

MEDIAWEEK

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Like Father, Like Son

Donald Newhouse takes after his father, Sam, in running the family's newspapers, which are now stronger than ever

NEWSPAPERS SPECIAL REPORT • BEGINS AFTER PAGE 32



NAB: No Honeymoon in Vegas

Networks and affiliates duel in the desert PAGE 20

MARKET INDICATORS

National TV: Calm
 With the dust settled on kids upfront, buyers are finalizing budgets for the prime-time upfront, which could break the week of May 24.

Net Cable: Surging
 Nets are bullish on upfront, with one exec projecting a \$1 billion gain over last year. Technology and Internet-related categories are spending heavily.

Spot TV: Tense
 Sour network relations and digital costs add stress to stations' bottom lines. GM consolidation hits smaller markets hard. Fast foods are scld; West Coast burns hot.

Radio: Tight
 Buyers are booking time eight to 12 weeks out. May is sold out, June is filling up fast. Demand is being driven by the dot.com biz.

Magazines: Cooling
 Tech ad spending fell overall in the first quarter as the category turned to TV and Web outlets. Lower earnings and dip on Wall Street may extend the decline.





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DOG DAYS

VOL. CCXXXIII

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MEDIA WIRE

TV Azteca Seeking Program Alliance With Telemundo

Mexican network TV Azteca is negotiating to supply programming for Telemundo in the U.S., which could create an alliance between two underdog Spanish-language networks that are struggling to compete against much larger rivals.

Ricardo Salinas, president of TV Azteca, said he hopes a deal can be finalized in time for Telemundo's upfront presentation on May 17.

Televisa, TV Azteca's biggest competitor in Mexico, supplies programming for Univision, Telemundo's primary rival in the U.S. Univision controls about 90 percent of the market for Hispanic advertisers and audience.

But Howard Stringer, chairman and CEO of Sony Corp. of America, parent of Telemundo, said his company is backing Telemundo for the long haul. "Any time you transition between different types of programming, you always take one step back before you take two steps forward," Stringer said.

After the sale of Telemundo to Sony was approved by the government last year, the company decided to drop its traditional Hispanic novelas in prime time and replace them with shows based on old series from American television like *Who's the Boss?*, *Charlie's Angels* and *Starsky and Hutch*.

Salinas believes TV Azteca can help Telemundo compete for viewers in the U.S., partially with novelas. The lower cost of producing a show in Mexico (about \$80,000 per episode, vs. about \$400,000 for a prime-time show in the U.S.) also should help the network compete, he said. "Univision's best-rated programs are the ones they get from Televisa. Our programs can compete with them in the U.S. Right now Telemundo needs us, and we need them," Salinas said. —*John Consoli*

Studios USA Pins Hopes On New Leader, New Deals

In the latest round of TV-management shakeups, David Kissinger last week replaced Ken Solomon as Studios USA's programming president.

The move signals another shift for the studio, which has struggled to maintain its profile since (*continued on page 8*)

Ethnic Expansion

AAF, True North create new minority unit

THE INDUSTRY / By John Consoli and Katy Bachman

Only a year after an internal memo at a broadcast rep firm cast minority media in a negative light, major forces in the advertising world are moving to dedicate potent resources to more effectively tap into and use ethnic media.

Citing the size and purchasing power of the U.S. ethnic marketplace, TN Media and New American Strategies Group, the multicultural arm of TN parent True North Communications, last week announced the formation of a new unit that will specialize in the planning and buying of African American,

Hispanic and Asian media. To be called New America Media Group, the unit will be led by three media directors from NASG's full-service ethnic agencies and attempt to capture more of the estimated \$200 billion spent on media in the U.S. Currently less than 1 percent of that is devoted to targeted ethnic media, even though 25 percent of the U.S. population is made up of minorities.

Adding clout to the new unit will be TN Media's U.S. broadcast billings of \$2.6 billion. When appropriate, efforts will be made to get TN Media's client advertisers to target segments of their ad dollars to the multicultural markets. For example, there are more than 350 print vehicles targeted to blacks, many of which aren't used by mainstream advertisers.

The announcement was made at an American Advertising Federation briefing in Washington, at which the AAF named the members of a blue-ribbon panel to

examine an advertising code of conduct. The co-chairmen of the panel include Robert Wehling, global marketing officer, Procter & Gamble; David Bell, chairman, True North; and Samuel Chisholm, chairman/CEO, The Chisholm-Mingo Group.

TN Media also endorsed the Kennard Principles for Fairness in Communications,

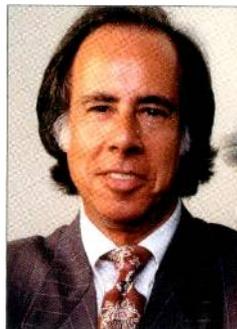
which Federal Communications Commission Chairman William Kennard released on Feb. 22. At the AAF session, Kennard introduced True North chairman David Bell, TN Media president Michael Drexler and New America Strategies Group

managing partner Al Schreiber. "We are hoping to start a new paradigm," Schreiber said. "Over the years, the ad agency business has de-integrated. We're hoping to reintegrate it."

