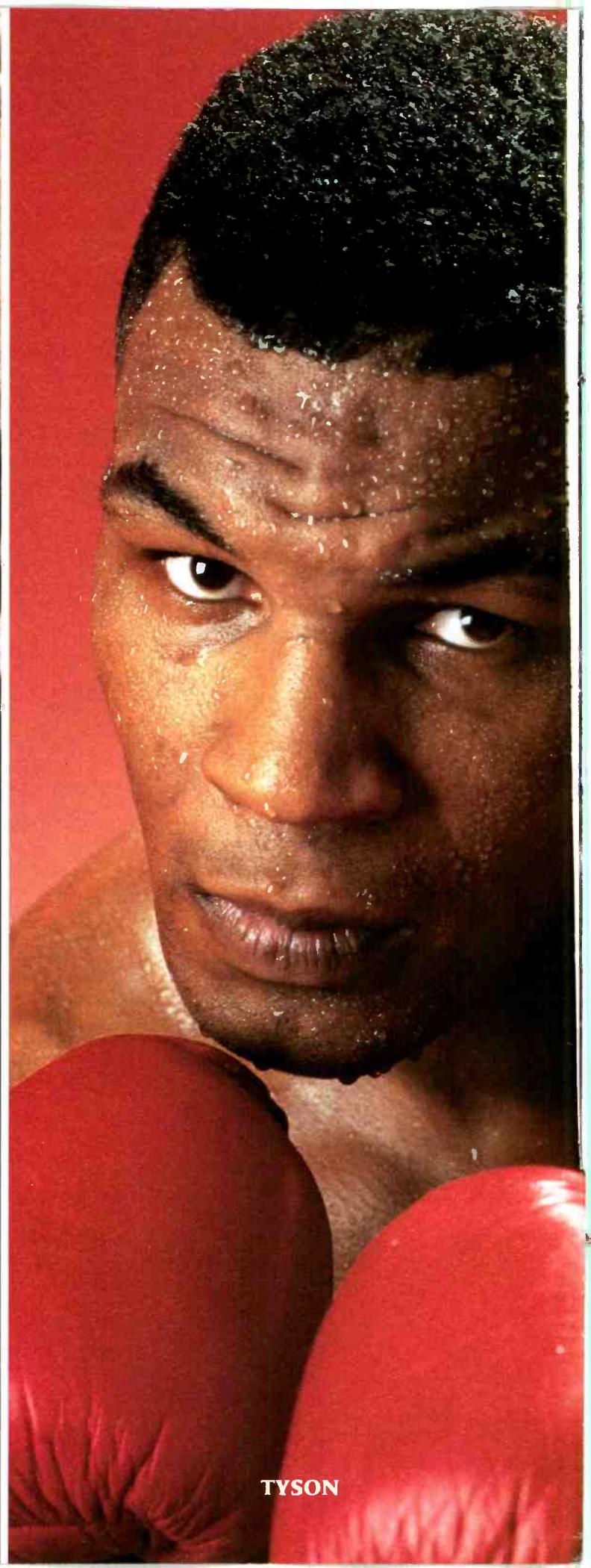
What do cable-news viewers do with their money?

XI.

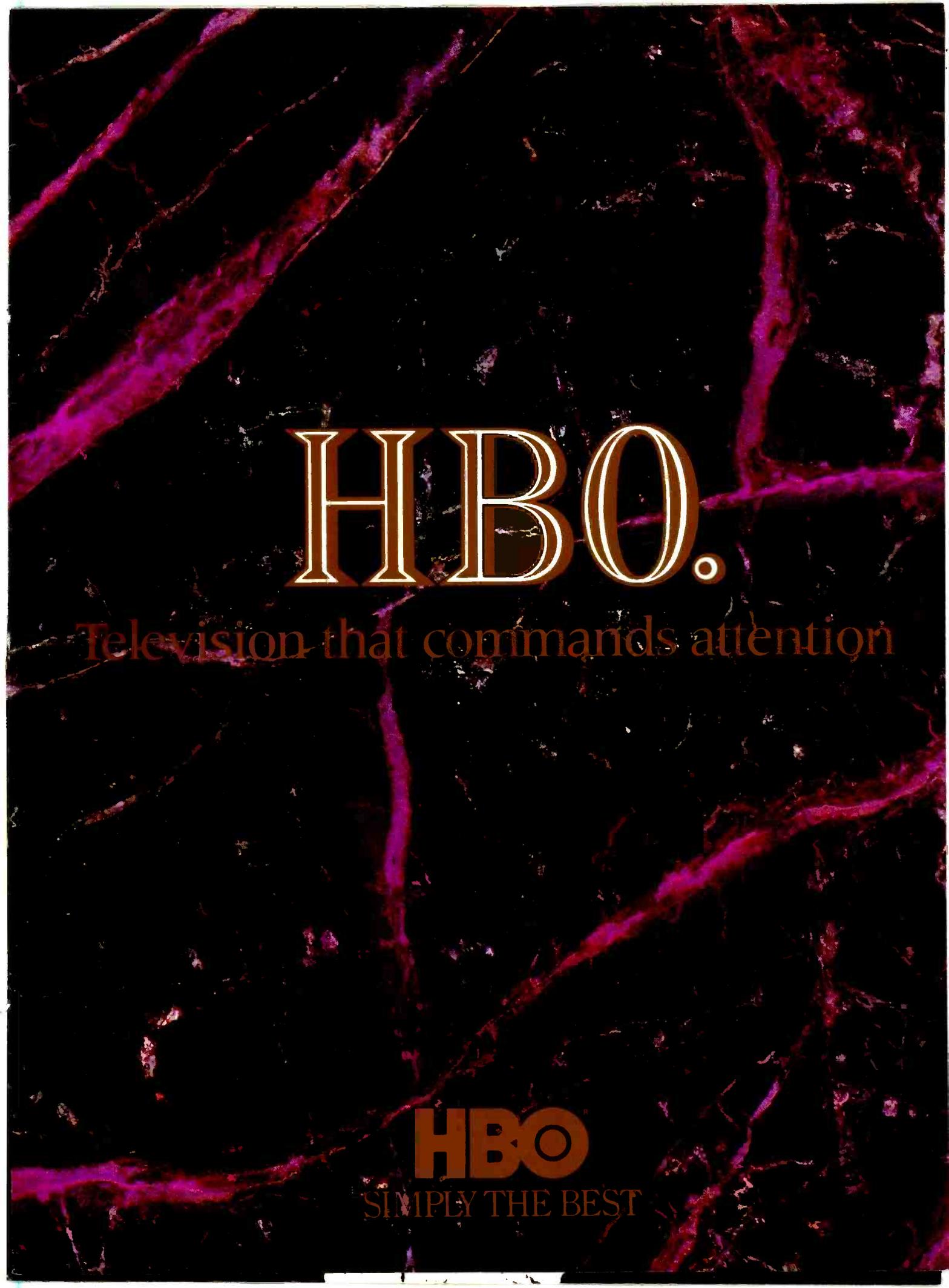
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LETTERS

Burnham Hasn't Missed a Beat

Burnham Broadcasting Company is pleased, as always, to be included among listings of America's leading broadcast companies. However, your August 13, 1990, issue contains an egregious misstatement of fact which, if not prominently corrected, is potentially damaging to both our reputation as well as the sense of well-being among our employees.

In your review of top executives ["The Powers That Run Television"], you state that Burnham missed payments on some notes last year. This journalistic irresponsibility is further compounded by juxtaposing a quote from me which, entirely out of context, would appear to validate the misstatement.

Let me set the record straight. Burnham Broadcasting has never missed a payment on anything—surely not to our note holders. I cannot envision the circumstances under which we might fail to service our obligations. To suggest otherwise is absolutely without a basis in fact.

Peter Blaise Desnoes
Managing General Partner
Burnham Broadcasting Co.
Chicago, Ill.

Channels indeed erred in its interpretation of remarks in Burnham's 1989 annual report. Further, Mr. Desnoes' quoted statements were regarding the general economic climate, and were not intended to appear to be in response to a particular situation at Burnham. Channels sincerely regrets the error and any confusion it may have caused.—Ed.

Margin for Error

I recently read your June 25, 1990, edition of *Channels* listing "The Top Companies" for 1989. As an investment banker for Communications Equity Associates, I feel that the principal criterion you use to rank these companies, namely profit margin, should be thoroughly reevaluated. Given the diversity of public companies

on this list, profit margin does not play a very important role in the value of these companies. I would suggest some calculation of private or public equity value would be a much better indicator.

As chairman of the board of Video Jukebox Network, I have absolutely no problem with the company's #74 ranking. But to rank Cablevision Systems, a company that has substantially higher private and public equity value, at #73 is unreasonable (TCI at #55 is equally unreasonable).

David W. Unger
Vice President
Communications Equity Associates
New York, N.Y.

Getting Out the Vote

In "Sweeping Stunts" [July 16], freelancer Michael Couzens errs in saying Nielsen "approaches a gray area by asking people to vote what they like . . ." Nielsen doesn't ask anyone to "vote" for anything.

John Loftus
Vice President, Communications
Nielsen Media Research
New York, N.Y.

Writer Michael Couzens responds: Last year, the study of the people meter for the Committee on Nationwide Television Audience Measurement (CON-TAM), after looking at Nielsen household contacts, noted a brochure left in homes that quotes one panelist: "I'm happy that I have a say or a vote in selecting some of the programs I would like to watch or would like to see continued on TV." A videotape used for training children says, "It's like voting . . . and the Nielsen people count our votes." The children's coloring book says, ". . . every time you use the . . . people meter your votes are counted." I understand that these practices have been toned down by Nielsen in response to criticism from CONTAM.

Channels welcomes readers' comments. Address letters to the editor to Channels, 401 Park Avenue South, New York, N.Y. 10016. Letters may be edited for purposes of clarity or space.

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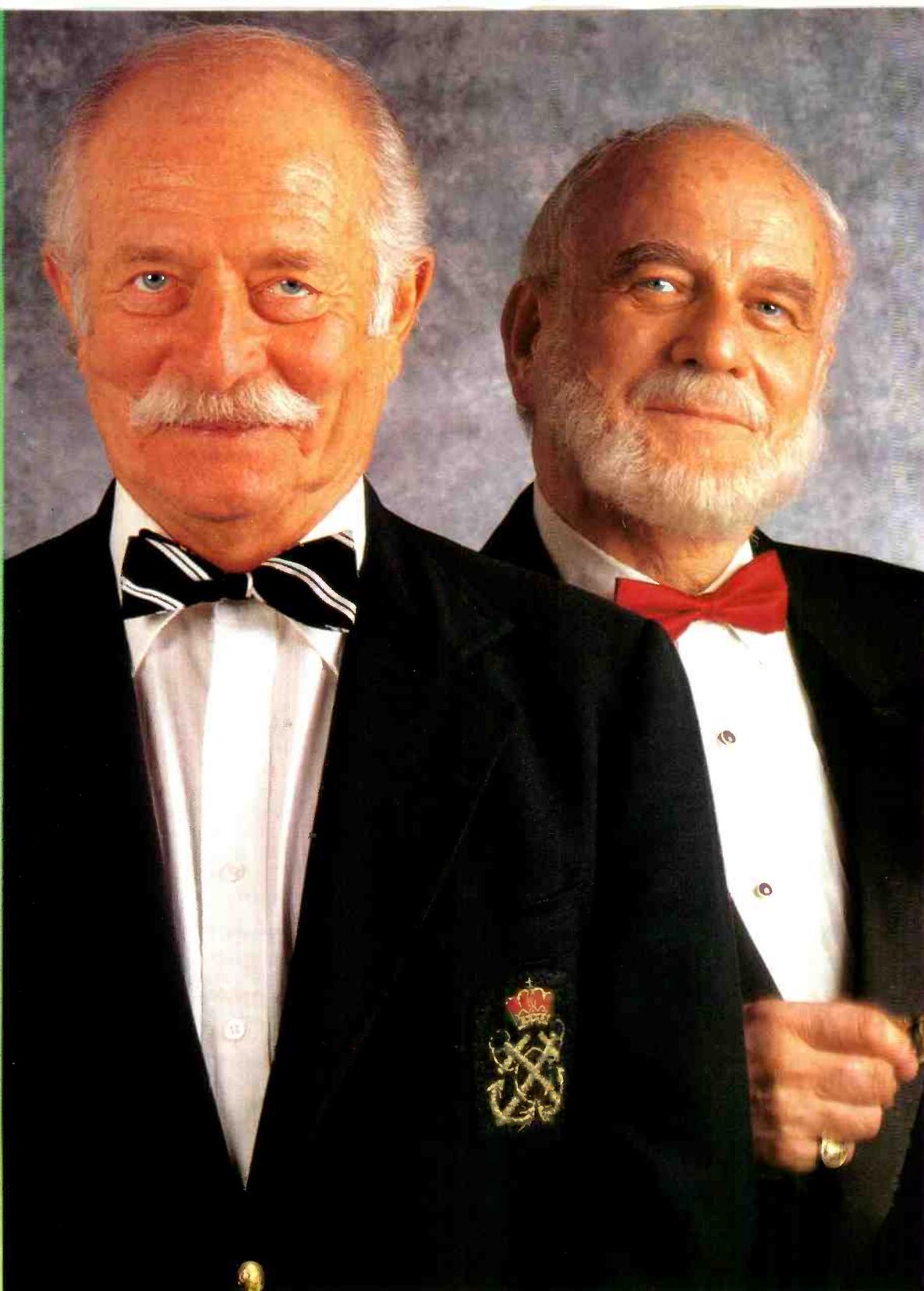
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watched
the 1990
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lineup
without
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how they'd
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A Brief History Of *A Brief History of Time*

Spielberg *et al* film a cosmic prime-time docu.

For independent producers, receiving a call out of the blue from Brandon Tartikoff with an offer of millions for a prime-time documentary is as likely as finding the secrets of the universe—particularly when the film's subject is, say, cosmology.

Gordon Freedman Productions' adaptation of Stephen Hawking's best-seller *A Brief History of Time* is more unusual still: Steven Spielberg is involved, it will have a U.S. theatrical release prior to the NBC run, and its production budget could reach \$3.5 million—huge for a documentary.

"I really scratched my head to figure out how to get to the networks," says Freedman, a former ABC Circle Films producer and a science buff. His solution: a trip to England, where he struck a co-venture

pact with private broadcaster Anglia Television, whose broadcast coverage area includes Cambridge, Hawking's home. He then signed a licensing agreement with

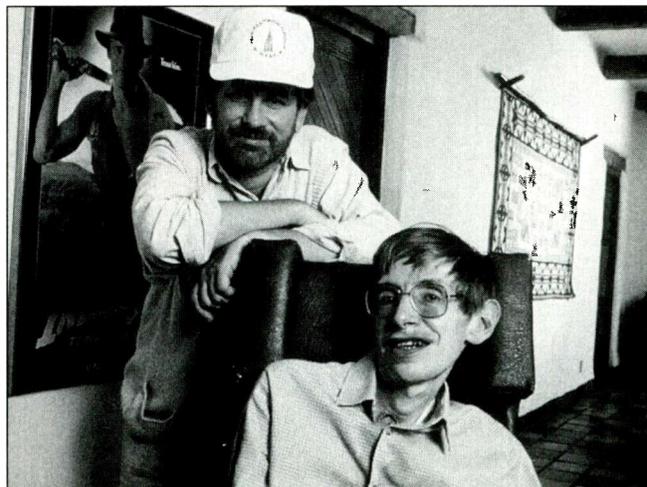
Britain's Channel 4 and a coproduction deal with Spielberg's Amblin Entertainment.

Spielberg, a longtime fan of Hawking, was responsible for the director's unit, and hired Errol Morris, acclaimed for his documentary *The Thin Blue Line*. Morris, it turned out, had studied the philosophy of science in graduate school. He shot the film as a full-scale feature on three sound stages at the studios in London where the *Star Wars* trilogy was produced. To inter-

view Hawking, who is severely handicapped and communicates by operating a computer mouse device, Morris recreated the physicist's office in minute detail. Two dozen of the world's top scientists were flown in for the filming, with different sets for each.

It was trade reports announcing the top-flight players involved with the project that sparked Tartikoff's interest, according to Freedman. Even Freedman's desire for a six-month theatrical window, beginning next May, didn't dissuade the NBC Entertainment Group chairman. Together, NBC and Channel 4 are ponying up \$3 million, all but paying off *A Brief History's* production debts.

Whether Tartikoff's enthusiasm and the program's unusual nature will translate into a large viewing universe and not a black hole when it airs in late '91 or '92 is far from assured. "My hunch is that there are still some of us who look up at the sky at night and just ask the question, 'What's it all about?'" says Freedman. "I want to hit that chord in people." JANET STILSON



NBC helped foot the bill for the film version of Hawking's book.

BET Hopes This Family Grows

A crowded market sends Taffner to cable.

Black Entertainment Television, a cable network whose most popular programs are music videos, will seek a mass audience with a more traditional format later this month by introducing *Family Figures*, its first original game show.

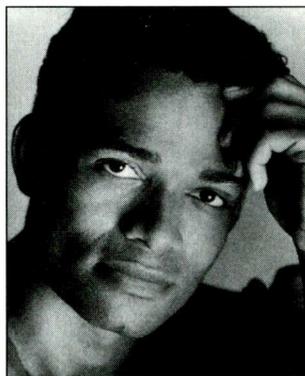
Almost concurrently, Rick Levy, head of program sales and marketing at D.L. Taffner Ltd., which produces the show, has left the company to form his own consultancy.

The events seem unrelated. But to Levy, in tandem they're a sign of the times in TV. With no first-run shows in syndication, Taffner is turning to cable and international. Levy,

who sold first-run shows and oversaw barter ad sales, says he didn't have enough to do.

"Right now, the market is flooded. The opportunities for Taffner at this point are more available . . . in the cable area, possibly the network area. My strength is in program sales," Levy says.

At BET, vice president of network operations Jeffery Lee considers *Family Figures* a possible breakthrough. With 27.5 million subscribers, half as many as the larger cable nets, BET has had to tread slowly in its efforts to produce more original shows and dump the paid programming that Lee admits is looked down on



Mario Van Peebles: will cohost *Family Figures* with father Melvin.

by cable operators.

Scheduled for Fridays at 8 P.M., *Family Figures* will pit two groups of three family members against one another in a quiz format hosted by father-and-son actors Melvin and Mario Van Peebles.

"The game show is a proven TV format that works for black folks as well as everyone else," says Lee. "We don't

anticipate anything different about our show other than you'll see more black faces or minority faces on it."

Production costs will be about half of those for a syndicated show, but BET will try to save money without skimping on production values: Prizes will be more modest than on broadcast TV, and it will save on overhead by using its new studios in Washington, D.C. Promotional costs will be far lower than in syndication—BET just can't afford it.

If *Family Figures* works, Lee says there could be more deals with Taffner, although Taffner v.p. Donald Taffner Jr. says the company is not consciously tilting away from syndication. "I don't think we've deemphasized first-run," he says. "That's the nature of the business. The cable area seems to be moving more than the syndication area."

ANDREW GROSSMAN

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OF A NEW SEASON...**

**WITNESS
TO
SURVIVAL**

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THAT SWEPT THROUGH MAY...
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Is There Life After Wheel?

BY RICHARD KATZ

SEPTEMBER 24-27: Broadcast news personnel from around the country gather at the San Jose (Calif.) Convention Center for the **Radio-Television News Directors Association's** 45th annual conference and exhibition. Major speakers this year include **Michael Gartner**, president, **NBC News**, **Charles Osgood**, **CBS News** correspondent, and **Jerry Nachman**, editor, **New York Post**. One of the workshops planned is "Life After Wheel (of Fortune)," a discussion of the virtues of expanding local news when contracts for syndicated programming are up. "I would recommend [expanding local news], but with the warning that in most cases it will not be a ratings success," says panelist **Spencer Kinard**, v.p. of news and public affairs for CBS affiliate **KSL-TV** in Salt Lake City. Kinard replaced the successful **Tic Tac Dough** in access with an expensive locally produced newsmagazine, then bought **USA Today** in 1988, only to replace that with a straight local newscast that the station is sticking with. "[Expanded local news] will do a lot for your image as a station committed to news, information, and serving the public interest," says Kinard. "I've always argued that there is a higher purpose for access time than just high ratings and revenue. If we can make enough money to pay the bills, we ought to do more news and information there."

SEPTEMBER 25-27: The **Atlantic Cable Show**, at the Atlantic City Convention Center, plays on the city's history of high-priced boxing matches with this year's theme "Cable Fights Back"—against reregulation and municipal franchise-fee hikes. In addition, the **Cable Television Administration and Marketing Society** presents its **Northeast Regional Management Conference** on the 24th at the Trop World Casino. The featured speaker is **John Malone**, president and CEO of **Tele-Communications Inc.**

SEPTEMBER 26: Many political experts believe the televised **Nixon-Kennedy debates**, the first of which aired nationally 30 years ago today, swayed the American public to elect the charismatic Kennedy over early favorite Nixon. "Had the debate not been on television, it's entirely possible that Nixon would have won," says **Larry Sabato**, professor of government at the **University of Virginia**. Sabato notes that incumbents **Lyndon Johnson** (once) and Nixon (twice) vetoed televised presidential debates, both not willing to risk a repeat of 1960. In '76, **Gerald Ford**, way behind in the polls, had nothing to lose by debating **Jimmy Carter** on the tube, and presidential debates have since become an election-year institution. But Sabato says the dramatic impact of the 1960 debates has resulted in more sterile debates today: "The debates are held as early as they can get away with to allow any impact of a gaffe to be absorbed, and they are tightly structured to allow for as little spontaneity as possible."