Added Drexler: "To my knowledge, there is no major independent media planning and buying organization that has the unique scope we have in this area. That's why we're taking a leadership position."

In the past, Drexler said, it was believed that mainstream ad campaigns would reach ethnic populations, eliminating the need for targeted efforts. But recent research has overturned that logic, finding that ethnically targeted advertising is often more effective in reaching specific groups. "It's a matter of talking to this audience in a way they want to be talked to," Drexler explained. "There's been a big deficiency in that regard."

Multicultural families today outspend white families in five out of 13 "marketbasket"



Mike Drexler (left) and Al Schreiber want to reintegrate U.S. media spending habits.

categories, according to a study by NASG in conjunction with DemoGraph Corp.: groceries, entertainment, personal care products, clothing and education. And multicultural families' purchases are growing faster in 10 out of 13 marketbasket categories.

According to the study, multicultural consumers' spending on entertainment is growing 2.5 faster than white consumers, their spending on clothing is increasing 33 percent faster and spending on personal care is increasing 69 percent faster. Meanwhile, from 1990 to 1997, total Hispanic and African American disposable income increased 66 percent and 54 percent respectively, while the general populations grew 41 percent.

Schreiber said the ethnic population in the U.S. will eventually become the majority. "We need to change the way we do business," he said. "Advertisers have to realize that they should be talking to today's customer, not yesterday's customer."

In a small way, that's already happening. Wal-Mart, one of the largest retail chains in the country, recently has been buying more ad time and space in Hispanic media. Since February, the retailer has spent \$1 million to \$2 million on Radio Unica, a Hispanic radio network, which, according to *Mediaweek* estimates is about half of Wal-Mart's total radio budget. Lopez Negrete Communications, which buys Hispanic media for Wal-Mart, has also recently bought *People en Español* and *Selecciones Reader's Digest*.

Though retail is a top category for radio, Wal-Mart previously had bought time only on ABC Radio's top-rated *The Paul Harvey Show*. Now it's a sponsor of Radio Unica's Pedro Sevcec, whose three-hour live morning show, *Sevcec en Vivo*, reaches more than 80 percent of the U.S. Hispanic population via about 50 station affiliates.

The new business was a coup for Radio Unica. "All of a sudden Latinos have credit, creating a whole economic chain of events, which is why corporate America has identified the segment," said Alex Lopez Negrete, president/CEO, Lopez Negrete.

Wal-Mart's yearlong commitment runs through Jan. 30, 2000, and consists of "Brought to you by..." sponsorship liners at the opening and closing of Sevcec's show. "Wal-Mart didn't just go to radio," said Negrete. "They are looking for programs where Hispanics really tune in and have huge, Super Bowl-size audiences."

But there's still a long way to go, which is why New America Media was created. "It's not at parity yet; we're a far cry from that," noted Negrete. "We're seeing token budgets that should be \$4-5 million. It will take a lot of success stories and a lot of Wal-Mart's." ■

AT&T Trumps Comcast

Phone giant offers \$62 billion for MediaOne, a 17% premium

CABLE TV / By Jim Cooper

In a move that could create the largest cable company in the U.S. with 16 million subscribers in 18 of the top 20 markets, AT&T rocked the media industry late last Thursday with a \$62 billion unsolicited bid to acquire MediaOne. If successful, the phone giant's move for the 5 million-subscriber multiple system operator would take the industry's current wave of consolidation to a new level as the top companies race to deliver the next generation of media services, including local telephony, to consumers.

The AT&T offer trumps Comcast Corp.'s month-old \$53 billion bid to acquire MediaOne and comes only a month after AT&T successfully absorbed cable giant Tele-Communications Inc.

"Together, AT&T and MediaOne will bring broadband video, voice and data services to more communities, more quickly, than we could separately," said AT&T chairman Michael Armstrong in a statement.

"This is essentially the beginning of convergence in being able to marry the telephony and customer-care capability of AT&T with the infrastructure and ability to package video services of the cable industry," said Sandra Kresch, a strategy partner in PricewaterhouseCoopers' entertainment and media practice.

Though Comcast is dwarfed by AT&T, cable executives and analysts said the MSO could try to top AT&T's offer by turning to its part-owner Microsoft for cash. "This isn't over yet," said Bruce Leichtman, media analyst at The Yankee Group.