SEPTEMBER 27-28: City cablers converge on the Waldorf-Astoria Hotel in New York for "Urban Markets: Expanding Business Opportunities," the fourth annual seminar sponsored by the **National Cable Television Association** and the **National Association of Minorities in Cable**. **Chuck Dolan**, chairman and CEO of **Cablevision Systems**, is the keynote speaker. **Wrise Booker**, president of the **Reid Dugger Consulting Group**, NAMIC's managing partner, believes the cable industry has been slow to hire the minority employees needed for cable to grow in urban areas. "We focus on multicultural diversity and the changing work force," says Booker, who will moderate a panel on the topic. "We'll talk about how to recruit, select and retain people of a variety of backgrounds, as well as how to manage those individuals once that work force is in place."

SEPTEMBER CALENDAR

September 16: Women in Cable, Washington, D.C., chapter, Benefit Gala. Grand Hyatt Hotel, Washington, D.C. Contact: Lucille Larkin, (202) 338-7547.

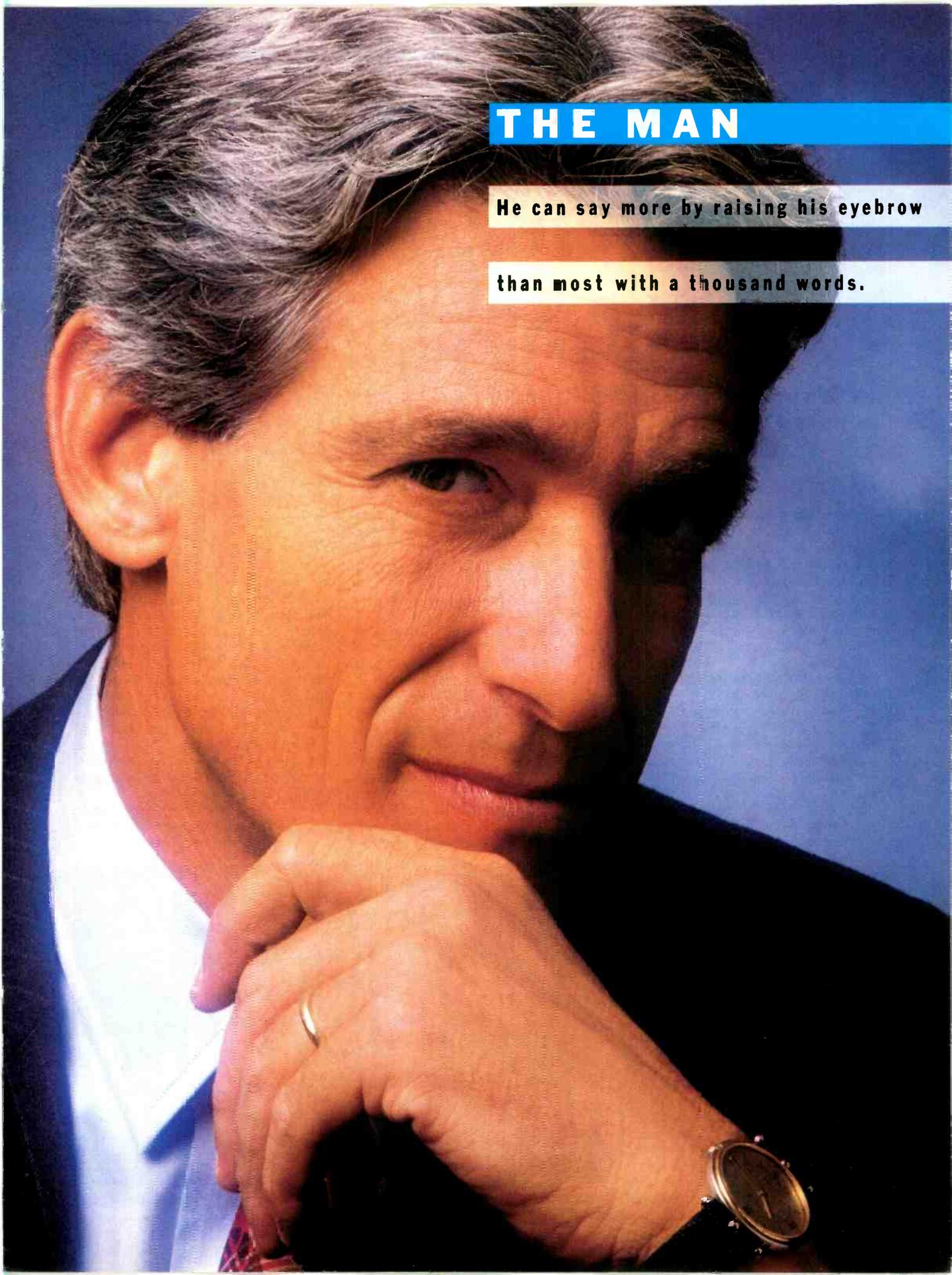
September 16-18: Eastern Cable Show, sponsored by the Southern Cable Television Association. Washington Convention Center, Washington, D.C. Contact: Nancy Horne, (404) 252-2454.

September 18-20: Great Lakes Cable Expo, sponsored by Michigan, Indiana, Illinois, Wisconsin and Ohio cable TV associations. Convention Center, Indianapolis, Ind. Contact: Cindy Urban, (317) 237-3330.

September 22: "A Salute to Betty White," sponsored by the Museum of Broadcast Communications. Chicago Hilton and Towers, Chicago. Contact: Nancy Worssam, (312) 987-1500.

September 30-October 2: Oregon Association of Broadcasters and Washington State Association of Broadcasters joint annual meeting. Portland Marriott Waterfront, Portland, Ore. Contact: Gordon Bussey, (503) 257-3041.

September 30-October 2: Minnesota Cable Communications Association annual convention. Radisson Centerplace Hotel, Rochester, Minn. Contact: Mike Martin, (612) 641-0268.



THE MAN

He can say more by raising his eyebrow

than most with a thousand words.

Packaging A Better Spot

MMT creates a multimedia campaign to lure a packaged-goods promotion budget to TV.

BY AL JAFFE

The livin' was anything but easy for TV stations this past summer, and sales development had to be especially creative. At rep firm MMT Sales, Ken Better, vice president of marketing and business development, spent the year's longest days adding up the results of some innovative turnkey marketing projects in which TV time was the centerpiece.

This year MMT has initiated, among other things, a summer-fall promotion for a regional shoe chain (Picway Stores) in Seattle and Pittsburgh—getting 100 percent of the chain's TV budgets for those markets—and it recently capped an elaborate six-month project in one market involving a new line of microwave foods. The client was packaged-goods giant Kraft/General Foods, and the market was Phoenix, where the Meredith Corp., long associated with MMT, owns KPHO-TV, one of the country's strongest indies.

The product was General Foods' Impromptu Lite, a new line of low-calorie, microwaveable entrees in a shelf-stable package. General Foods was looking to generate awareness and needed better in-store display. Besides the basic underpinning of TV ads—KPHO got 90 percent of the line's TV money in the market during the January-to-June campaign—the multifaceted promotion included the following: a series of live-remote 60-second commercials on four Saturday afternoons at different supermarket venues; station promos plugging the remotes; a Mystery Shopper prowling the supermarkets, offering opportunities for prizes; in-store displays, including end-aisle facings, balloons and banners; and full-page, four-color ads

with coupons in regional editions of Meredith's *Better Homes & Gardens* and *Ladies Home Journal*.

The live commercials, centerpiece of the Impromptu Lite promotion, consisted of 16 :60s peppered through KPHO's movies from 11 A.M. to 6 P.M. Each Saturday a different supermarket chain was featured: Fry's, Bashas', Smitty's and Safeway. Spokeswoman Cathy Dresbach not only pitched the microwave line, but promoted other products on sale, chosen by the store.

Also encouraging traffic was the Mystery Shopper, who circulated through the aisles during the Saturday events and tapped those shoppers who had the foresight to pick up a package of Impromptu Lite. The lucky shoppers drew for prizes, including microwave ovens. Smitty's substituted a contest

that offered an all-expenses-paid weekend for two in San Diego.

The Meredith tie-in, a key facet of MMT's approach, was no brainstorm. MMT reps all seven Meredith Broadcasting Group stations. Meredith provided the original seed money to Gary Scollard to set up MMT Sales, later bought him out and was in turn bought out recently by MMT executives, led by president Jack Oken. Meredith magazine ads, which come at a discount for clients buying into MMT-generated promotions, are not just woven in to benefit Meredith stations; there are *BH&G* and *LHJ* regional editions in every one of the 29 MMT markets.

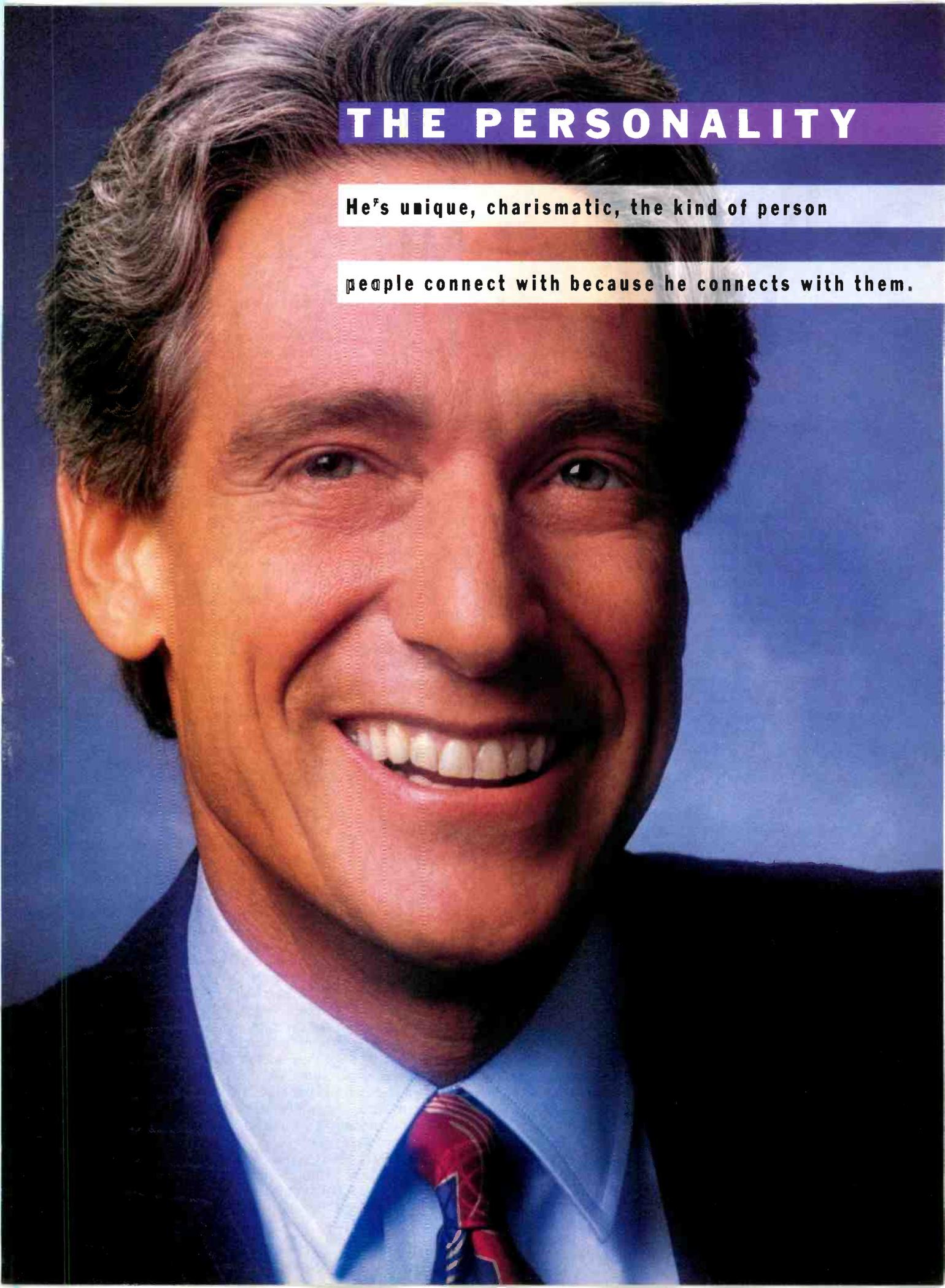
Kraft/GF paid a package price to MMT for the entire promotion, and the rep firm paid off KPHO. What did MMT get out of it? "The standard and appropriate commission," says Better. Most important is what the station received. In this, as in five other recent promotions organized by Better, much of the TV money came out of the client's promotion budget. These are important victories to an industry beleaguered by the rising tide of promotion spending by packaged-goods companies during the '80s.

Interestingly, the MMT/General Foods relationship happened somewhat by chance. The promotion came out of a conversation between Better and Gary Gruneberg, Kraft/GF media manager for local broadcasting, when both appeared on a panel in Chicago, and one thing led to another. While Better maintains MMT didn't make much money off this promotion, he says, "We hope we are better positioned to get new [spot] business, and that there's the perception that we're an aggressive rep." ●

Al Jaffe is a New York-based freelance writer specializing in TV sales.



Spokeswoman Cathy Dresbach during a live promo: Prominent in-store display was part of the deal.



THE PERSONALITY

He's unique, charismatic, the kind of person

people connect with because he connects with them.

Riverview In Hindsight

A Jersey cable system scrambled its signal, and was unprepared for a subscriber revolt.

BY RICHARD KATZ

Theft of service was reaching tremendous proportions for Riverview Cablevision, which serves five towns in New Jersey just across the Hudson River from Manhattan. Company audits estimated that 10 to 20 percent of its non-subscribers were stealing its signal. To stanch the revenue loss, Riverview decided to scramble almost all of its channels, forcing subs to get an addressable converter box. There were two seemingly minor catches: Customers using their own remote controls on cable-ready TVs (a minority of the system's subs) would have to start renting remotes from Riverview, and viewers would not be able to watch one channel and videotape another.

There was another catch the system hadn't counted on—the intensity of the reaction to its announcement that it would scramble. Riverview's plan was met with virtually daily front-page coverage of the issue in two local newspapers for almost two months, public meetings and hearings packed with local politicians and residents condemning the system as greedy price-gougers and, finally, a hearing before the New Jersey Board of Public Utilities to decide if Riverview could legally scramble.

Riverview's ensuing fight with the public serves as a case study for systems on how to market signal scrambling to subscribers and how to handle public relations when a change in operations sparks an unexpected barrage of complaints.

The board did grant Riverview, owned by MSO Sutton Capital Associates and Joel A. Goldblatt, the right to

scramble its signals. Three months after the May 22 scrambling, the system has added 2,600 subs to its pre-scramble total of 35,000. Debate continues, however, over how Riverview could have better explained the issue to its subs and responded to the uproar once it began.

"Their public relations handling was very poor," says Anthony DeFino, mayor of West New York and a leader

like it or not. That's what aroused the ire of the people."

To prepare the public for scrambling—which the Riverview staff thought would generate only a handful of complaints—Joe Fischer, then Riverview's general manager, Tina Segali, director of marketing, and Robert Smith, director of public relations, devised a notification plan that began last September, seven months before the scheduled April 2 scrambling date. (Joe Fischer has since been promoted to COO of Sutton Capital's 100,000 sub system in Monmouth, N.J., a move announced a year before the final scrambling hearing.) "We were going completely overboard with notices," says Smith. "We had been notifying the municipalities for months and months prior to the scrambling date. We were surprised that eight weeks out from the scramble the opposition appeared."

Tina Segali says more drastic peace offerings to subs, such as providing remotes for free, were considered and rejected. "We're not just going to give up that revenue," she says. "You have to make it up somewhere. We could have raised the basic rate." They also talked about offering free multi-set hookups instead of charging the current \$5. But in Riverview's highly urban area, made up mostly of multiple dwelling units (MDUs), Segali says it's too easy for apartment residents to walk up to their roofs and hook into the building's cable box. She says even at the \$5 price, subscribers order one or two extra fully loaded boxes, only to give them to friends and neighbors, who hook up illegally. "We would want to raise the charge, rather than eliminate it," says Segali.

The campaign finally implemented consisted of letters to subscribers, bill stuffers and TV spots. Riverview subscribers were advised that due to massive theft their service was being scrambled—that they did need an addressable box, but the box was installed free, the monthly fee remained the same and the deposit Sutton Capital usually required for the box was waived. Anticipating that the 4,000 subscriber households that didn't yet rent remotes would be annoyed that their own remotes wouldn't work with the addressable box, on January 1, Riverview switched from a \$3 per remote price to a household rate of \$1.95, covering one remote per cable hookup.

Despite months of marketing preparation, Riverview's scrambling snowballed into the dominant local media and political event for a two-month

RIVERVIEW CABLEVISION
GET THE PICTURE
THE OVERVIEW
Spring 1990 Issue 1

GREGORY ARNOLD NAMED GENERAL MANAGER
New GM Pledges to Increase Commitment to Customer Service

After just a short time on the job, Gregory Arnold doesn't have a care when he typed up the office report. But he sure does want to improve customer service. It will be a big part of it.

Mr. Arnold, 37, who served as vice president of the Hudson County Cablevision Association, L.P. for several years, joined Riverview in 1988 to join an effort to improve customer service.

Mr. Arnold brings almost ten years of experience in the cable television industry with him to his new job in North Hudson. A job that he expects to be his most challenging to date.

"I've not only been supervising our field sales project to reduce the cable system that also involves

very hard to increase our commitment to customer service," said Arnold. "We know that our product is excellent and we are committed to increasing our commitment to our customer service."

Mr. Arnold cited the cable television industry's voluntary customer service standards that were published earlier this year as his goal as director.

In his new job, Mr. Arnold expects to be involved in all aspects of the business, including marketing, advertising, customer service and repair. A long program aimed at the general customer segments associated with providing a total cable service.

Part of his duties will be to oversee the overall operation of the system which began earlier this year. "The initial sales completed in the Spring of 1990 will increase Riverview's channel capacity from the current 27 channels to 76 channels," Mr. Arnold said. "I'm looking at the performance of the service customer with regard to channel addresses will be a priority."

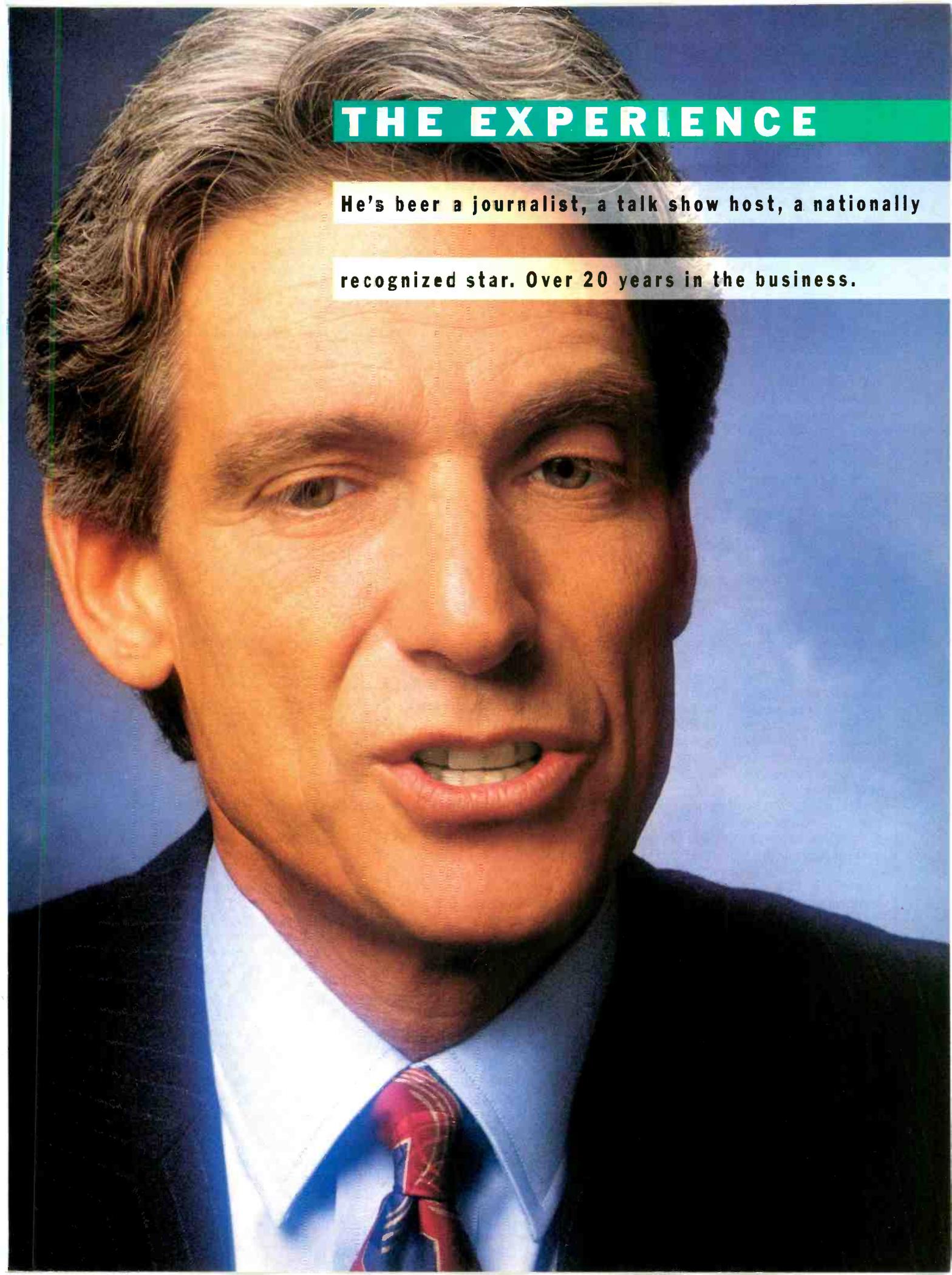
"We're such a wide variety of services available, it's important to find out the different needs and needs of the community," he said. "Service such as C-SPAN and CNN are public utility services supported by the cable industry."

Mr. Arnold is a founding member of the Hudson County Cablevision Association, Inc. He served as president of the board from 1986-1988.

Although he is used to the long hours that his new job demands, Mr. Arnold enjoys spending quality time with his wife and their three children. ☐

Riverview created a newsletter to keep politicians abreast of its good deeds.

in the fight against Riverview. He criticizes the system for not engaging in a dialogue with the community on scrambling. "From the outset, their attitude was that they were going to do this no matter what the people said. It wasn't a question of, 'This is something we'd like to do, but there might be an alternative.' It was *fait accompli*, whether you



THE EXPERIENCE

He's been a journalist, a talk show host, a nationally

recognized star. Over 20 years in the business.

period. Dave Riley, who covered the story for *The Hudson Dispatch*, believes a couple of irate calls to local council people was all it took to get the ball rolling. "It was a tailor-made issue for politicians," says Riley, "because if [scrambling] went through as it did, they could say 'We thwarted it as much as we could,' and if it didn't go through, it was a big moral victory."

Aside from damaging the system in the eyes of its customers, Riverview's fight in the New Jersey Board of Public Utilities may have aroused future legal scrutiny by BPU president Scott Weiner. "I don't think Weiner really thought too much about the cable industry before this case appeared before the board," says a journalist who covered the case. "During the sessions he seemed more and more interested. He was more interested than anyone else in the room." Since the hearing, Weiner, known as a strong consumer protection advocate, has revised the state's cable regulations, adding items such as mandatory 24-hour staffing to answer complaints, designated morning or afternoon appointments and itemized billing.

Smith says the system began damage control during the hearing process, taking into account opinions voiced about Riverview at the hearings. He says complaints about customer service caused the hiring of Barbara Sampeur, formerly of TKR and Manhattan Cable, in the new position of director of customer service. Riverview also created the *VIP Overview Newsletter*, sent to politicians and community leaders, detailing Riverview's good works and updating the state of the rebuild. "We had been doing good things all along," says Smith, "but we weren't doing a good job of telling people about it."

Smith also started pumping out press releases to local journalists he got to know during the public melee. "We had to say to them, 'You gave us a lot of attention during our perceived troubled months, can we count on you to pay some attention to us when we're doing some good things?'"

This fall, Riverview has established a cause-marketing program that brings

together HBO, the daily *Jersey Journal* and New Jersey Connection, a literary organization. The paper and system do a barter ad swap, each donating one dollar to New Jersey Connection for every new HBO, Cinemax or newspaper sub. "We've been really determined to convince the newspaper that when they carry those AP wire stories from somewhere out in the boonstocks of America, where there is a U.S. senator who's only getting 15 channels for \$25 a month and that's what's inspiring him to call for cable regulation, that's not us," says Smith. "Yeah, we had a problem with scrambling, but once that dies down they'll see we're rebuilding, we're not

system's messages to the public and politicians clearer. "We were telling our subscribers so many things," says Smith. One was that Riverview was in the midst of an \$8 million rebuild, raising channel capacity from 37 to 78. The other was that the system would begin scrambling to limit theft. "Perhaps we shouldn't have scrambled at that time and scrambled as part of the introduction of the newly rebuilt service," says Smith. The rebuild will be finished next August.

Fischer, who personally faced the abuse of hundreds at hearings and meetings and was the subject of political cartoons, isn't sure he would go back

Cable TV viewers in a scramble for descrambling k.
North Hudson mayor wage fight for clear

Coverage of public outcry over the Riverview scramble dominated local papers for almost two months.

Crowd boos cable TV plan

By Peter J. Sampson
NORTH BERGEN — More than 250 boisterous cable hobbyists gathered Tuesday night to protest their town's plan to scramble its signal, but instead nearly screeched the legislative hearing. About 30 minutes into the hearing, residents began shouting from the audience and walking out, not being given an opportunity to not being given an opportunity to be heard by the prospect of higher rates.

Robbery is a big hit with cable

connect. "And that's it — you got cable," he said. But Freddie said scrambling will not eliminate the extra cash he earns plugging converters that will unscramble the signal. "It is only going to bring me my business," he said. Robert Smith, Riverview spokesman, said that scrambling could be so

Cable firm wins fight with town.

Scrambling to begin in two weeks
By Peter J. Sampson
Riverview Cablevision Associates emerged victorious Wednesday from a battle with the town of Hudson County, which had stalled the firm's scrambling plan on March 29 so it could raise its

Are ex-cable thieves flocking to subscribe?

By Russell J. Jansin
Journal Staff Writer
Riverview Cablevision has a good number of customers who are ex-cable thieves. The firm's scrambling plan, which will begin in two weeks, is expected to bring in a new wave of subscribers. "We're not sure if it's a good thing or a bad thing," said a Riverview spokesman.

Are thieves scrambling back?

Customers from Page 1
Profile Arnold would not say whether he believes that forced "are c

raising our rates and we're doing community service campaigns."

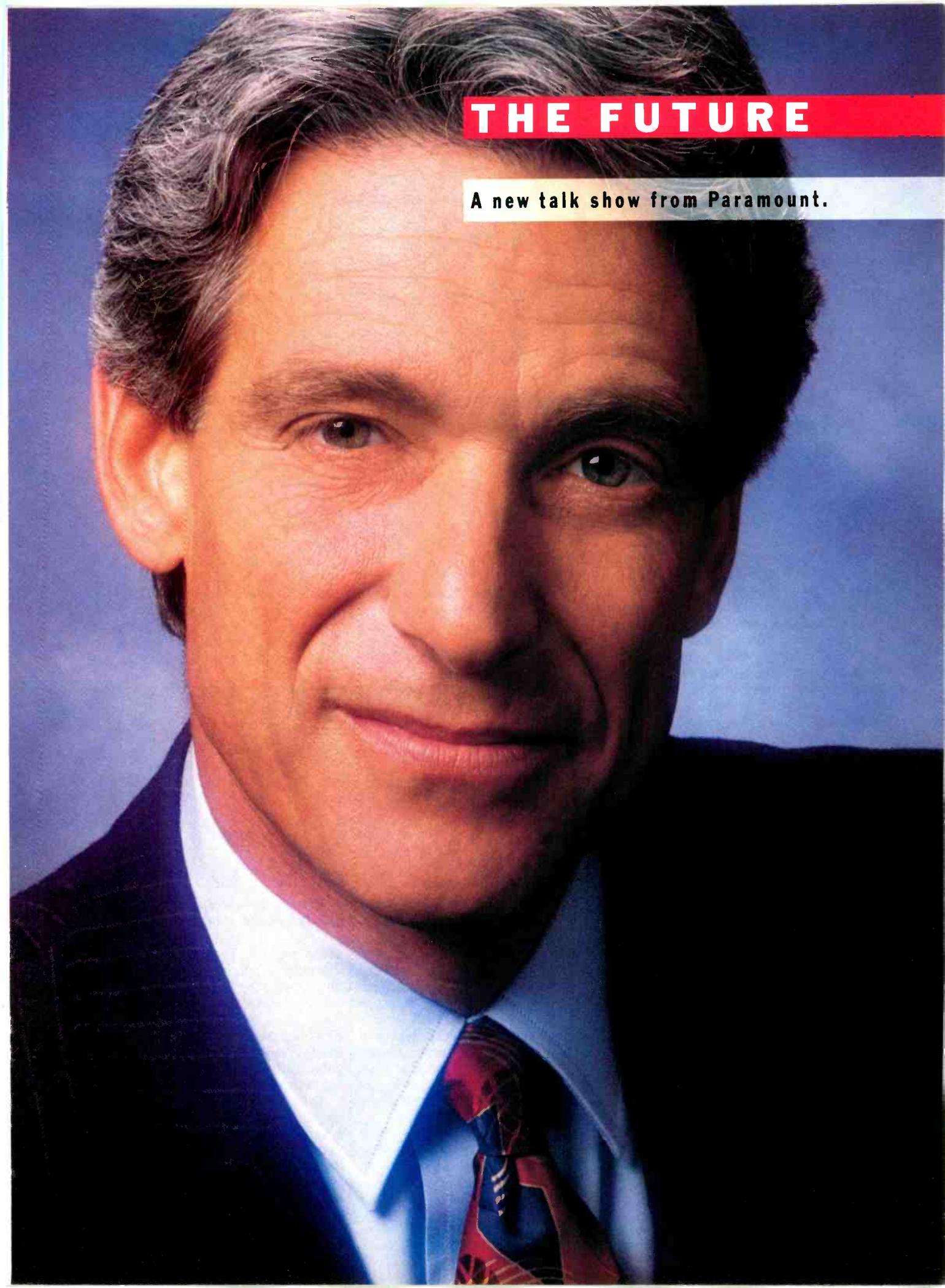
Whether it's due to a fantastic PR job by Riverview or the willingness of subscribers to forget, the scrambling dispute is now a fading memory of four months past. Smith says theft is drastically reduced, subs are up and addressable percentage is in the high 90s. Mayor DeFino says under new general manager Greg Arnold the system seems more community-spirited.

Ex-general manager Fischer says Riverview has accomplished what it set out to do—gain subscribers and significantly deter theft. Fischer offers this advice to systems thinking of scrambling: "If you have the slightest inclination that if the heat gets turned up, you are going to reverse, then don't do it to start with. You don't want to go through a lot of grief for nothing."

Reassessing how Riverview handled marketing its scramble to the public, Smith says he should have made the

and change anything from a public relations standpoint. But if he had it to do again he would divulge less information. "I'd say that I would give less notice [about the scrambling] because it seemed like it only hurt us," says Fischer. "The more we tried to tell people what was going on and answer their questions, the more we got caught up in this political steamroller."

Looking back at the dispute that used up so much ink in the papers, reporter Riley says, "It's just pretty ludicrous because what it boiled down to was that [subs] couldn't use their remote controls and couldn't watch a show on one channel and tape a show on another channel. Maybe that's slightly annoying, but when you put it into context, people were coming out by the hundreds to protest this. Yet at the same time, with the drug problems in the community, the homeless problem, the tax problems, you're lucky to get ten people out for a hearing."



THE FUTURE

A new talk show from Paramount.

Making Nice At the FCC

**Will five strong-willed policymakers
always reach an amicable consensus?**

BY PENNY PAGANO

When a half-dozen TV crews set up their cameras at a Federal Communications Commission meeting, which they rarely do, it signals that a major vote is scheduled. That was the scene in late July when the commission met to consider a long-awaited draft of its cable report.

Commission staff and spectators filled the seats, lined the walls of the eighth-floor meeting room and spilled into an overflow room to watch the proceedings via closed-circuit television. As the unusual afternoon session got underway, the arriving commissioners talked quietly amongst themselves. Last to arrive, commissioner Andrew Barrett stepped sprightly across the dais to his seat, a ballpoint pen in his mouth, giving chairman Al Sikes a jovial slap on the shoulder.

Their 5-0 vote to approve the cable report was anticipated. What wasn't expected, however, was the amount of time that individual commissioners devoted during the hour-long meeting to lauding their colleagues for fashioning a consensus on the report, and for completing their task with an air of collegiality. When Sikes pounded the gavel to end the session, they even shook hands.

Their cordiality didn't make the TV clips, which pleased those staffers who thought the effusive display bordered on embarrassing. But in fact, the cable issue had been viewed as a litmus test for the new commission, which appeared to be developing ideological rifts after a fairly short time together. And the praise that the commissioners heaped is indicative of a political axiom: the bigger the compliment, the bigger the fight.

"In the final analysis," Sikes said at the July 26 cable meeting, "sharp differences of opinion did not develop." Well, perhaps not publicly. But the weeks preceding the vote hadn't exactly been smooth sailing for Sikes and several colleagues who opposed his approach and succeeded in crafting changes.

Just a few days before the meeting,

session later the same day, the other commissioners indicated that they were reluctant to wield as sharp a battle-ax at the industry, and went out of their way to calm fears in the room.

To his credit, as former head of the National Telecommunications and Information Administration (NTIA), the federal government's domestic telecommunications policy arm, Sikes knows the issues. But at NTIA, Sikes was a sole administrator. He has had less experience leading a five-member commission or negotiating compromises between policymakers. As one communications attorney who knows Sikes says, "He needs to schmooze a little more with his fellow commissioners."

Communications issues are also familiar to Republican commissioner Sherrie P. Marshall, who worked briefly as director of the FCC's office of legislative affairs under former FCC chairman Dennis Patrick. Andrew C. Barrett, a Republican who served nine years on the Illinois Commerce Commission, and Ervin S. Duggan, a Democrat and former communications consultant, are newer to the issues. Sikes and Marshall were sworn in in August 1989, Barrett in September 1989 and Duggan this past February. They joined James H. Quello, a Democrat who has been on the commission since 1974.

Many outside the FCC view the new



FCC commissioners (from left) Ervin Duggan, Sherrie Marshall, James Quello and Andrew Barrett. Democrat Quello may be most in tune with the commission's Republican chairman.

Sikes conceded to reporters having coffee in his office, "Sure I get annoyed and frustrated because other commissioners don't want something I want." Seasoned observers, including several former FCC chairmen, commissioners and staff, insist it is still too early to assign this FCC a personality. Yet there is a clear consensus emerging that this is an FCC comprised of independent thinkers and strong-willed personalities.

One early indication occurred at the NCTA convention in Atlanta in May, when Sikes delivered some harsh comments to the cable industry about its "unregulated monopoly" status. At a

assortment of personalities and its diversity of opinions as a most agreeable change for the agency. There is a sense of relief among many that the Bush administration has replaced an FCC hell-bent on strict conservative ideology with people who have strong political views but who seem more willing to listen to opposing views.

"The right-wing radical anti-regulatory commission has been replaced with a conservative Republican commission," says Andrew J. Schwartzman, executive director of the Media Access Project, a Washington-based public-interest communications law firm.

THE MAURY POVICH SHOW



A Paramount Communications Company

For the moment, these changes seem to have breathed some new life into the commission and piqued the interest of those who follow its actions. "It's a much better commission than we have had in some time," says Schwartzman. "I think it's a better environment for all concerned."

"It's a very different commission than we have had in the last few years," agrees Steve Effros, president of the Community Antenna Television Association. "It's less ideological, less contentious. Taken together," he says, "it's an exciting time to be working with the commission as a lobbyist."

"We haven't had a commission like this since Charlie Ferris was there," says a former FCC official. (Ferris served on the commission from 1977 to 1981.) "It's what an independent agency is supposed to be."

But heading up a group of independent-minded individuals is not without its difficult moments, as Sikes has already discovered. When he met with reporters in July to review his first year as chairman, Sikes carefully described the relationship among the commissioners as good. "We have different backgrounds but we complement each other," he said. "That doesn't mean that we run around and say nice things about each other."

In part, the commission members are



FCC chairman Al Sikes: 'We have different backgrounds but we complement each other. That doesn't mean we run around and say nice things about each other.'

still finding their niches and developing relations with staff and colleagues. Sunshine laws requiring the commission to conduct its business in public sessions prevent more than two commissioners from getting together to discuss their work. As a result, a lot of groundwork is done by their legal assistants in separate meetings.

"It's hard for a commission to develop a cohesive personality," says Quello, who has worked with five chairmen and over a dozen commissioners in his 16 years at the FCC. "I'm the only one with an institutional memory of what went on here before."

Quello doesn't view this commission as headed for trouble. "You don't have a

divided commission," he says. "You have a commission with new people who want to be their own players and who want to be independent."

Quello thinks Sikes' political philosophy is compatible with his own middle-of-the-road-Democrat views: "I don't see him having a hell of a lot of problems, at least not with me."

It may be a different matter with some of the other commissioners, such as Sherrie Marshall, who some observers see as wanting to have a particularly strong voice in commission matters. Marshall defines her approach to the communications arena as pragmatic. "If there is a level playing field among competitors, I will be content to let it go forward," she says. But where the commission finds inequities, she'll likely support the injection of competition to strike a balance.

Of the new commission, Marshall says, "We're still evolving our relations. We're five people who want to be collegial and are making every effort to be cooperative." She expects the commission to be characterized as "procompetitive, but willing to step in where these forces aren't working." "I don't think," she adds, "we'll be perceived as ideologically driven."

The commission's newest member, Duggan, says he believes that there have been two key questions for this

commission: Can it deal with Congress and can it run its own house?

On the first issue, there is agreement that relations between the FCC and Capitol Hill have improved markedly. As for the second question, Duggan is optimistic. He believes the behind-the-scenes work putting together the cable report has been a clear indicator. Says Duggan, "If we can clear this hurdle amicably and collegially, it speaks well for future controversial issues."

If the cable report was the first sign of how well the new commission will work together, watch for commission action on the financial interest and syndication rules to be the next test of its cooperative spirit. ●



ABOUT TOWN

When cable net C-SPAN first talked with Soviet officials about televising two hours of the Soviet Congress, the Soviets named a steep price: \$60,000. In the end, says C-SPAN chairman Brian Lamb, they completed an agreement that was far more reasonable. Such episodes are just part of doing business these days as C-SPAN televises more foreign governments at work. In the past year, C-SPAN has covered the British House of Commons, the Israeli Knesset, the Japanese Diet, the Soviet Congress, the West German Volkskammer and the East German parliament. While Lamb admits that watching simultaneous translation may not be particularly good TV, he says, "Our primary purpose is education, the opportunity to compare governments. There's a dramatic difference in how other governments make their laws."