Industry observers pointed out that a merged Comcast/MediaOne presents a better union, since half of their systems overlap in markets such as Detroit, Orange County, Calif., and Florida. MediaOne also has large systems in Boston and Atlanta. However, at least one analyst said Comcast would be hard-pressed to match the \$30 billion cash portion of AT&T's offer. Calls to Comcast executives for comment were not returned. A MediaOne representative would say only that the company is reviewing AT&T's offer.

Through its \$48 billion acquisition of TCI, AT&T now counts 11 million cable subscribers. If it gets MediaOne, AT&T will have spent \$114 billion on cable assets and gone from zero to 16 million customers in one year.

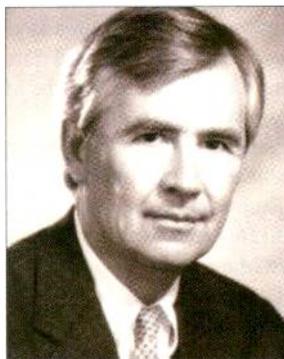
The complicated deal had analysts scrambling to piece its parts together. The bid—a combination of cash, stock and assumed debt—is 17 percent higher in value than Comcast's offer and offers a 26 percent premium over MediaOne's current market value. Through ownership of MediaOne, AT&T would control 25.5 percent in Time Warner Entertainment, which controls Warner Bros., HBO and Time Warner's 12.5 million-subscriber cable systems.

How Liberty Media—AT&T's independent programming arm, run by former TCI chairman John Malone—would interact with Time Warner Entertainment remains to be seen.

In an interesting twist, Amos Hostetter, the well-regarded founder of Continental Cablevision (bought by MediaOne in 1996), could once again be running his old MSO. Hostetter, who angrily resigned after MediaOne moved the company from its longtime Boston headquarters to Denver, is still MediaOne's largest shareholder with a 9 percent stake. If AT&T buys MediaOne, Hostetter would become non-executive chairman of AT&T's cable division and hold a board seat.

Because of its size, the deal will likely be scrutinized by several regulatory bodies, which will have to balance concerns of a potential monopoly with a desire to provide consumers with the next wave of telecommunication services. In a joint statement, Senate antitrust committee members Michael DeWine (R-Ohio) and Herbert Kohl (D-Wis.) said: "If the deal creates increased local telephone competition, that's good. But in many ways, it raises a whole host of tough questions regarding cable concentration."

Consolidation is being felt among midsize MSOs too. Only hours before the AT&T/MediaOne news hit, Cox Communications, a top-five MSO, said it would acquire Media General's Virginia cable systems for \$1.4 billion. ■



Hostetter could end up in control of his old MSO.

AT DEADLINE

Denver Stations Reacted Quickly on Shootings

When two juniors at Columbine High School in Littleton, Colo., started shooting fellow students and teachers last Tuesday, news outlets all over the country canceled regular programming to focus on the tragic events unfolding in the Denver suburb. Denver television stations were on the scene 20 minutes after the shooting began, and from then on the stations broadcast hours of live coverage without commercial breaks. Over the next few days, modified commercial breaks in the morning and late evening were allowed to interrupt the coverage, but during the day the stations remained vigilant for breaking news. Advertisers said they had been promised credit or makegoods in the second quarter for spots not aired during the coverage. (For an overview of the Denver market, see the Market Profile on page 33.) "Of course, buyers have been understanding," said Graham Satherlie, sales manager at KMGH-TV, the ABC affiliate in Denver. Out of respect for the victims, Denver radio station KBPI-FM cancelled an April 30 anniversary concert featuring the group Marilyn Manson.

CBS Trading More Time for Equity

Mel Karmazin has said he wants to be a "player" on the Internet, and he proved it again with the announcement last week that CBS will swap \$42 million in promotion time for a one-third equity stake in WinStar Communications' office.com Web site. Two weeks ago, the CBS president/CEO traded \$200 million in promotions for a 35 percent ownership in hollywood.com and a 50 percent stake in storeRunner.com. Office.com provides technical, legal and marketing information to small and medium-sized businesses.

Washington Sues Stamp Houses

Washington Attorney General Christine Gregoire last week filed lawsuits against the stamp house divisions of Publishers Clearing House, Time Inc. and American Family Publishers. The suit alleges the stamp houses used deceptive tactics to make consumers believe they were finalists or winners in various sweepstakes. The state claims AFP breached an agreement that the company reached last March with 31 states and the District of Columbia.

Radio Merger Approved by DOJ

Based on spinoffs Clear Channel and Jacor announced in February, the Department of Justice gave their \$4.4 billion merger a thumbs-up last week. Many of the 18 radio stations in four markets (Cleveland and Dayton, Ohio; Louisville, Ky.; and Tampa, Fla.) will be sold to minority-owned groups Mega, Blue Chip and Radio One, a plan that could help win FCC approval.