BASIC FACT:

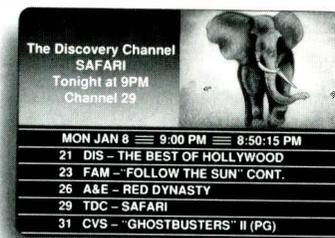
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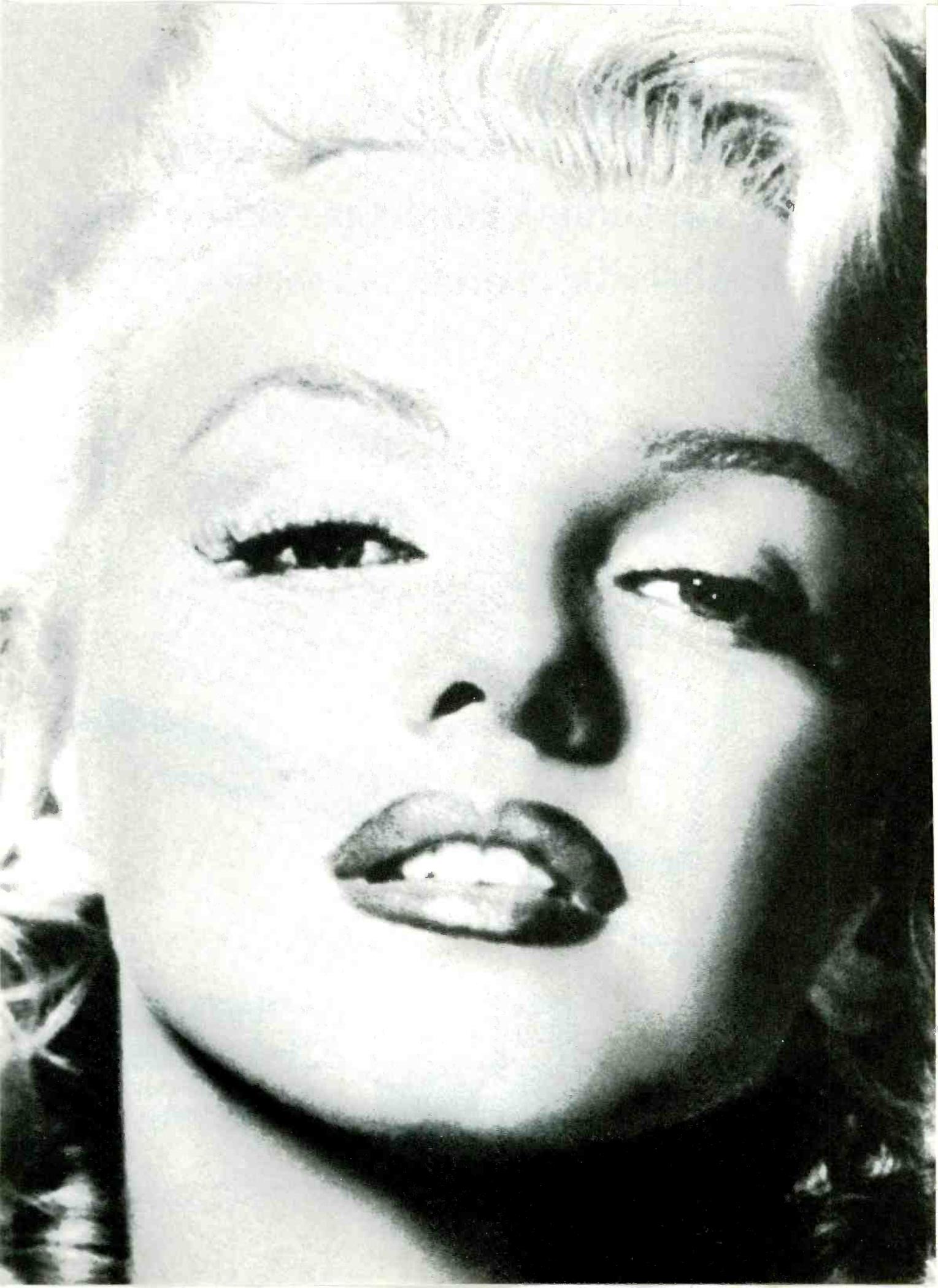


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Marilyn Monroe as featured in "The Seven Year Itch" on AMC.

A.M. Becomes Electric

Atten-HUT is the rallying cry for Fox and network affils adding morning shows.

BY JANET STILSON

Now that KTVU's "Operation Sand Sleep" is out in the open, TV officials are waking up to the notion that an increasing number of major-market Fox stations want to eat *Good Morning, America* for breakfast.

When its 7 A.M. to 9 A.M. series dawns in January, the San Francisco station will become the fourth Fox outlet to counter-program the network morning-news trio with its own local variation. Still more stations say they're monitoring the often impressive ratings results of local news shows already airing on two Fox-owned stations—New York's WNYW and Washington's WTTG—and on Fox's Miami affiliate, WSVN.

The morning wave at Fox stations is part of a larger trend, as affiliates and independents alike take advantage of increasing viewership levels and advertising opportunities with sunrise fare, both during the week and on weekends.

Network affiliates woke up to the attraction of newscasts leading into the national morning shows several years ago. But recently, movement on that front has gained momentum. Steve Ridge, vice president of consultation at Frank Magid Associates, calculates that over the last two years 40 stations have added morning shows in the 6 A.M. to 7 A.M. slot, and 35 have expanded the length of programs already in place—in some instances preempting network feeds. The total now stands at about 100, up from about 60 three years ago.

"A lot of stations fear that they won't be perceived as competitive with news if they're not in an early-morning time slot," Ridge says. "It's not as though morning news is necessarily making a ton of money on a stand-alone basis."

But the shows are often sold in conjunction with evening newscasts, increasing a station's total number of ad avails.

The advertising advantages of news are apparent at WNYW New York's *Good Day, New York*. According to the Fox O&O's general sales manager, Rudy Taylor, WNYW currently pulls in revenues well above the estimated \$4 million it would have made with the kids schedule it had in 1988, before *Good Day* bowed. While the kiddie fare drew slightly higher ratings than *Good Day*, children's advertising is only robust in the fourth quarter.

For Fox stations, 7 A.M. to 9 A.M. shows have an appeal that transcends immediate sales goals. "We're looking and acting more like a network affiliate," says Kevin O'Brien, who oversees KTVU as executive vice president of the Cox Independent Broadcast Group. "You can't be

an affiliate if viewers turn you off at 10 and when they turn you back on they see kids running through guacamole."

Stations can program local news shows and expect an audience because more people have their sets turned on in the morning than ever before. HUT levels are up. Harry Fuller, news director at San Francisco's KPIX, has only been able to lift the ratings of his 6:30 A.M. half-hour show, added last January, from "hash to 1.5." But the chart he's worked up on HUT increases in several markets gives him great optimism. "People's lives are much more complicated than they were ten years ago," Fuller says. "They go to bed by 11, so if you don't catch them in early morning or at 10, a great portion of the audience just isn't home."

Lifestyle complications appear to be increasing local news viewership on weekend mornings as well. By preempting NBC's children's fare, KCRA Sacramento increased its Nielsen ratings in the 6:30 to 11 A.M. Saturday block by 36 percent during the May sweeps, compared with the same period a year ago.

KCRA's results add fuel to the arguments of William Bolster, president of the Multimedia Broadcasting Company. Prompted by interest from other station executives, he is among those urging NBC to expand *The Today Show* to Saturday morning. "It would dovetail with stations that want to do local shows on weekends," he says. Another NBC affiliate, the Cox-owned WPXI in Pittsburgh, has already followed KCRA's lead with a Saturday-morning news block.

A seventh *Today* sometime tomorrow is still a vague notion at NBC News, according to executive v.p. Don Browne, as is the pipe dream of adding a third hour to the weekday version. But both developments could add more wrinkles to the transformation of morning TV already underway. ●

Fuller's Analysis of Morning HUT Growth

	6:30 A.M.		7:00 A.M.		7:30 A.M.	
Seattle	'88	13	19	23		
	'90	16	20	23		
Minneapolis	'88	10	16	18		
	'90	15	20	23		
Sacramento	'88	12	20	22		
	'90	19	24	26		
San Diego	'88	11	20	20		
	'90	14	22	23		
Los Angeles	'88	17	21	23		
	'90	17	22	23		
San Francisco	'88	8	12	17		
	'90	14	18	21		

(Compiled by KPIX's Harry Fuller from February NSI ratings books.)

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Americans at their best.

NIELSEN UNDER PRESSURE

While Nielsen tries to figure out how to fix NTI, competitors large and small nibble away at different chunks of its franchise.

It took the full decade of the '80s for the

By Michael Couzens

Big Three television networks to cede their monopoly, marching downhill in stately procession until by fall 1989 they were lucky to claim 65 percent of prime-time viewing. It took just three weeks in the first quarter of 1990 for the full weight of that shift to come crashing down on the only commercial ratings service that measures national network performance, the Nielsen Television Index. Ever since, the industry has been debating whether NTI is out of whack, and if so, how it can be fixed. The tremors have raised the hopes of other research companies who want to succeed or compete with NTI.

These days, the idea of a monolithic research measure like NTI seems anachronistic. Advertisers want proof that the time or space they buy achieves its goal, whether that's selling gum to teens or BMWs to yuppies. They crave new yardsticks, narrow profiles of purchasing behavior, documented sales, cross-tabbed data streams, etc. Instead of trickling down from national syndicated services to the local markets, this fracturing of research technique appears to be far along in the hinterlands, where

custom research flourishes, and just recently to have penetrated national services in New York. Whether or not NTI can hold its position as the one national audience measure engraved on a platinum bar, the barrage of competitors is likely to make inroads in its other uses.

While smaller competitors challenge Nielsen on the local front, the range of national research options could soon triple. Next year Arbitron Company plans the national launch of ScanAmerica, a hybrid set meter, people meter and product-usage panel. Even Pergamon AGB PLC of Britain says it would like another whack at North America, despite the heavy loss it bore three years ago, when its people-meter initiative was copied by Nielsen and its customers dried up.

NTI is still the basis for an annual network clearance of \$10 billion. But according to Jack Poor, senior vice president of support services for Blair Television, "The general assumption is that Nielsen is missing viewing [with NTI]. The [respondent] does not err on the side of pushing the buttons too often. As options explode, the rating services find themselves behind the curve. Everyone knows

there's a problem, but no one knows how to fix it."

The downturn in NTI appeared without warning, a black hole of missing viewers in late February and early March. For the first quarter of 1990 as a whole, household viewing tapered off by only 1.4 percent compared with first quarter '89. But persons using television were sharply off for some key demographics, such as women 18 to 49, and for key time periods, including daytime and prime time. Nearly all the slide was in network, with measured non-network services (like Fox) steady or growing. As a result, the Big Three had to dish out \$150 million to \$250 million worth of make goods on their demographic guarantees.

Reeling, the networks went to war with the advertisers who pocketed the make-good windfalls. An ABC press release blasted the February drop in HUT levels as phony, "the most unprecedented fall-off in television history—a sudden change which Nielsen cannot explain." But the American Association of Advertising Agencies, speaking for clients, gleefully assumed the entire drop was real. It "was not a function of Nielsen's procedures," so that the AAAA "would recommend the industry continue using the data as usual."

As the upfront season approached in June, the rift between networks and agencies grew even more bitter. Bob Warrens, senior v.p. of media research and resources at J. Walter Thompson and chairman of the AAAA's research committee, claims that the networks "essentially defected from an agreement we had to proceed in partnership to correct problems that had been identified in NTI." These had been outlined last year in an exhaustive industry study. "We agreed we were not going to trash the system in public. Then February happened, and it was like a curtain came down."

Into the fray stepped AGB, despite the battering it endured last time around. This summer AGB began making presentations to ad agencies. "In principle we see that this is the biggest market in the world. We want to be a player," says Stephan Buck, AGB's group director of research worldwide. AGB measures television in 23 countries and has a people meter of some kind in 15 of them. Often they vie with Nielsen for contracts. "[Nielsen] competes with us in the U.K.; we are head-to-head in Australia and they are the favorites in Thailand and the Philippines."

Buck depicts the rapid swings in NTI as the product of a series of technical snafus that AGB better than Nielsen could fix: "Our latest generation of meters is far superior, with no trailing wires around the home, easily installed and able to measure VCR use." Nielsen runs an extra line to the phone, and is

just getting underway with separate measurement of VCR playback. Buck's list of problems with the implementation of NTI echoes the findings of industry study groups—problems in detecting changes in the level of cooperation of people in the sample, or fatigue, problems created by the policy of turning over the sample every two years, and overall quality control in the field. "It's a series of many practical points we're making," stresses Buck, "rather than theoretical."

These research points do matter, but AGB may have forgotten the zeal with which Nielsen parried its every move in 1987, once it had concluded that AGB was a threat to its monopoly. Met by a strong incumbent and finding little interest from broadcasters (except CBS), AGB signed up ad agencies. In 1990, agency support is hardly a foregone conclusion. "We're not going to put a penny into a competing system," says J. Walter Thompson's Warrens. "This market is not prepared to support two services unless the networks want to do it all by themselves."

Nielsen can also expect competing national numbers from this side of the Atlantic. Arbitron has completed its testing of the ScanAmerica system in Denver, and intends by December to have 1,000 ScanAmerica households running in New York, Chicago, Los Angeles, Atlanta and Dallas. By December of 1991, Arbitron hopes to have 2,000 homes, at which point ScanAmerica will offer regular national estimates built upon these five major-market panels. Arbitron plans to release data beginning near the end of this year, eventually to include overnights, weekly, biweekly and monthly reports. Along with homes and persons using television, ScanAmerica employs product-code scanners in the home to secure purchase data that will be published monthly and tabbed for comparison with viewing.

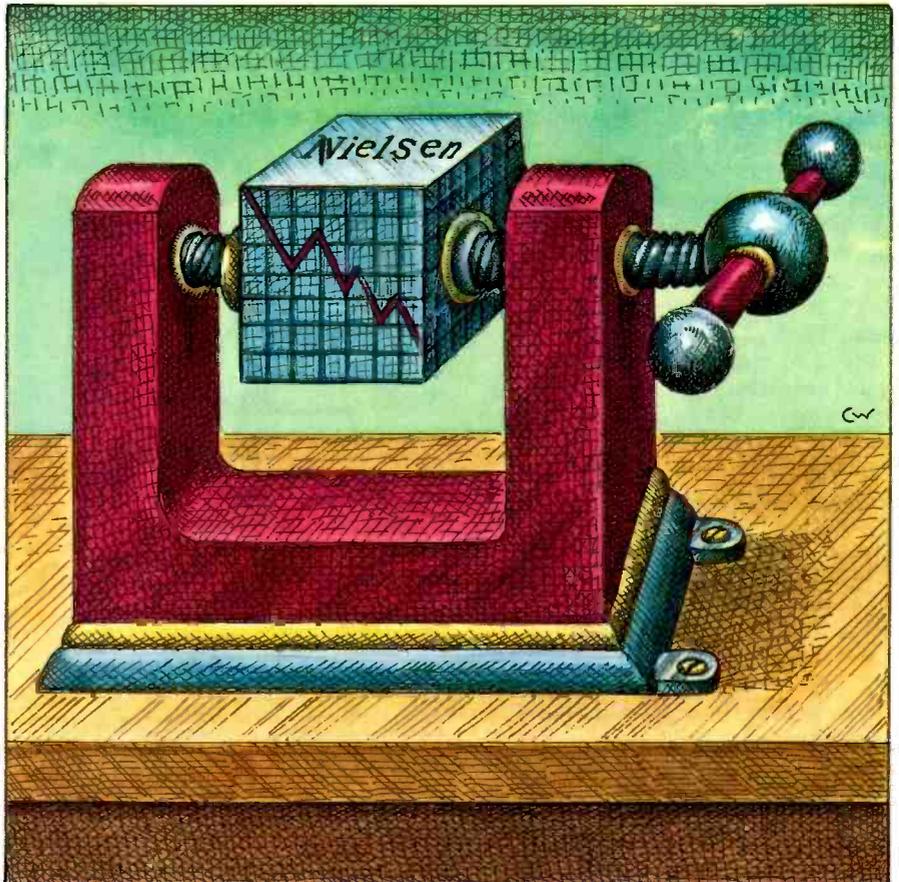
Anthony J. Aurichio, president of Arbitron, says that he still holds to an estimate made about three years ago that the full implementation of ScanAmerica would require about seven years and an investment of about \$125 million. Because of its value for product testing and direct use by advertisers, they are expected to provide 40 to 45 percent of the fees for the service, a proportion that appears to have grown. Broadcasters, cable systems and cable networks are now expected to contribute 20 to 25 percent of fees.

Broadcasters, however, are proving resistant to the introduction of technology they think will undermeasure viewing. Like the people meter, the ScanAmerica meter requires more manipulation than does the passive set meter. Late in July, stations rejected Nielsen's plan to offer local-market people meters. Stations feared the effect would be to slash the estimate of persons viewing television.

If stations aren't clamoring for local people meters, they do want more powerful research, and they need not go to Nielsen to get it. The custom research houses have powered much of the transformation of television research now in progress. In a local market, share data taken out of a quarterly ratings book are becoming less and less effective as a sales tool. Independent stations, for example, "try to think outside the square and go

according to Spencer Williams, director of research for NBC affiliate KCRA. The indies have dropped Arbitron, and the affiliates are about to let their contracts expire. The exception is KOVR, an ABC affiliate that has contracted for a local ScanAmerica service, which now may be slowed by the emerging grass-roots resistance to people meters.

Instead of parallel, but not identical, reports from Nielsen and Arbitron, local



beyond the rating books, frankly out of necessity," says Susan Rynn, director of marketing information for the Association of Independent Television Stations. "There is more and more movement toward new [research products]."

As they become more interested in products sold by companies other than Nielsen and Arbitron, local stations are becoming a tougher sell for traditional ratings. Nielsen and Arbitron both offer continuous measurement, with passive set meters, in larger markets (23 for Nielsen, 13 for Arbitron). Both syndicate diary-based measurement in the markets they do not meter. Stations love set meters, which tend to cause an uptick in HUTs compared with diaries, even as people meters cause a downtick. But metering more than doubles the cost of ratings books, and stations are increasingly unwilling to subscribe to books from both companies.

For example, in Sacramento, only the ad agencies continue to support Arbitron,

stations are turning toward custom research that can fortify the sales presentation. At KCRA, Williams lauds one such service, from Leigh Stowell of Seattle, which involves 1,000 telephone interviews tailored both to the station's sales objectives and to its program lineup. Clients can match a program's demographics with other factors not available from the syndicated rating book, such as recent purchases, travel plans or leisure-time activities. "It becomes a validation, to increase the advertiser's confidence," says Williams.

A similar service is offered by Marshall Marketing and Communications of Pittsburgh (see "Psycho-Selling," July/August 1989). Both companies take one station client per TV market, with fees running from \$40,000 to \$70,000 in larger markets. According to Williams, "It's an edge. We're part of a sales department to people who are very skeptical about television." Or, says Leigh Stowell, giving an example, "We will look specifically at the

habits of the 25-to-54 male. In San Diego he behaves differently than in Baltimore. Buying a gross rating point is almost folly anymore."

Market fragmentation also is slicing up the traditional household diary. Recognizing that families do not watch television for shared entertainment, as they did years ago, an industry committee on local television has produced and will be testing a personal diary for each member of the household. The National Association of Broadcasters is one of the backers of the development. Says Rick Ducey, the NAB's senior v.p. for research and planning, "It's even been questioned whether we need household data at all." He notes that requests for ad avails are stated in terms of individuals of a specified age and sex.

While the stations may be leading the way, the networks themselves are moving as quickly as possible away from the pure numbers game. Each network, in its way, is working to recast its service with better research, so that reach and frequency will not be the only considerations. Networks are reducing dependency on ratings by experimenting with sponsorship tie-ins that create demonstrated, countable consumer responses, whether CBS with a sweepstakes operated through K mart stores, or the "McMillions on NBC" just now getting underway.

"The network buy is a less and less important buy," says Robert Bolte, director of media services for Clorox. "So in the future the network will have to offer you a whole plate. NBC, CNBC, the Olympics. Or the network, syndicated, cable, throw in a magazine or two, or signs in the doctor's office."

The networks have also stepped up their search for missing eyeballs. At ABC, v.p. of program research Richard Montesano continues his push for recognition of out-of-home viewing, which that network has documented with studies of *Monday Night Football*, among other studies. A fresh telephone coincidental, sponsored by the networks and NAB, suggests that people meters miss not a few viewers who are out of the home because they are guests in someone else's television household.

The networks search for missing viewers in order to make the most of those viewers they have. Changing the measurement is easier, after all, than changing a marketplace radically different from the one the Big Three had virtually to themselves ten years ago. Network profits are still tied directly to the number of eyeballs reported in NTI, a number that will continue to decline unless and until the product the networks offer changes drastically.

The networks' understandable desire to impugn the accuracy of any measurements that show them losing viewers puts Nielsen in an uncomfortable position. A.C. Nielsen Co., a subsidiary of Dun & Bradstreet, is not a nonprofit company. It must try to retain the credibility that flows from accuracy without alienating important clients like the networks, who have definite ideas about the trends they would like to see in the results. The flap over NTI generated a small flurry of negative press for Nielsen, and the company in late summer affected a lowered profile. (Nielsen declined to make a source available on the record for this article.) At this juncture,

As options
explode, the rating
services find themselves
behind the curve.
Everyone knows there's
a problem, but no one
knows how to fix it.'

the pressure is on Nielsen to come up with a formula that has the effect of fluffing up estimated viewing, whatever the reality.

What Nielsen can do, and has done, without calling its accuracy into question is present its research in new, more sophisticated forms. Nielsen is well positioned to develop new research products from its own sources, and to combine forces with such corporate cohorts as Donnelley Marketing to respond to the demand for more tailoring.

For example, Nielsen's TV Conquest system enables a station to produce ratings, grouped by the categories of ClusterPlus, a popular lifestyle classification system developed by Donnelley Marketing. After each sweeps period, diaries are cluster-coded by Nielsen. Then TV Conquest subscribers are sent the combined rating-plus-lifestyle data on computer diskettes, for direct use in generating their own reports.

Nielsen appears unsure, however, how

to fix its linchpin, NTI. The NTI estimate pivots on a group of 4,000 people meters, installed in a carefully drawn national sample and operated essentially the same as Nielsen has done since September of 1987, when the people meters replaced a hybrid system using passive set meters for one sample and pencil diaries for another.

Stung by the results of the first quarter, the networks refused to make traditional guarantees hinging on NTI during this June's upfront season. The Big Three lessened the impact of their lower NTI numbers by uniting behind a scheme proposed by NBC. They hedged their demographic guarantees, making up for shortfalls only when they fell below a trend line that will average this season's NTI estimates with eight years of historic data. This not only saved the networks, but permitted them to jack up prices 10 percent or more. Fox, on the other hand, stuck with traditional guarantees—since its ratings were up—and along with national cable services advanced faster than the Big Three, compounding price increases with expanded availabilities.

The quick fix having saved the upfront, the question is whether more permanent solutions are in the cards. The latest from Nielsen is a plan to replace the people meter with a hybrid, using a separate sample of passive set meters to establish the level of homes using television, and another panel of people meters only to establish which people are viewing—male, female, 25 to 34, and so on. The method seems designed to push HUT levels back up where the networks want them. Bob Warrens,

speaking for advertising agencies, charges, "The networks want to get back to a favorite son position, where they get to record a lot of tuning without viewing."

And Nielsen needs its favorite son. The networks have already arrogated the right to process the ratings through a fudge factor of their own creation by hedging their guarantees. Such a gambit is damaging to the Nielsen estimate, and ultimately could even damage the networks. Nielsen would like to retrieve its umpire's cap and whistle, but is not in a position to do so politically. Its head-on collision with the networks over methods of measurement and the emergence of competing products seems destined to force the national rating point itself into the mold of a commodity, and hasten the arrival of a new, fragmented research marketplace.

Michael Couzens is a contributing editor of Channels.

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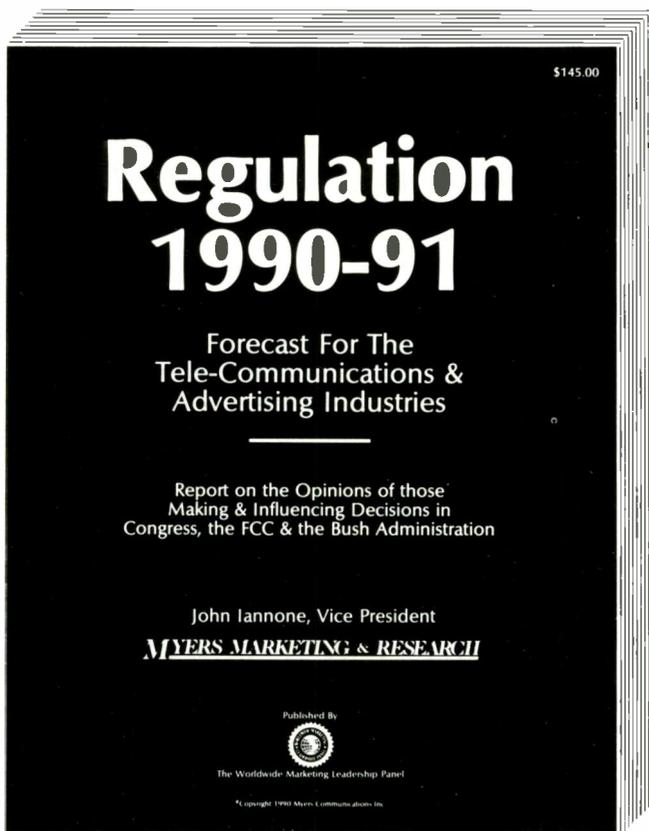
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Inside IN FOCUS

Every fall arrives with pronouncements that this season will be the most competitive ever. This year is no exception, particularly given the deepening fragmentation of the TV audience. At

ABC, as Neal Koch explains in our first story, programming execs Stu Bloomberg and Ted Harbert will try and wrest the ratings lead from NBC. Next, Rick Marin relates how the networks try, and often fail, to hedge their bets with pilot testing. Cheryl Heuton then explores the nasty battle for the kids business, and Frank

Sommerfield looks at how USA Network reaches for a larger audience with the marketing of its made-for-cable movies. We close with our annual deficit chart, detailing the rising price of prime time.

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ABC'S A-TEAM

Do they have the firepower to overtake NBC?

By Neal Koch

Sitting in a director's chair last April, facing the rows of rising seats in ABC's Los Angeles screening room, entertainment president Robert Iger fielded relentless questions from reporters about ABC's gothic murder mystery, *Twin Peaks*. But while the reporters at this end-of-season press conference concentrated on Iger, his gaze repeatedly fixed on two of his lieutenants, Stuart Bloomberg and Ted Harbert, seated well behind the reporters in one of the auditorium's last rows. And no wonder.

Just a year earlier in March 1989, when Brandon Stoddard startled Hollywood with his seemingly abrupt resignation as head of ABC Entertainment, Capital Cities/ABC top management had already discussed the job with Bloomberg, then vice president for comedy and variety series development. Bloomberg—a shy, frizzy-haired, avant-garde film school graduate who thrives on working with writers but eschews administration and cultivating the press—did not pursue the high-profile position, perhaps to the relief of ABC brass. Still, his contract was up for renewal and ABC was loathe to lose the man who had developed the comedies with which ABC was mounting a comeback. "They desperately wanted to keep Stu here," says Harbert.

So during the weekend of March 18, Bloomberg carved out larger responsibilities for himself, and in the following days communicated his support for Har-

bert, a veteran ABC programming executive and longtime ally widely rumored to be on his way out. Harbert denies he was in jeopardy but does say that "I think the fact that Stu wanted me here carried a lot of weight."

That same weekend, with Bloomberg's contract settled, Thomas Murphy, then Cap Cities/ABC chairman, sought Bloomberg's opinion of two possible successors to Stoddard—Iger and ABC senior vice president Alan Wurtzel. Bloomberg opined that appointing Wurtzel, with a background in research and as the network's former chief censor, would send the wrong signals to Hollywood's creative community. After years of hard work, ABC was successfully wooing back writers and producers driven away during the early 1980s by overbearing attempts to control their daily work. (One ABC executive notes that James Brooks, who had cocreated *Taxi* for ABC, left the network proclaiming he'd never return.)

Instead, Bloomberg endorsed Iger, a man with no Hollywood background but experience in business affairs and a close relationship with top management in New York. Iger would be strong in places where Bloomberg lacked interest. And surely Bloomberg recognized that Iger's strengths were in just the areas Stoddard had found less than scintillating, areas that had fueled the disenchantment of Cap Cities/ABC top brass and Stoddard's inevitable departure.

The following Tuesday, ABC an-

IN FOCUS

FASHIONING THE FALL



Iger headed west last year, and he's relied on Bloomberg and Harbert to help introduce him around Hollywood.

nounced Stoddard's resignation. Two days later Iger's appointment was announced. Nine days later, Iger publicly promoted Bloomberg to executive vice president in charge of all prime-time development. (Within days, Chad Hoffman, who had been in charge of drama development, let it be known he would be leaving.) Iger also promoted Harbert, vice president of prime time, to the grab-bag position of executive vice president of current programming, to handle scheduling, current program management, development of reality-based programming and variety shows, and to assist Iger with finance and marketing.

"The president is less involved [in the details of creative decisions] than any has been before," says one insider. "Bob is more the dad with a clear eye on the business side. He doesn't pretend to be a creative maven."

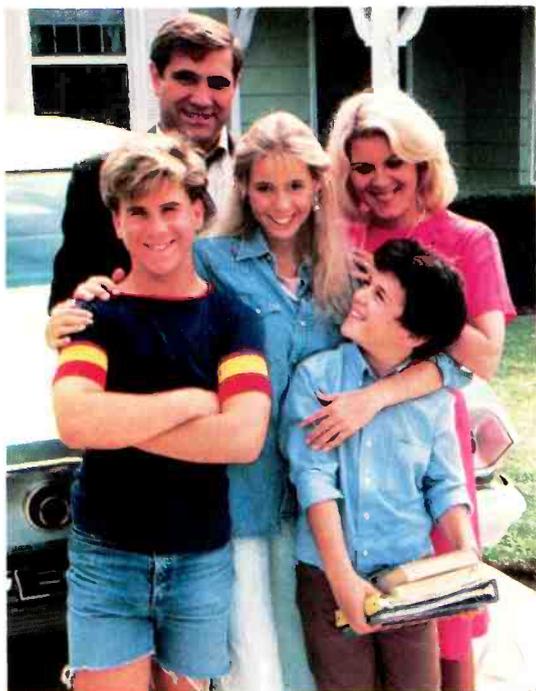
To be sure, the 39-year-old Iger is in charge of prime-time programming. He has attracted the spotlight as ABC, hav-

ing already wrested the mantle of praiseworthy risk-taker from NBC, aims to add the title of ratings leader. Iger played a central role in bringing Jim Brooks back to the network in an exclusive, multiyear deal, negotiating some of the arrangements himself. And he has quickly earned wide respect in Hollywood for his intelligence, straightforward style and ability to convey his comfort with himself—traits considered rare among network programming executives. Moreover, as he has become more familiar with the ways of Hollywood, he has increased his involvement in the decision-making details of ABC's creative affairs. "Overall, I *am* the boss," Iger says. "But frequently, as I like to carry out the responsibilities, I'm a peer as well. I'm not an autocrat. But," he adds, vehement not to leave the wrong impression, "I *do* run the place."

At the same time, the machinations of ABC's brass underscore the critical role that the 40-year-old Bloomberg and 35-

year-old Harbert are expected to play in the network's future success. Intriguingly, Bloomberg's eclectic bent—evidenced by, for example, his interest in the Polish theater of the dead—suggests that he could be the central force in connecting ABC with the interests of younger, more upscale viewers, while simultaneously mounting shows with broad-based appeal. "Stu Bloomberg," Iger told the network's affiliates at their convention in L.A. last June, "is considered by many to be the best development executive in the business."

The rise of Bloomberg and Harbert—who wield more influence over ABC's creative affairs than their counterparts at any of the other networks—coincides with ABC's new momentum. ABC enters this fall season having pulled about even with NBC in the demographic viewing groups most desired by advertisers. For the 1989-90 prime-time season, ABC scored an 8.2 rating among viewers 18 to 34 as compared to 8.1 for NBC, according to A.C.



The Wonder Years is one of the critically praised shows that has burnished ABC's creative reputation and won over viewers.

Nielsen data. Among viewers 25 to 49, ABC was just behind NBC, scoring an 8.8 to its rival's 9.0. ABC also managed to significantly undercut the dominance of CBS's older-skewing Sunday night powerhouse, *Murder, She Wrote*, with *America's Funniest Home Videos*. And ABC was the only one of the Big Three networks to boost its upfront advertising sales this past spring over a year earlier.

Despite *Home Videos* and ABC's share of pedestrian sitcoms, television critics heaped praise on the network, dubbing it the one now most likely to take meaningful creative risks. They repeatedly cited the comedies *The Wonder Years* and *Roseanne*, along with the dramas *thirtysomething*, *China Beach*, *Twin Peaks* and *Life Goes On*, plus commendable, if less successful, efforts such as *Elvis*, *Brewster Place* and *Anything But Love*. *Los Angeles Times* television columnist Rick DuBrow reminded viewers of how far the network has come from the days of *The Love Boat* and *Fantasy Island* a decade ago. "When the dust cleared," DuBrow wrote at the end of this past season, "ABC again looked like the class of the field, by far." ABC has also positioned itself well by signing exclusive deals with writer-producer heavyweights Jim Brooks, Steven Bochco and Ed Weinberger, sometimes granting them unheard-of creative freedom.

It's the team of Bloomberg and Harbert, backing Iger, that will be largely responsible for exploiting that opportunity. As different as they are, these two executives have forged a close professional and personal relationship through constant consultation about each other's work. "We like each other so much, and happen to bring different things to the table that make analyzing things so effective," says Harbert. "Surprisingly, we usually seem to agree. If we got territorial about it, I really think you would see less success. I need his help; I think he enjoys my help. And Bob [Iger] makes for a wonderful umpire and contributor himself, so that we can come to consensus.

"For the first time in my 13 years here," adds Harbert, "we have a balanced, oiled machine working." Says Peter Grad, president of MTM Television, "It's the only network left that is a team."

Bloomberg has always shown a preference for the creative side of show business. While a graduate student at the University of Southern California film school after a stint at the British Film Institute in London, he began writing for television. He was fired from a Bill Cosby variety show after just ten weeks by a producer, Alan Thicke, who later would become a star of *Growing Pains*, one of the hit shows that would ensure Bloomberg's rise at ABC. In 1978, after three years of unemployment, Bloomberg landed a job in ABC program development, a department he's still in a dozen years later. The woman who hired Bloomberg—Marcey Carsey, now executive producer of *The Cosby Show*, *A Different World*, *Grand* and *Roseanne*—says she was impressed by his ability to analyze scripts, understand the essence of a series and keep it on track, and by his ability to differentiate extraordinary writing from ordinary writing. "He's an original thinker," says Carsey. "He's not stuck within the bounds of what's been on TV before. He would get behind a show. He would put his feelings on the line about a show, which is particularly risky in television because how do you prove an idea for a show was right?"

Colleagues came to value Bloomberg's

The Next Wave

Kim Fleary, v.p., comedy series development: Joined ABC in 1983 after career as an independent casting director. Graduated from New York University.



Gary Levine, v.p., dramatic series development: Joined ABC in 1988 after ten years producing off-Broadway, regional and stock theater. M.B.A. from State University of New York at Binghamton.



Alan Sternfeld, v.p., program planning and scheduling: Joined ABC last May after stints at GTG Entertainment, Fox Broadcasting Co. and NBC. Graduated from Brandeis University.

John Barber, v.p., current series programs: Joined ABC in 1985, now oversees all series production. Spent nine years at Paramount. Graduated from California State University, San Bernardino.



John Hamlin, v.p., special programs: With ABC since 1979, he has also been an independent producer of network specials. Spent several years at NBC in similar capacity after working in advertising.



Stephen Nenno, v.p., program administration: Worked in ABC program administration since 1973. Joined ABC in 1968, after six years in radio. B.A. from University of Southern California.



Andre de Szekely, v.p., motion-picture post-production (preparing feature films for broadcast): Joined ABC in 1962. Former theater director in Budapest and has directed films and plays for over 30 years.

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eclectic tastes and his passion. "Stu was always sort of the avant-garde department at ABC," says Barbara Corday, Bloomberg's predecessor as ABC head of comedy development. "Stu was always the guy we looked to to let us know what was going on in the subculture. He knew about comics and rock groups. He was the chance-taker." Now, Bloomberg says, he's into African music. But he also recently flew to San Francisco for a three-day weekend of Beethoven performances and lectures.

Earlier this year, Bloomberg threw a very un-Hollywood party for friends and fellow ABC executives—a square

above a widening grin, "hopefully my children will get better values."

His tastes carry through into the network's program development. He cites the bizarrely intriguing but short-lived *Max Headroom* as his favorite among all the series he's developed. Now, for fall 1991, he's working on what he will only describe as a new form of "non-narrative comedy variety series" by drama writers and non-variety-show producers. He says it will avoid the beginning, middle and end structure routinely required of TV shows. But don't be mistaken: Bloomberg also acknowledges that development can't be

Producers say they wish it were that easy for them with Bloomberg. "He doesn't put up with people who come into his office unprepared," says Leslie Moonves, executive v.p. of creative affairs for Lorimar Television, one of ABC's largest suppliers, whose shows include this fall's critically well-received drama, *Gabriel's Fire*. "You have to have your ducks in a row."

Detractors say that Bloomberg can be short even with those who are prepared, that he's distant and hard to read. "You can't pitch if nobody's catching," complains one producer.

Says Bloomberg, "You can't come in and sell an arena. You can't sell, 'I want to do a show in a barber shop.' I don't think you can be lazy and come in and not say what the dynamics are, why these characters are together."

Echoing the sentiments voiced by other producers, Moonves adds, "I always feel like we've gotten a fair shake [from Bloomberg], even when we've been slapped on the wrists a few times." Bloomberg, he says, "is a straight shooter. You may not like what you hear. But win, lose or draw, you know where you are. 'No' is a far better answer than 'maybe.'" In contrast to the occasional practice at other networks, says Bob Boyette, of the Miller-Boyette producing team, Bloomberg doesn't "double develop," secretly giving the same show idea to more than one producing team and using the best of what results. "We trust Stu," says Boyette. "In our business, it's very difficult for network executives to earn that."

When Bloomberg is interested, says Stoddard, who now pitches Bloomberg as head of ABC's in-house production arm, "The first phase is he's placid. Then he brings his feet up [onto his couch] and he starts to move his head from side to side." When he finally talks, continues Stoddard, "His contributions tend to be illustrations rather than didactic. He can pick up on wisps of creative ideas and draw writers out."

Once Bloomberg likes an idea, he throws himself behind it completely, reportedly displaying an enthusiasm rarely matched at any network, say both executives and producers. The spec script for *The Wonder Years* arrived at ABC on a Friday. The network bought it the following Monday, at Bloomberg's urging. "He has guts," says Stoddard, who authorized the purchase. "He'll take a flyer."

Harbert, for his part, is seen by many as Bloomberg's sidekick. "I just saw *Batman*," says one industry executive,

Demographic Comparison

While not the ratings leader, ABC has shown itself to be a serious rival to NBC in key younger demographics, pulling ahead in adults 18-34 during the '89-90 season.

Prime Time Rating

	'85-86	'86-87	'87-88	'88-89	'89-90
ABC	14.9	14.1	13.7	12.9	12.9
NBC	17.5	17.8	16.0	15.9	14.6
CBS	16.7	15.8	13.4	12.5	12.2

Adults 18-34 Rating

	'85-86	'86-87	'87-88	'88-89	'89-90
ABC	10.6	8.3	8.7	8.1	8.2
NBC	9.6	9.2	9.9	9.0	8.1
CBS	7.4	8.9	6.7	6.1	5.5

Adults 25-49 Rating

	'85-86	'86-87	'87-88	'88-89	'89-90
ABC	12.4	10.8	9.1	8.6	8.8
NBC	10.9	10.8	10.6	10.1	9.0
CBS	9.3	10.0	8.2	7.4	7.0

Source: A.C. Nielsen and Saatchi & Saatchi.

dance at an armory in Pasadena, far from the chichi Westside neighborhoods of Brentwood and Beverly Hills to which upwardly mobile studio and network executives usually aspire. "Stu Bloomberg, I mean, he doesn't play with 52 cards," MTM's Grad says with a big smile. "There was a lot of grumbling in the weeks prior to the party about having to go. But everyone had a great time. He marches to his own drummer, and always has as long as I've known him."

Bloomberg lives near Pasadena, in Mt. Washington, a racially mixed, generally lower- to middle-class, older community that's heavily Asian, black and Hispanic, and dotted with artists. "And," Bloomberg says as his eyebrows rise

narrow; the network still requires a broad audience mix to survive and prosper—and besides, he says he does enjoy broad physical humor. So what he refers to as "McDonald's-type" sitcoms, such as the Miller-Boyette shows *Perfect Strangers* and *Full House*, will continue to have a home at ABC.

With Bloomberg's instincts, says former boss Brandon Stoddard, managing him is easy: "Stu would walk into my office and start to talk about some problem he had and start to circle. I would hear parts of sentences and he would bob his head. By the time he finished circling my desk, he would say, 'I know what I'm going to do!' And he would leave. That was about all you had to do with Stu."

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"and I just can't shake this image of Ted as Robin." Perhaps because his responsibilities are less tangible, few who do business with the network could clearly outline his role at ABC. Acknowledges Harbert, "My influence is not always as definable." Several say that Harbert has rubbed them the wrong way—in a manner not all that uncommon in Hollywood. "He's always putting himself forward," complains one production company executive. "He seems to major in self-promotion to the subordination of all other purposes."

Harbert's most apparent skill is maneuvering through corporate politics. He has performed the rare feat of surviving four entertainment division administrations (Iger is his fifth), often emerging at the side of the new president following a shakeup. Says Harbert, "The fact that I've been able to have a close association with many presidents has taught me that when the next guy comes in he thinks, 'Gee, this is a nice guy to have around.'"

For Iger, a man with no "creative credentials," Harbert has been a guide through the thicket of Hollywood politics, introducing him around town. At one public gathering, Harbert was seen at Iger's elbow, occasionally whispering into his boss's ear. Harbert and Bloomberg "were the entree for [Iger]," notes one ABC executive. "They made it possible for him to come in and take over."

Harbert has also successfully handled a number of important pieces of the network's entertainment agenda. Overseeing development of ABC's reality-based entertainment programming, he helped launch *America's Funniest Home Videos*, a surprise hit last season and the network's most profitable show. This fall the show will be followed by another program developed under Harbert, *America's Funniest People*.

As manager of current programs, Harbert seeks to squeeze additional life out of hits already on the air. One more season of five-year-old *Growing Pains*, for example, can subsidize more than 20 new pilots. Harbert's in charge of buying theatrical motion pictures. To program scheduling, Harbert reputedly brings a near encyclopedic knowledge of television history and an unabashed love of TV.

It has been said that he is truly a child of the medium, having grown up in a household centered around broadcasting, an industry in which his father spent much of his career as, variously, an executive, a producer and an on-air radio personality, once even working on

a pilot for Bloomberg at ABC. Now Ted and three of his siblings work in the business. "We were fascinated by it," says youngest brother Chris, a Hollywood talent agent, "every aspect, not just the entertainment . . . and Teddy more than anyone else."

"When Ted was 12 or 13," Chris recalls, "he would stand in the driveway and wait for the mailman to deliver *TV Guide*. And by that night he would



It ain't art, but *America's Funniest Home Videos* and host Bob Saget have made ABC a lot of money.



memorize everything in it—and I mean everything! You could ask him what was on, and he would say, 'It Takes a Thief' and it's one where Fred Astaire guest stars, and . . . ' I never had to look up *TV Guide*. All I had to do was find Ted and ask him." Adds Stoddard, "For Ted, summer is bliss because he gets to see an episode of a program again. For some of us, once with an episode is too much."

Harbert began getting paid to watch television right out of Boston University, when, with some help from a family friend, he landed a coveted programming job at ABC. That's the place he had wanted to work since he was young, Harbert says, because of an attachment developed in the underdog days when ABC was the network catering to kids. ABC was then still headquartered in New York, and known for its bloated executive ranks. Harbert outperformed several veterans, and he moved with the division to California in 1981. Along the way, though, he suffered some missteps, including a troubled term overseeing movies-of-the-week, an area which ABC had pioneered.

But Harbert kept plugging away. "When we lived together," recalls former housemate Alan Berger, now head of television for the International Creative Management talent agency, "I used to have to step over piles of scripts of *Fantasy Island* to get to the garbage. He read episodes of shows in their seventh and eighth years," when most other network executives' attention would have drifted elsewhere. And now, despite a one-year-old child, he often spends evenings at his Brentwood home screening program tapes on two TV monitors simultaneously while reading a pile of scripts in his lap. "I love episodes of network television more than anything, except my fam . . . well . . .," Harbert says, trailing off, before insisting, "my family."

Harbert denies any specific professional ambitions other than to do hard work and maintain loyalty to his employer. But he has expressed his desire for advancement to ABC management in the past. Those around him say he has made no secret of a lifelong ambition to run a network—and specifically ABC. That poses some interesting questions, particularly with speculation that Iger will eventually succeed Network Group president John Sias and return to New York.

For now, the Harbert-Bloomberg team, under Iger, has the opportunity to make a credible run at first place, though they face the challenge of developing dramas without Stoddard or Chad Hoffman. "Somehow they know that together they're a terrific team," says one producer of Bloomberg and Harbert. And a team they just might remain, with Bloomberg comfortably ensconced in the creative realm and Harbert keeping his eye on the day when he might make his move to the top job. ●

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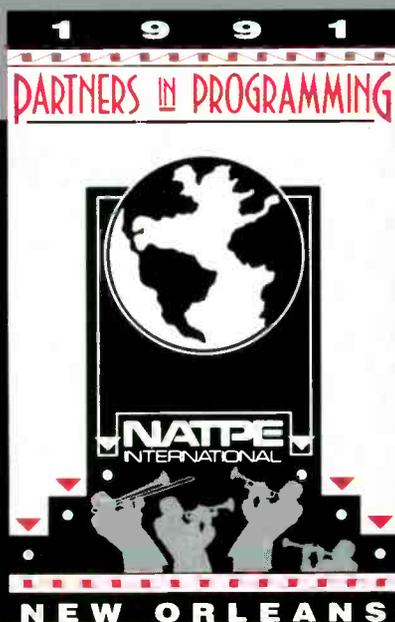
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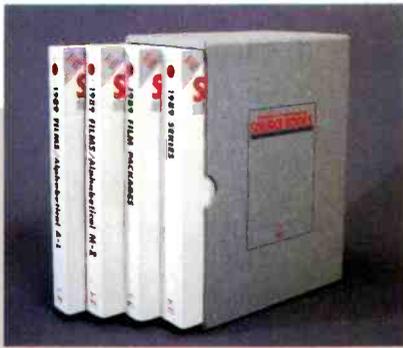


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1989

LOVED THE PILOT, HATE THE SHOW

... but testing is still the tool of choice.

By Rick Marin

Magic Town, in the 1947 Jimmy Stewart movie of the same name, was a pollster's paradise—a microcosmic Anytown, U.S.A., where public opinion reflected down to the decimal point the opinions of the nation. When the secret got out, ad men and marketers, politicians and other shady characters invaded. Suddenly the typical town wasn't typical anymore.

That was fiction; the perfect population sample never existed. But television executives, like other dealers in mass taste, are still looking for it—the magic formula of program research and pilot testing that will predict what will hit with that fickle, elusive animal, the average viewer.

To sell the show that NBC chairman Brandon Tartikoff thinks is the hottest on his or any network's fall schedule, *Fresh Prince of Bel Air*, his pitch to advertisers and affiliates is a one-liner: "The highest-testing pilot among teens since *Cosby*." Say no more.

Every year the networks spend millions researching and testing the shows they put on the air. Whether a pilot makes it to series or not often hangs on the numbers gleaned from tests conducted in theater

screenings, over cable systems and in focus groups. Every year network salesmen regale advertisers with tales of high-scoring pilots and, as often as not, those pilots turn into series bombs. "The networks give us all sorts of gibberish about every show," says Paul Shulman of the Paul Shulman Co. ad agency. "And it is up to us to diligently discard that information."

Network programmers face the same dilemma: knowing when to trust testing research, when to discard it. No one is prepared to say decisively whether testing is more vital today than ten years ago. But the growing fixation on demo-

graphics—heightened by Fox and declining share points—ensures that research data will be closely scrutinized for any clues to success. If a show is aimed at a particular demo and misses in its test, say good night. Unless, of course, the show was produced by one of Hollywood's writer-producer elites—say, Steven Bochco, James L. Brooks, Ed. Weinberger—who possess enough firepower to blow away a dismal test.

The history of television is littered with two kinds of research horror stories: the high-testing flop and the low-testing hit. *All in the Family*, *The Mary Tyler Moore Show*, *Family*

Ties, *Hill Street Blues*, *Cheers*, *Miami Vice*, *Married . . . With Children*—all testing disasters. A few recent high scorers? Check this hit list: *Free Spirit*, *A Family for Joe*, *Sister Kate*, *Capital News* and *Peaceable Kingdom*, to name a few. What does this say about the testing process? Couldn't a Las Vegas bookmaker do better? Neither the networks nor the studios that supply them seem to think so. They use their in-house and outside researchers extensively, both when tinkering with an old show and deciding if they will buy a new one. The stiffer competition gets, the lower shares drop, the more desperate



ILLUSTRATION BY MACIEK ALBRECHT

the search for a crystal ball. And the harder it becomes, most writer-producers feel, for anything truly new or different to break into the schedule. It's a curious fact, in an era where risk-taking is generally deemed crucial to success.

"I haven't seen the research," says Steven Bochco of his very low-testing new musical drama, *Cop Rock*. "I refuse to look at it. If research had any validity at all, 95 percent of what goes on TV wouldn't fail. Research is nonsense." Bochco—whose disgust with testing

not too good. In fact, they're not good at all. Suddenly, you can't get a phone call returned. You go from being a definite fall starter to a backup six-order for the spring at best. Nobody's asking you to lunch.

Richard Rosenstock, who created last season's critically popular *The Marshall Chronicles*, says his show went from "hot to testing to off." A few weeks of medium-low Nielsen ratings didn't help, but Rosenstock believes poor research predisposed ABC to assume the show

bert, ABC executive v.p. of current programming. "This was a show we all wanted on the air. This is not a show you put on because of the research. *E.A.R.T.H. Force* [an environmental *A-Team* for CBS] is a show you put on because of the research." CBS wouldn't confirm that *E.A.R.T.H. Force* is its highest-testing pilot this season, maybe because that title was previously held by the quickly forgotten *A Peaceable Kingdom* and *Top of the Hill*. Hardly a winning tradition. "There are shows on our fall schedule that researched awful and there are shows which research as well as *The Fresh Prince*," says CBS entertainment president Jeff Sagansky. "And I wish I could tell you I believed that had anything to do with whether they're gonna be successful or not. It's a tool. But I don't think it's one that anybody programs by."

Outside CBS the word is that Sagansky is much more of a "tool" man than his predecessor Kim LeMasters. "LeMasters did not believe in testing," says Saatchi and Saatchi's v.p. of network programming Betsy Frank. "Sagansky does." Confirms David Poltrack, CBS director of research, "There's a lot more dialogue between Jeff and I than there was between Kim and I regarding research."

The Big Three networks, and now Fox, have always used basically the same research techniques: a combination of in-house and contracted "theater tests" (held in L.A.), focus groups and—the most recent technological innovation in the field—cable tests. The cable test is considered the closest approximation of real-life TV viewing. A few hundred cable households in a given market are contacted by telephone. Residents are asked if they would watch a certain show broadcast on a vacant channel at a certain time, then respond by telephone to a questionnaire. Viewers are asked to rate, on a scale of one to five, the characters, their relationships, believability, the plot, subplots and so on.

Cable-test answers are collated with responses to similar questions asked in focus-group settings. These groups have just sat through a screening in a theater where each seat is equipped with a small dial. Turn the dial one way for laughter, interest, involvement. Turn it the other way for boredom. The combined dial data is then reproduced on a Richter-like graph. A steadily rising jagged line above zero is good news for dramatic shows, indicating increasing viewer involvement as the show progresses. Comedies tend to draw broad spiky

TESTING BLOOPERS

Testing isn't always wrong. Look at *Chicken Soup*. Tested badly, went down in flames. But it has been wrong many, many times. The classic example is *All in the Family*. Terrible test, 12 years on the air, five of them at number one. "The [Archie Bunker] character was a bit much," says Wayne Nieman, who was involved in the original test. "He came on so strong it was hard to say you liked him."

Run down the list and it seems almost every breakthrough, innovative hit was a testing no-show. Take *Saturday Night Live*. Says Brandon Tartikoff: "The first guy you would have fired was John Belushi." Or *Family Ties*. The show tested badly, and so did Michael J. Fox.

Miami Vice was too cool for the test audience, *Twin Peaks* too weird. Still, Tartikoff says he saw the *Peaks* research and thought, "This is not a disaster. This has an audience. It's a slim audience, but you can work with that." Is that 20/20 hindsight? Maybe. But each year at least one perceived "oddball" show makes it on the schedule, despite low testing. In 1981, it was *Hill Street Blues*. Test viewers were thrown by the speed of the action, the multiple (often unresolved) plot lines, ambiguous characters. NBC didn't throw out the findings. It used them for diagnostic purposes. Officers Hill and Renko, who scored highest, were killed off in the original pilot. Tartikoff let them live. R.M.



Hill Street: a low tester.

dates back at least to *Hill Street*—can afford not to look at research. His multi-million-dollar deal with ABC overrides it. To lesser mortals in the creative community, the network numbers people are at best pointy-headed actuaries, at worst executioners. "Nobody likes censor notes," says *Married... With Children* co-executive producer Ron Leavitt, "and nobody likes testing." One writer-producer referred to Alan Wurtzel, ABC's senior v.p. of marketing and research and its former chief censor, as "Dr. Death."

Consider a typical scenario: You've created a series pilot that the network program executives are saying is the best thing they ever laid eyes on. It's fresh, funny, deeply moving. They're taking you to lunch, you're talking multi-series deals. Then it's time to make the sales presentations in New York. The numbers on your show are in—and they're

would fail and the network programmed and promoted it accordingly. "It can be a self-fulfilling prophecy, fear of research," he says. "The networks are playing not to lose and as soon as you play not to lose you're going to get stagnant and scared. You're going to rely on research."

Network executives, of course, see it differently. "I can't remember when we put such a low-testing show on the air," Stu Bloomberg, executive v.p. of prime-time development at ABC, says of *Marshall*. Network programmers invariably downplay the importance of testing in their decision-making process. "It's a tool" is the reigning cliché. *Gabriel's Fire*, starring James Earl Jones, beat out dozens of other series for the only uncommitted hour on ABC's fall schedule. It also tested, to use another research cliché, "through the roof."

"The testing was icing," says Ted Har-

lines, with peaks at the punch lines and valleys in between.

All these tests contain built-in biases. One could be called "the PBS fallacy." As Steve Perlman, v.p. of network research at Lorimar, puts it: "If as many people watched PBS as say they watch PBS, it would be the number-one rated network." So-called pro-social programs score highly in tests and often die on the air. Who's going to say they *don't* want to watch a show about a nun taking care of seven orphans? Conversely, people might not want to admit publicly to liking the crude put-down gags on *Married . . . With Children*, even if they do. Producer Hugh Wilson, once an Atlanta ad man, remembers that Georgians wouldn't tell pollsters they were going to vote for ax handle-wielding former governor Lester Maddox, "then they went out and voted for the sucker." Another problem: pilots are often much better made than the series that follow—NBC's excuse for the dismal failures of *A Family for Joe* and *Sister Kate*.

Stephen J. Cannell, who has made dozens of pilots over the years and sold 18 of them as series, recalls that in the days when the research company ASI's theater test was the only game in town, he could beat the ASI test every time. With shows like *The Rockford Files* and *The A-Team*, plenty of action in the opening scenes would get the dial up and enough humor would keep it there for the pilot's duration. "Once you get the audience laughing," says Cannell, "they can't turn the dial down. If I wanted to design a show that would test very high, I could do that."

Of course the idea is supposed to be not just to produce something that will perform well in the lab, but that will fly in the real world of time slots, competition and the VCR. The testing procedure may fail to sufficiently approximate real-life conditions. Viewers are typically primed for a new show with such enticements as on-air promotion, print ads, reviews and puffy features on *Entertainment Tonight*.

The bias against newness is the biggest bug in the testing machine. It's the one that irks writers and producers most. "I've had so many shows that tested badly," says James L. Brooks. "*Mary Tyler Moore*, *Taxi* . . . I think the newer something is, the more dangerous the test is." Therein lies testing's catch-22: How to hit the Next Big Thing with a system that favors the tried and true? A research guru told *Married's* Ron Leavitt that if he made the Bundys love each other a little more, turned them into a

happier family, he just might have a hit on his hands. Leavitt responded, "You're why television sucks," and walked out of the room. No amount of research could have forecast the huge cultural phenomenon that the low-testing *Twin Peaks* became last season.

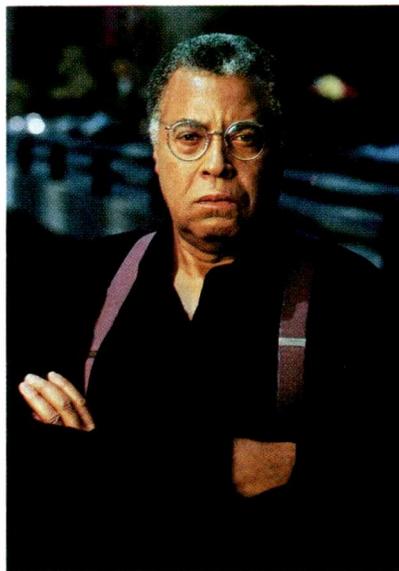
Obviously shows do get on the air with bad testing, whether for prestige reasons (*Peaks*), contractual obligations (*Cop Rock*) or sometimes just because the network believes in them (Brandon Stoddard championing *thirtysomething*). "The easiest thing in the world is to say, 'What are the highest-testing shows?' and those are the only ones that go on the air," says Perry Simon, NBC executive v.p. of prime time. "But it does not work like that. You cannot underestimate the value of good human judgment." Then again, Simon says, "We have not scheduled a show without research in quite some time."

Of the four networks, Fox claims to be the most indifferent to testing. "We do a fraction of the research that the other guys do," says entertainment president Peter Chernin. "We don't really believe in it." Fox president and COO Jamie Kellner gives the same line: "We use our instincts much more than our test results." Fox commissioned the research on *Married . . . With Children* but didn't enforce it. Since then, though, Fox has upped its research department from two to 14. Would *Married* happen today? Fox was the only network whose research department refused to be interviewed for this story. But outside observers say the burgeoning network has become more research-conscious. Lorimar's Steve Perlman notes that Fox is making a number of changes in its pilots this year, and probably as a result of research findings. Its top-testing pilot this season: *Class of Beverly Hills*.

Not every producer loathes The Test. The sitcom factory of Tom Miller and Bob Boyett (*The Hogan Family*, *Perfect Strangers* plus four more shows on the fall schedule) have relied on it for years and are "very research savvy," says

Warner Brothers senior v.p. of research Bruce Rosenbloom. Miller, too, tags research "a tool" but makes no apologies for using it: "I think if 100 people tell you you're funny, you're probably funny. And if 100 people tell you you're not, you're probably not." A scene connecting the characters from *Perfect Strangers* to its spin-off *Family Matters* was cut from the pilot because focus groups didn't like it. Miller-Boyett shows also get extensive "diagnostic" testing throughout their on-air life.

Research showed Valerie Harper's departure wouldn't kill *Valerie*, and *The Hogan Family* was born. The test audience reacted negatively to the jobs of Larry and Balky on *Strangers*, so they got new ones. Unlike movies, "in television, your product changes," says CBS vice president of marketing and communications George Schweitzer. Most producers seeking to improve their ratings submit to some form of research-driven product fix. A



Gabriel's Fire: one of ABC's highest-testing pilots this year.

revamped *Grand* returns this fall minus two characters who didn't score well. Focus groups are convened monthly for *Knots' Landing*, with characters and plot lines adjusted accordingly.

For producers and executives alike, many of them born and bred on the East Coast with Ivy League pedigrees, testing is a way to connect with "fly-over country"—Middle America. "There were comedies that we put on in the last couple of years that we knew were questionable," says ABC's Bloomberg. "But the tests came in and they were great." Hugh Wilson, whose idiosyncratic wit (*Frank's Place*, *The Famous Teddy Z*) leaves focus groups cold, takes a philosophical view: "The tendency is to criticize the people who run the networks. But the longer you're in this business, you see that these people are really desperate to give the public what they want. Democracy in action. It's not pretty, but that's what testing's about." ●

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Rick Marin is the television critic for The Washington Times.



KIDS BIZ

NO CHILD'S PLAY

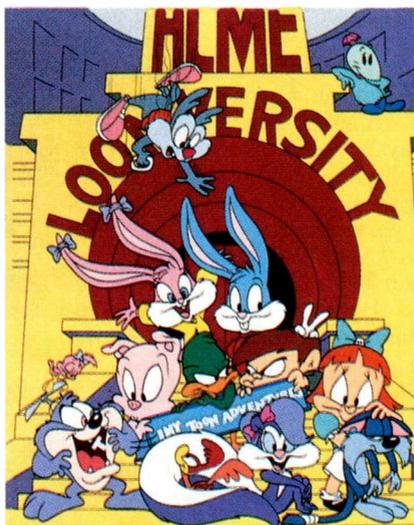
Stations fight to keep Fox and Disney from controlling the kids business.

By Cheryl Heuton

Broadcast stations fighting for the afternoon kids audience want to see more than a fox-and-mouse show. This fall marks the first time that the Fox Children's Network and the Walt Disney Co. confront each other in kids prime time—Monday through Friday from 3 P.M. to 5 P.M. Their on-screen battle has been presaged by a legal struggle, begun last spring, in which both parties accuse each other of trying to control station programming and attempting to squelch competition. Meanwhile, as the Fox/Disney face-off intensifies, stations have reacted with their own campaign—equally fierce if less visible—to curtail the increasing power of the two program distributors.

The first big salvo in the so-called Children's War was heard last February, when Buena Vista Television filed suit against Fox Broadcasting Co., charging it with pressuring Fox affiliates not to buy "The Disney Afternoon," a two-hour block of cartoons distributed by the Disney subsidiary. Fox responded with its own suit claiming that Disney is engaging in "anti-competitive, predatory and coercive practices" by insisting that stations purchase its package whole and not run any children's programming after it. That strategy would stymie Fox, which plans to expand its current half-hour offering to a two-hour package in 1992, or anyone else who wants into kids prime time at stations buying Disney.

The suits signaled the unwillingness of both Disney and Fox to sit by while the other gained an uncontested upper



Warner Bros.' *Tiny Toon Adventures* enters the afternoon race this fall.

hand. And while this fall's head-to-head clash has been almost two years in the making, the market for kids syndication has grown far more lucrative, substantially raising the stakes and changing the nature of the contest.

Ad sales in the upfront kids syndication market had held steady for three years at about \$120 million. Distributors generally blame the slump on competition from cable, audience dismay over toy-driven shows and reluctance by program directors to aggressively pursue young viewers.

Yet last year new hits such as Group W's *Teenage Mutant Ninja Turtles* and Disney's *Chip N' Dale's Rescue Rangers* and *DuckTales* combined with

new market research on kids spending to spark a sales boom that took the upfront market to an unprecedented \$180 million. The June 11 issue of *Forbes*, which hit newsstands during the tail end of upfront sales, reported that spending by, and on, kids will hit \$75 billion this year, up from \$60 billion in 1989.

With so much on the line, station executives show increasing reluctance to allow distributors to walk off with huge amounts of barter time during the golden afternoon hours; those that compete against Disney buyers and Fox stations have greater incentive to seek quality kids shows from other suppliers.

The problem with permitting just a few producers to dominate syndication became clear when Disney started selling its two-hour afternoon. "You started with Disney shows under barter, launched at two [minutes per half-hour show for the distributor]," explains one station programmer. "The next season, the distributor says the price is now two and a half. If you don't go for it, Disney makes a deal with the station across the street. If you do go for it, then the next season suddenly it's not two shows—it's a two-hour block. Then surprise! The rate is now four and two—four for Disney, two for you. And if by that time competing distributors have been driven out, there's no choice. That's the fear working in broadcasters' minds."

Such fears were heightened last March when Jon Claster, president of Claster Television, circulated a letter to client stations predicting a "predator's ball" if Disney and Fox managed to dominate the market. Claster's inven-

tory includes the high-rated kids shows *Jim Henson's Muppet Babies* and *Maxie's World*.

To some, it's curious that Claster lumps Fox with Disney in his warning. According to the man who conceived the idea, Harry Pappas, the Fox Children's Network was formed as a measure against Disney's market domination. Pappas is president and CEO of Pappas Telecasting, owner of three Fox affiliates. He pitched the idea to Jamie Kellner, president and COO of Fox Broadcasting, in January 1989.

Pappas defended the fledgling network and attacked Disney in a strongly worded two-page ad that ran last March in the trades. "We've seen a shut-off from other program suppliers of high-quality children's programs available for cash purchase in syndication," the ad asserted. "We've seen a demand by even the high-quality program provider [Disney] for an ever-increasing share of our stations' advertising time . . . first two minutes, then two and a half, now three . . . and we had NO OTHER CHOICE."

Fox describes its children's effort as a partnership between the affiliates and the program producers, with Fox Broadcasting Co. acting as administrator. "This competitive distribution advantage gives the venture a significant edge over syndicators," says a company release.

A significant edge indeed—it's no wonder that Disney's syndication arm feels threatened by Fox's plan, for many of Buena Vista's client stations are Fox affiliates. If Fox is successful in its plans to develop a two-hour block, a major chunk of time available to Disney could be lost.

Fox's plan looms even larger in light of its much-discussed effort to strike a deal with Warner Bros. Domestic Television to produce several afternoon shows. "The fact of the matter is that it's well-documented that we're working with Fox, trying to work something out," said Scott Carlin, Warner's senior vice president for first run.

For this fall, however, Fox has only solidified one afternoon show, *Peter Pan & the Pirates*. Production was delayed after affiliates requested changes to give the weekday strip a more masculine, adventurous edge: Fox changed the name from *The Nevertold Tales of Peter Pan* to the current swashbuckling title, and replaced the female actor doing Peter's voice with a male actor. As of

August, affiliates and advertisers had to judge the show from stills, although affiliates tended to express satisfaction and faith that Margaret Loesch, the new president of the Fox Children's Network, will make the show work. Named to the post in March, Loesch was previously the CEO and president of Marvel Productions Ltd., where she supervised *Muppet Babies*, *G.I. Joe* and the Marvel Action Universe.

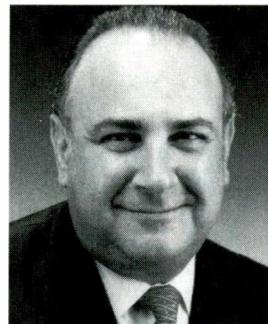
Despite enthusiasm for their own project, some Fox executives quietly admit that Disney's biggest challenge this season could be Warner's *Tiny Toon Adventures* from executive producer Steven Spielberg. "It's up against the Disney block, and it looks terrific,"



Margaret Loesch, president of the Fox Children's Network.



Warner Bros.' Scott Carlin: making alliances with Fox.



Harry Pappas pitched Fox the idea to compete with Disney.

gushes one. The *Tiny Toons* are adolescent versions of famous characters from Warner Bros. Animation.

Familiar faces are standard stuff in today's animation market. No wonder. Many producers are not willing to risk the high costs required to launch a show unless they believe it may survive a Saturday morning introduction to become a strip. To gain that edge, they rely more on tie-ins to movies, toys, existing shows or video games, and less on strong story lines or original characters.

At the same time, though, station programmers who are worried about being dominated by a few powerful suppliers have become more eager to schedule new offerings from smaller distributors. One beneficiary of this new attitude is Zodiac Entertainment, a partnership between Brian Lacey, Peter Keefe and England's Central Television. Zodiac has produced a weekly original cartoon that debuts this fall, *Widget*, which has sold in some 120 markets, including New York, Chicago and Los Angeles. "It was 12 months or so ago that Joe Barbera said that we have arrived at the day when there will never be an original concept introduced in TV animation because the costs are just too

great," Lacey says. He credits his company's success in gaining time slots to the desire by major indies to see a smaller distributor do well. "There are a lot of broadcasters looking for program creators, producers, who give them some insurance and protection against the hegemony sought by the major studios."

Meanwhile, some independents manage strong children's schedules without buying Disney shows, and without being Fox. Neal Sabin, director of programming for WPWR in Chicago, has built the market's number one kids station, according to Arbitron, by programming such evergreen favorites as *Popeye*, *The Jetsons* and *The Flintstones* along with

Ninja Turtles. WPWR has a 9 rating for the all-important 2-11 age group, against WFLD's 6 and WGN's 4.

Until now, most program directors have accepted Disney's demands for particular times and guarantees that no other children's programming will follow. But they don't like it. "Disney asked us for things that we went along with because they had the programming to back it up," says a program director who asked not to be named. "But it left a bad taste, and now our feeling is that if these shows aren't very strong, we'll want to take our programming back into our control. If the market is strong, there will be other quality stuff out there." One program director who bought *Widget* says bluntly, "I like the show, but I really liked dealing with a distributor who didn't try to run my station for me."

No doubt, as the stakes in children's syndication continue to climb, more producers will pursue them. Disney and Fox can't depend on mere reputation, longstanding deals or even affiliation to guarantee time slots. Programmers need shows that hold the attention of the most fickle audience in TV—and no producer has a monopoly on that. ●

MARKETING WITH A ROLLER COASTER

USA Network takes a wild ride with original movies.

By Frank Sommerfield

With one eye firmly fixed on marketing, USA Network is serving up *Hitler's Daughter* on this fall's roster of original movies. The made-for-cable project offers a curious look at Adolf's offspring, who it turns out is in line for the U.S. presidency, but such twists of plot are not the marketers' rallying cry here.

"Put Hitler's name on any movie," says USA senior vice president of marketing Andrew Besch, "and people watch."

TNT may be taking the high road by producing original movies such as *Orpheus Descending*, from the Tennessee Williams play, and *Season of Giants*, about Michelangelo and Leonardo da Vinci. But USA Network is concentrating on a diet of tried and true entertainment. "We want people to know by tuning into USA movies they'll be taken on a roller-coaster entertainment ride," says Monia Joblin, USA's vice president for original programming.

USA's approach to moviemaking seems to be working. *China Lake Murders*, the story of two policemen, one of whom spends his vacations on killing sprees, is the network's biggest made-for-cable ratings success to date. And the *USA World Premiere Movie* program is the company's highest rated show. It should be, since each original movie costs about \$2.5 million, compared to about \$800,000 for a series episode.

While original movies may heighten the network's profile—boosting ad

rates and offering a solid alternative to viewers—they are hard to market. Without ongoing characters and plots, the *World Premiere Movie* show has to be sold vigorously and constantly. "We promote each movie just as a studio promotes [theatrical releases]," says Besch.

Tough marketing jobs though they may be, original movies have become a bigger part of the network's offerings. First contracting with Paramount and MCA Television in 1988, USA is running 24 movies this season and plans 30 for next season. Shown twice a week, on Wednesday and Sunday nights, they typically run six or more times in an effort to amortize them.

In *After the Shock*, the network found a public relations natural. Based on last year's San Francisco earthquake, using actual footage and new videotaped sequences, it includes four real people who acted heroically during the disaster. One of them has been making the rounds on talk shows to promote the movie.

Sometimes, of course, the payoff doesn't live up to the marketing effort that preceded it. Such is the case for a package of USA Network movies written by novelist Frederick Forsythe

—not its usual escapist fare. Assuming the author to have a comparatively high-brow following, the Forsythe media plan calls for carefully chosen newspaper TV sections rather than *TV Guide*, and it targets listeners on classical and all-news radio stations, not the usual top-40 stations. "We know

this is a smaller audience," says Besch, "but we thought it would be a prestigious departure from our usual action menu."

Maybe so. But while they are still being produced, the films have garnered such small audiences they may be pulled from the *World Premiere* slot and shown at another time.

While TNT has focused on movies with issues and a message—"These provide a signature

for our network," says TNT vice president Terry Segal—don't be surprised if USA sticks with movies like *I'm Dangerous Tonight*, about the unleashing of a 1000-year-old Aztec curse. They may be less intellectually uplifting than projects about poaching in Africa or American doctors assisting the Soviets after Chernobyl, but USA knows how to market them.

.....
Frank Sommerfield is a freelance writer based in New York.



USA's *After the Shock* is a PR natural.

1990 Fall Cable Pathfinder.

The advertisers appearing in this section are exhibitors at the Eastern Show being held in Washington D.C. at The Capitol Convention Center on Sunday, September 16 through Tuesday, September 18 and the Great Lakes Show being held in Indianapolis at the Indiana Convention Center on Tuesday, September 18 through Thursday, September 20. Exhibitors are featuring their products and services in this directory for your convenience.

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PRIME TIME'S PRICE TAG

What are the stakes this fall? Consider Thursday at 8 p.m.: NBC is paying a fee of \$2 million for *The Cosby Show* to keep the Carsey-Werner hit at the network. Fox is spending about \$525,000 for *The Simpsons* and covering its costs. CBS, meanwhile, is paying \$900,000 for a likely also-ran, *The Flash*, and Warner Bros. TV has an estimated deficit of \$400,000.

NET DISTRIBUTOR (PRODUCER) SHOW TITLE (ASSOCIATED PRODUCER)	FIRST SEASON ON AIR	NUMBER OF EPISODES AT END OF '89-90 SEASON	EXECUTIVE PRODUCER(S)	LICENSE FEE PER EPISODE (\$000)*	DEFICIT PER EPI (\$000)*
CBS (CBS Entertainment Productions)					
CBS Bagdad Cafe (New World Television, Patchett/Kaufman Entertainment)	'89-90	6	Tom Patchett, Kenneth Kaufman	\$550	\$0
CBS Evening Shade (Mozark Productions, MTM Enterprises)	'90-91	0	Linda Bloodworth-Thomason, Harry Thomason	500	100
CBS Rescue 911† (Arnold Shapiro Productions)	'88-89	30	Arnold Shapiro	650	0
COLUMBIA PICTURES TELEVISION (Columbia Pictures Television)					
ABC Baby Talk (The Weinberger Company)	'90-91	0	Ed. Weinberger, Alan Kirschenbaum	500	75
ABC Married People	'90-91	0	Robert Stermin, Prudence Fraser	475	100
FBC Parker Lewis Can't Lose (Clyde Phillips Productions)	'90-91	0	Clyde Phillips	475	85
CBS Designing Women (Bloodworth-Thomason/Mozark Productions)	'86-87	92	Linda Bloodworth-Thomason, Harry Thomason	525	125
FBC Married... With Children	'86-87	80	Ron Leavitt, Michael Moya	475	150
ABC Who's the Boss?	'84-85	145	Blake Hunter, Martin Cohan	575	125
COLUMBIA PICTURES TELEVISION (Stephen J. Cannell Productions)					
NBC Hunter†	'84-85	129	Fred Dryer, Larry Kubik	1100	300
COSGROVE-MEURER PRODUCTIONS (Cosgrove-Meurer Productions)					
NBC Unsolved Mysteries†	'86-87	59	Terry Dunn Meurer, John Cosgrove	800	0
FOX BROADCASTING (Fox TV Stations)					
FBC America's Most Wanted† (STF Productions)	'87-88	125	Lance Hefflin	450	0
FBC Cops (Barbour/Langley Productions)	'88-89	32	Malcolm Barbour, John Langley	250	50
MCA TV (Universal Television)					
NBC Law and Order† (Wolf Films Inc.)	'90-91	0	Dick Wolf	850	375
CBS Over My Dead Body†	'90-91	0	Bradford May, Richard Okie	875	300
CBS Uncle Buck (Verbatim Productions)	'90-91	0	Tim O'Donnell, Richard Gurman	475	100
CBS Major Dad (S.B.B./Spanish Trails Productions)	'89-90	26	Rick Hawkins, Earl Pomerantz, Gerald McRaney	450	100
NBC Quantum Leap† (Belisarius Productions)	'88-89	35	Donald Bellisario, Deborah Pratt, Michael Zinberg	950	350
ABC Coach (Bungalow 78 Productions)	'88-89	33	Barry Kemp, Sheldon Bull	525	100
CBS Murder, She Wrote†	'84-85	132	Peter Fischer	1200	275
MGM/UA (Lemon Sky Productions, Sarabande Productions)					
FBC Against the Law †	'90-91	0	David Manson	875	300
MGM/UA (MGM/UA)					
NBC In the Heat of the Night† (Fred Silverman Co., Juanita Bartlett Productions)	'87-88	50	Fred Silverman, Carroll O'Connor	950	275
ABC thirtysomething† (Bedford Falls Co.)	'88-89	60	Marshall Herskovitz, Edward Zwick	975	275
ABC The Young Riders† (Ogiens/Kane Co.)	'89-90	24	Jonas McCord	875	375
NEW WORLD TELEVISION (New World Entertainment)					
FBC Get A Life	'90-91	0	Chris Elliot, David Mirkin	475	75
ABC The Wonder Years	'87-88	48	Bob Brush	600	150
ORION TELEVISION (Orion Television)					
CBS WIOU† (GTG Entertainment)	'90-91	0	Scott Brazil, John Eisendrath, Kathryn Pratt	875	275
NBC LifeStories† (Jeffrey Lewis Productions, Ohlmeyer Productions)	'90-91	0	Jeffrey Lewis, Don Ohlmeyer, Jeff Bleckner	875	300
PARAMOUNT TELEVISION (Paramount Network Television)					
NBC American Dreamer (JBU Productions)	'90-91	0	Gary David Goldberg, Susan Seeger	475	100
NBC Ferris Bueller (Mayish Productions)	'90-91	0	John Masius	500	100
CBS E.A.R.T.H. Force† (Chapman/Dial Productions)	'90-91	0	Richard Chapman, Bill Dial	875	325
CBS Sons and Daughters† (B&E Enterprises Ltd.)	'90-91	0	Eugenie Ross-Leming, Brad Buckner	850	250

IN FOCUS

FASHIONING THE FALL

NET DISTRIBUTOR (PRODUCER) SHOW TITLE (ASSOCIATED PRODUCER)	FIRST SEASON	NUMBER OF EPISODES AT END OF	EXECUTIVE PRODUCER(S)	LICENSE FEE	DEFICIT
	ON AIR	89-90 SEASON		PER EPISODE (\$000)*	PER EPI. (\$000)*
NBC Cheers (Charles/Burrows/Charles Productions)	'82-83	194	Glen Charles, Les Charles, James Burrows	750	75
NBC Dear John (Ed. Weinberger Productions)	'88-89	46	Ed. Weinberger, Rod Parker, Hal Cooper	500	100
ABC MacGyver† (Henry Winkler/John Rich Productions)	'85-86	104	Henry Winkler, John Rich, Stephen Downing	1050	375
NBC Wings (Grub Street Productions)	'89-90	6	David Angell, Peter Casey, David Lee	475	100
REEVES ENTERTAINMENT (Reeves Entertainment Group)					
CBS Doctor, Doctor	'89-90	13	Norman Steinberg	500	100
TOUCHSTONE TELEVISION (Touchstone Television)					
NBC Carol & Company (Kalola Productions, Wind Dancer Productions)	'89-90	12	Matt Williams, David McFadzean, Ian Praisner	550	50
NBC The Fanelli Boys (KTMB Productions)	'90-91	0	Kathy Speer, Terry Grossman, Mort Nathan, Barry Fanaro	475	100
CBS Lenny (Witt-Thomas Productions)	'90-91	0	Paul Junger Witt, Tony Thomas, Don Reo	425	100
NBC Hull High† (Gil Grant Productions)	'90-91	0	Gil Grant	925	325
TOUCHSTONE TELEVISION (Witt/Thomas/Harris Productions)					
NBC Empty Nest	'88-89	46	Paul Junger Witt, Tony Thomas, Susan Harris, Gary Jacobs	525	100
NBC The Golden Girls	'85-86	128	Paul Junger Witt, Tony Thomas, Susan Harris	650	50
TWENTIETH TELEVISION (Steven Bochco Productions)					
ABC Doogie Howser, M.D.	'89-90	26	Steven Bochco	675	50
ABC Cop Rock†	'90-91	0	Steven Bochco	1250	100
TWENTIETH TELEVISION (Twentieth Television)					
FBC Good Grief	'90-91	0	Stu Silver, Larry Brezner, David Steinberg	500	25
FBC True Colors	'90-91	0	Michael Weithorn	525	25
FBC Babes (Sandollar)	'90-91	0	Sandy Gallin, Candace Farrell, Brian Levant	500	25
NBC Working It Out	'90-91	0	Bill Persky	475	100
NBC L.A. Law†	'86-87	88	David Kelley	1000	225
FBC The Simpsons (Gracie Films)	'89-90	13	James L. Brooks, Matt Groening, Sam Simon	525	0
FBC In Living Color	'89-90	13	Keenen Ivory Wayans	475	25
UNIVERSAL TELEVISION (Imagine Television Productions)					
NBC Parenthood	'90-91	0	Ron Howard, Brian Grazer	500	100
VIACOM (Carsey-Werner Co.)					
NBC A Different World	'87-88	69	Marcy Carsey, Tom Werner	525	100
ABC Roseanne	'88-89	46	Marcy Carsey, Tom Werner, Jay Daniel, Bob Myer	525	125
NBC The Cosby Show	'84-85	160	Marcy Carsey, Tom Werner, Bernie Kukoff	2000	0
VIACOM (Viacom)					
CBS Jake and the Fatman† (Fred Silverman Co., Dean Hargrove Productions)	'87-88	57	Fred Silverman, Dean Hargrove, Joel Steiger	950	275
NBC Matlock† (Fred Silverman Co., Dean Hargrove Productions)	'86-87	88	Fred Silverman, Dean Hargrove, Joel Steiger	950	225
ABC Father Dowling Mysteries† (Fred Silverman Co., Dean Hargrove Productions)	'87-88	20	Fred Silverman, Dean Hargrove	900	275
WARNER BROS. INTERNATIONAL (NBC Productions)					
NBC Fresh Prince of Bel Air (Stuffed Dog Co., Quincy Jones Entertainment)	'90-91	0	Quincy Jones, Andy Borowitz, Susan Borowitz, Kevin Wendle	450	150
WARNER BROS. TELEVISION (Lorimar Television)					
FBC D.E.A.†	'90-91	0	Richard Dilello, Daniel Blatt	875	325
ABC Perfect Strangers (Miller/Boyet Productions)	'85-86	96	Thomas L. Miller, Robert L. Boyett	600	125
CBS The Family Man (Miller/Boyet Productions, Catalina Production Group)	'90-91	0	Thomas L. Miller, Robert L. Boyett, Bill Bickley, Michael Warren	500	75
NBC Midnight Caller† (December 3rd Productions)	'88-89	39	Robert Singer	900	300
CBS The Hogan Family (Miller/Boyet Productions)	'85-86	97	Thomas L. Miller, Robert L. Boyett, Irma Kalish	550	125
ABC Full House (Jeff Franklin Productions, Miller/Boyet Productions)	'87-88	68	Jeff Franklin, Thomas L. Miller, Robert L. Boyett	475	100
CBS Knots Landing† (Rondelay/MF Productions)	'79-80	276	Michael Filerman, David Jacobs	1375	0
ABC Family Matters (Miller/Boyet Productions)	'89-90	22	Thomas L. Miller, Robert L. Boyett	500	75
ABC Going Places	'90-91	0	Thomas L. Miller, Robert L. Boyett	450	100
CBS Dallas†	'77-78	334	Leonard Katzman, Larry Hagman	1450	0
ABC Gabriel's Fire†	'90-91	0	Coleman Luck, Rob Lieberman	875	325
WARNER BROS. TELEVISION (Warner Bros. Television)					
ABC Growing Pains (GSM Production)	'85-86	118	Dan Guntzelman, Mike Sullivan, Steve Marshall	550	150
CBS Murphy Brown (Shukovsky/English Productions)	'88-89	49	Diane English, Joel Shukovsky	550	125
NBC Night Court	'83-84	147	Stu Kreisman, Chris Cluess	575	100
CBS The Flash† (Pet Fly Productions)	'90-91	0	Danny Bilson, Paul DeMeo	900	400
ABC China Beach† (Sacret Inc.)	'87-88	41	John Sacret Young	975	250
ABC Life Goes On† (A Toots Production)	'89-90	22	Michael Braverman	900	250
WORLDVISION ENTERPRISES (Lynch/Frost Productions)					
ABC Twin Peaks†	'89-90	8	David Lynch, Mark Frost	900	325
FBC American Chronicles	'90-91	0	Mark Frost, David Lynch	450	75
DISTRIBUTOR TO BE ANNOUNCED					
FBC Class of Beverly Hills† (Aaron Spelling Productions)	'90-91	0	Aaron Spelling	850	300
CBS The Trials of Rosie O'Neill† (Barney Rosenzweig Productions)	'90-91	0	Barney Rosenzweig	875	275
NBC Grand (Carsey-Werner Co.)	'89-90	13	Marcy Carsey, Tom Werner, Michael Leeson, Caryn Mandabach	500	100
FBC Totally Hidden Video (Fox Broadcasting, Chris Pye Entertainment)	'89-90	22	Chris Pye	300	0
FBC Haywire (Fox Broadcasting, Chris Pye Entertainment)	'90-91	0	Chris Pye	275	0
ABC America's Funniest Home Videos (Vin Di Bona Productions)	'89-90	16	Vin Di Bona	350	0
ABC America's Funniest People (Vin Di Bona Productions)	'89-90	1	Vin Di Bona	275	0

* Channels estimate.

All one hour shows are marked with a †. All other shows are half-hour programs. Compiled by the Channels staff, with thanks to Charles Slocum and the Writer's Guild of America, West. Research: Lucia Bozzola.

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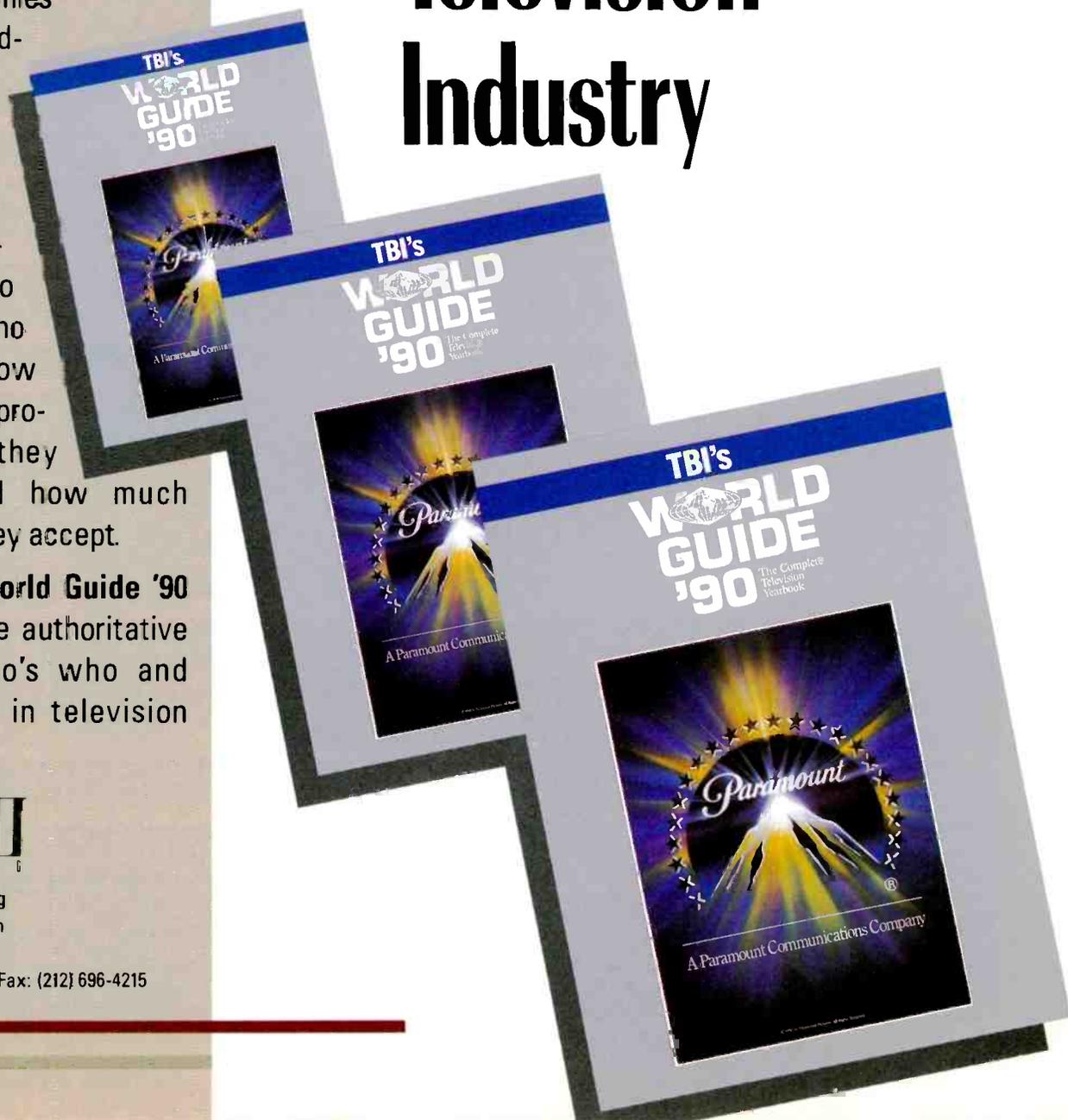
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Your Complete Reference Guide to the Worldwide Television Industry



The Ghost In The Machine

Ghost-canceling cleans up the TV picture. But can broadcasters agree on a system?

BY MICHAEL BURGI

One of the side effects of research into more glamorous areas of television like HDTV is the development of a working ghost-canceling system. It sounds like good news, but The National Association of Broadcasters (NAB) and the entire broadcasting industry have some tough choices ahead of them.

Basically, ghosting occurs when two or more versions of a TV signal enter the set at different times as a result of bouncing off objects in the transmission area. Ghost canceling tries to match up errant signals, requiring the insertion of a reference signal on the 18th line of the vertical interval (a line reserved for such specialized data as closed captions).

NAB and the Advanced Television Systems Committee's (ATSC) ghost-canceling committee have to decide whether to adopt an already built and tested Japanese ghost canceler, or to wait for AT&T Bell Laboratories to produce a model of its concept. Problem one leads right to problem two: Any improvements require the participation of stations (to insert the ghost-canceling signal in transmission) and TV set manufacturers (to develop sets or converter boxes that translate the transmitted signal). Before going ahead with its ghost-canceler concept, AT&T wants to find a partner in the set manufacturing business to split the development costs. But set makers are reluctant to initiate this potentially costly R&D without knowing whether consumers will pay more for a clearer picture. Conditions are ripe for yet another contest of wills and interests in the ongoing search for better television in the U.S.

The Japanese contender was developed

by an organization called Broadcasting Technology Association (BTA), which includes Hitachi, Sony, Toshiba, Fuji, NEC and others. The first U.S. demonstration of BTA's system took place at NAB's Atlanta convention last April. BTA's system was installed at six Atlanta stations, and transmissions were monitored to gauge its effectiveness. In a report issued at the beginning of August, a wrap-up of the test results concluded that "the system does indeed act effectively to reduce the visible effects caused by multipath signal reception."

Despite existing only as a concept, AT&T Bell Labs' ghost canceler is getting moral, if not financial, support from some important people involved in selecting a ghost-canceling system for the existing transmission standard, NTSC. "It would be an absolute mistake to adopt BTA's system now—we need to see AT&T's first," explains Tony Uytendaele, Capital Cities/ABC's director of engineering, development and advanced systems, and chairman of ATSC's ghost-canceling committee.

But AT&T isn't close to having a working model. According to Robert Keeler, distinguished member of the technical

staff at AT&T Bell Labs, AT&T wants to find a partner, ideally in the set manufacturing business, to share costs and expertise. "We're not in the [set-making] business directly," says Keeler. "But we do have an interest in it because we make semiconductors."

Broadcasters want to go ahead with installing this relatively cheap equipment (estimated cost about \$20,000) only if manufacturers agree to offer some sort of ghost-canceling-compatible sets to consumers. According to NAB, this end of the technology can be considerably more expensive, adding a possible \$200 to \$300 to existing set prices. Set makers, understandably, only want to go forward if it can be proven consumers want the compatible sets.

Lynn Claudy, NAB's director of advanced engineering and technology, sat in on a "spirited" meeting in early August between NAB, ATSC and AT&T. There, AT&T hinted at having formed a "bond with David Sarnoff Research Center/Thomson Labs, which would be separate from Sarnoff's research into HDTV," says Claudy. Though no financial or contractual agreement was reached, the meeting did yield a date—June 1, 1991—by which AT&T expects to have some sort of ghost-canceling demo ready for trial tests.

To a lesser degree, the wants and needs of cable subscribers, 60 percent of all U.S. TV viewers, come into play as well. Cable systems distribute signals picked up at the headend. If ghosting occurs at the headend, it reaches every sub. Claude Baggett, director of systems engineering at CableLabs, thinks operators will insert ghost cancelers at the headend regardless of what broadcasters do. CableLabs, based in Denver, will test BTA's ghost cancelers by year's end in cooperation with PBS.

All this comes at a time when the development of HDTV and digital signals is expected to change transmission standards. Whatever happens, ghost canceling can only help enhance the quality of over-the-air transmitted signals, be they NTSC or HDTV. "Ghost canceling," says AT&T's Keeler, "will be more important than ever." ●



Before and after: an example of what ghost canceling can do for signal reception.

HOW MANY times have you passed judgment on someone based strictly on first appearances? You don't bother striking up a conversation with the person sitting next to you on an airplane because they are unattractive. Or maybe you avoid people at social gatherings who are poorly dressed. We all need to look deeper than the surface. People come in all different shapes, sizes and colors. And what makes them special isn't their physical appearance or the clothes they wear. It's  their personal values, ideas, and the way they choose to conduct their lives. If you don't make an effort to reach out and find those qualities in people, someone who could have been a great friend or business relationship, will be gone and out of your life before they ever got a chance to enter it.

Bill Daniels

Dealing with Barter *by Cheryl Heuton*

The rising cost of barter syndication causes station buyers to hesitate.

As the conditions that made barter syndication popular change, so do the ways barter contributes to, or detracts from, the value of broadcast stations. At the same time stations are viewing barter deals less favorably, prospective station buyers are wary of properties laden with barter shows.

Trading ad time for syndicated programming became a standard station practice during the mid-'80s, when numerous independent stations found themselves with lots of spots they couldn't sell, coupled with a shortage of programming and the money to pay for it. Barter let them build a schedule without spending all their cash.

Rising network ad rates helped ensure barter ad time would be bought. Faced with double-digit network increases, advertisers sought alternative means of reaching a national audience. Barter time, sold nationally by syndicators, offered that opportunity.

All was fine, as long as inventory remained large. The emergence of Fox Broadcasting as a de facto fourth network is altering the market by reducing that inventory. As Fox programs more and more time at former independents, many of the market's available time slots are disappearing. "For the syndicators, life becomes more complicated because Fox reduces the time available at the first or second independent in the top 50 to 60 markets," says David Butterfield of Butterfield Communications, a broadcast consultancy. Though the amount of time removed by Fox is relatively small, it's in prime time. When three or four nights at major independents are gone, syndicators feel it.

As time at remaining indies becomes scarcer, it becomes more valuable, and existing barter contracts lose luster. The dark side of barter is that it detracts from a station's revenue-generating power. Stations are stuck with barter deals that restrict their potential revenue. In an already cold deal market, say brokers and analysts, this is one more icy blast.



'Prospective [station] purchasers are acutely aware of what the syndication shelf looks like.'

The difference in cost between cash and barter programming isn't overwhelming, but it is significant. When not using barter to acquire shows, stations aim for program costs of 30 to 35 percent of revenues, according to Larry Gerbrandt, a senior analyst with Paul Kagan Associates Inc. Barter deals, says Gerbrandt, can give away 40 percent or more of a station's potential revenue from particular shows.

This troubles station buyers, whose ability to raise capital is tied to stations' cash flow. "Prospective purchasers are acutely aware of what the syndication shelf looks like," says Don Clancy, a broker with R.C. Crisler. Clients want to know the length of program contracts, and the barter content of those deals, Clancy says.

Barter can be a double whammy, because stations heavily into barter not

only miss the ad time, but the programming itself is often second-tier. The poorer its cash flow and ratings, the more barter programs a station is likely to schedule, because the best syndicated shows are sold on a mostly cash basis, says Butterfield. Barter contracts, however, require that shows be aired so syndicators can meet the terms of contracts with national advertisers; the programming can't simply be shelved, like that purchased under a straight cash agreement. The barter spots must run regardless. Thus barter syndication can discourage buyers who planned to boost revenues through revamped programming or innovative local sales campaigns.

"It's a difficult process to get out from under barter contracts," Clancy says. Some syndicators are willing to negotiate, especially if it's a matter of the station staying in business or going broke. "But if it's just a matter of a new owner making a little more money by selling the time himself, they will hold firm, even if the inability to maximize revenues scuttles a deal," says one broker, though he declined to offer a specific example.

Gerbrandt points out that the trends affecting barter are still in their early phases, and thus it is difficult to see direct effects as yet. "I don't know of a specific deal it was a sole factor in preventing," he says. "I think it is a contributing factor to the overall slow deal market."

Barter remains a valuable option. "It's like a dog chasing its own tail," Clancy says. "In some cases, it makes good sense. In others, no. But there is always the concern about revenues—the power to control and generate revenues."

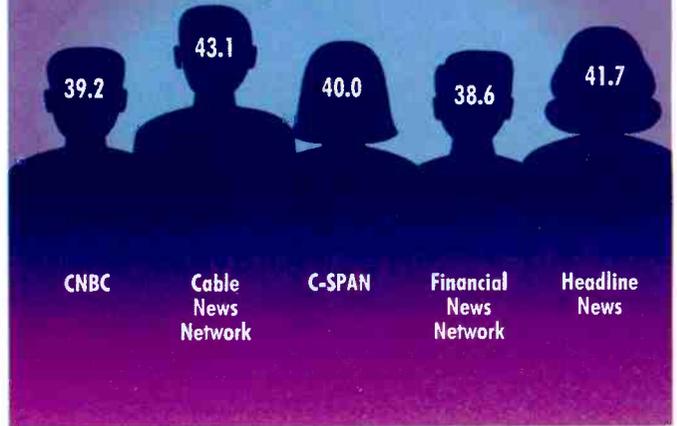
When the station market was hot, concern over a little added programming cost was often swept aside in the rush to pay 13 times cash flow. These days, every little percentage point counts. At a marginal independent, barter can count heavily against value. ●

RUNNING THE NUMBERS

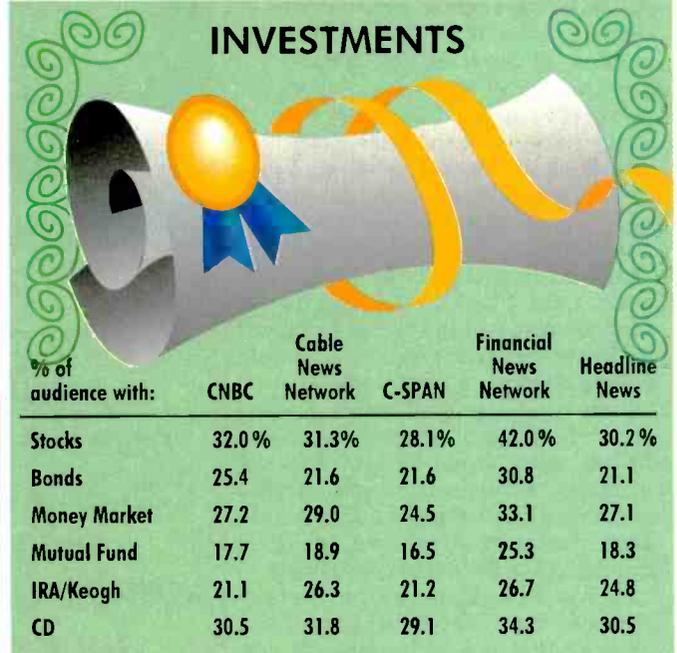
Investing In The News

Cable's upscale skew has inspired much drum-beating by network sales forces. Our viewers have money, say cable nets to advertisers, and they want to spend it on your products. But where do subscribers put their money when they're not spending it? And when they do spend it, do they pay cash or use credit? FNN viewers rank first among cable-news viewers in every investment category, particularly stocks, bonds and mutual funds, while C-SPAN viewers rank fourth or fifth. A similar pattern appears in credit-card usage. In all cases, however, news viewers invest and use credit cards at a higher level than the general public. FNN core viewers, unsurprisingly, invest in stocks and mutual funds at twice the public rates of 21.8 and 12.7 percent.

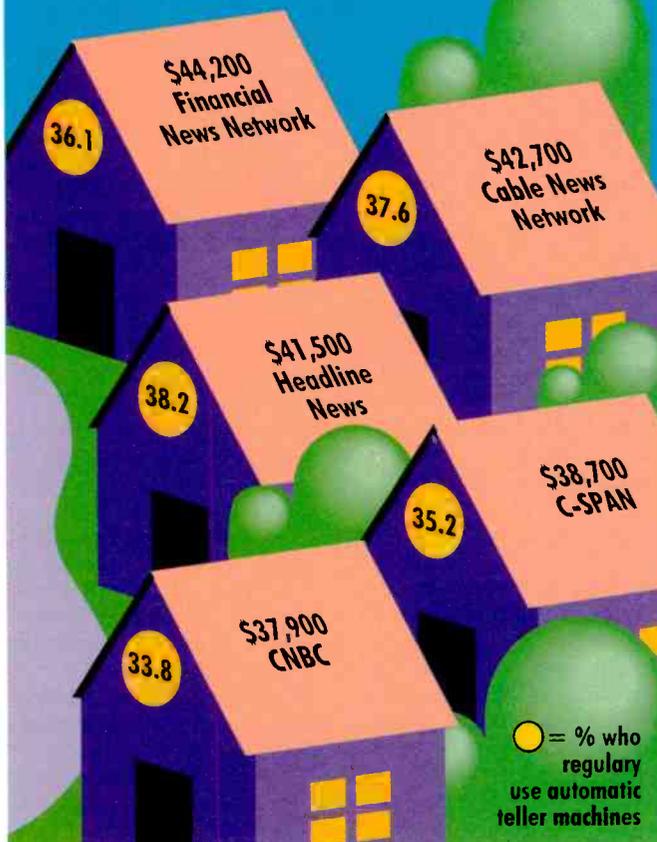
AVERAGE AGE



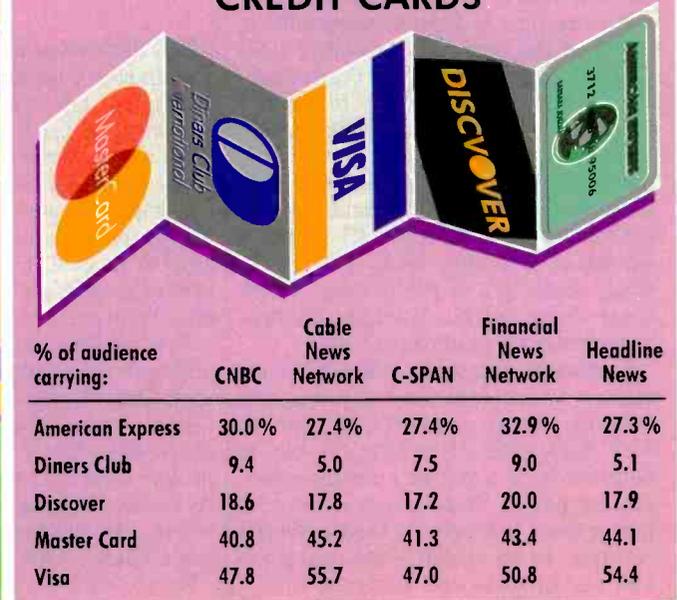
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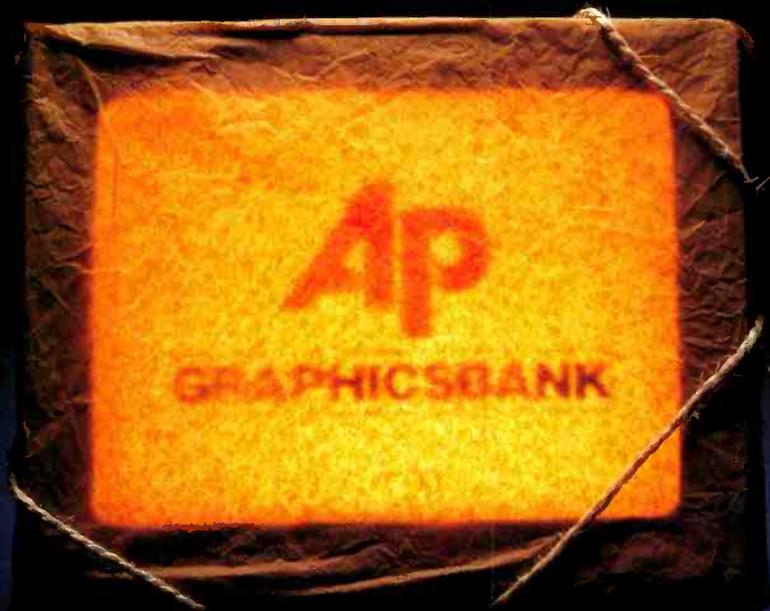
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