House Still Battling Over Satellite Bill

The long-awaited reform of the Satellite Home Viewer Act is expected to come to the House floor for a vote this week, but no one is certain in what condition it will appear. At press time, the House Commerce and Judiciary committees were fighting over jurisdiction. The bill was derailed last week when language that reportedly was requested by DBS mogul Charlie Ergen of EchoStar was inserted in the version that had been approved by the commerce committee. Broadcasters who discovered the additions are complaining that this version would hurt their ability to cut deals with cable and limit their exclusivity rights.

Seltel Sale to Cyber First Expected

TV rep firm Seltel was said last week to be close to a sale to Cyber First Internet, a Web sales rep firm in Redmond, Wash. The official announcement is expected on May 1. "It's a really good thing...[It could] open future avenues for Internet sales," said one rep with knowledge of the deal. Seltel is currently owned by Katz Media, a unit of Hicks, Muse, Tate & Furst.

Roseanne Lives, Howie Dies

Defying conventional wisdom—or, at least, industry speculation—King World Productions announced last week that it will proceed with a second season of its struggling daytime talker *The Roseanne Show*. Meanwhile, Paramount announced the cancellation of its low-rated daytime talk strip *The Howie Mandel Show*. Paramount also announced that it will end the 10-year run of its tabloid news program *Hard Copy*.

Addenda: DreamWorks co-founder Steven Spielberg last week teamed with USA Networks' Sci-Fi Channel to create 20 episodes of *Taken*, a new hour-long series dealing with alien abductions. *Taken* is scheduled to premiere in the third quarter next year...

Capstar Broadcasting got a go-ahead from the Department of Justice to close on its \$190 million acquisition of Triathlon Broadcasting after the group finds a buyer for five stations in Wichita, Kan.... *The Wall Street Journal* later this year will begin offering Sunday newspapers a weekly package of original articles focusing on

personal finance and careers. Several major dailies, which will share ad revenue with the *Journal*, have already signed on... Hachette Filipacchi Magazines' *Premiere* is going back to press for an additional 125,000 copies of its May issue, which features four different *Star Wars* covers.

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MEDIA WIRE

Barry Diller acquired Universal Television last year and renamed it under his USA banner.

While its flagship series *Law & Order* continues to earn strong ratings on NBC, the studio's three new series for prime time this season—*Brother's Keeper*, *Payne* and *Turks*—have not yet been renewed.

Perhaps more telling is that only two pilots from Universal are vying for time slots on the networks' fall lineups—*True Love*, a comedy for ABC, and Dick Wolf's *Law & Order* spinoff, *Sex Crimes*, set to air on NBC and Diller's USA Network.

Kissinger hopes a new round of deals will boost the studio's standing. Among those deals is the low-budget, in-house spec comedy *Beat Cops*. "Creatively and financially, it's the kind of experiment that we're excited about," Kissinger said. "With TV changing as fast as it is, everyone in this business has to look at ways of making distinctive programming in different ways."

Kissinger, who had been the studio's senior vp of comedy programming, will oversee comedy and drama development, production and casting. He will report to Robert Fleming, group president for Studios USA. —Alan Frutkin

A&E's *Biography* Gets Green Light for 140 New Episodes

A&E last week unveiled new programming projects for the 1999-2000 season, including the original movie *P.T. Barnum* and 140 new episodes of *Biography*, with subjects ranging from the millennium to Pablo Picasso to Andy Kaufman.

In movies, in addition to *P.T. Barnum*, a two-part coproduction with Hallmark Entertainment starring Beau Bridges and George Hamilton, A&E will air *The Crossing*, the story of George Washington's infamous trip across the Delaware, starring Jeff Daniels; *The Lady in Question*, a mystery starring Gene Wilder; and *Longitude*, a scientific adventure starring Jeremy Irons.

Sister network The History Channel announced it will premiere a series on the Korean War as well as profiles on the history of advertising and basketball. The network will also create four new series: *History's Lost* (continued on page 10)

Cable Eyes \$1 Bil Ad Gain

Discovery exec sees 36% jump in upfront; buyers rip spot TV sales

THE MARKETPLACE / By Jim Cooper and John Consoli

As cable-network executives tuned up their sales pitches last week for what they predict will be a robust upfront season, media buyers warned that local broadcast TV stations must do a better job of selling or risk losing more advertising dollars to cable.

Bill McGowan, senior vp of ad sales and marketing for Discovery Networks, boldly predicted last week that cable will enjoy a \$1 billion increase in this year's upfront over 1998, to about \$3.8 billion. "This will be a billion-dollar bonanza," McGowan crowed during Discovery's upfront presentation. McGowan cited the millennium, the continuing bull market on Wall Street, and large volumes of technology and Web advertising as the fuel for a projected 36 percent increase in cable's upfront.

Some of cable's recent sales gains have come at the expense of local TV stations, a trend that buyers say is likely to expand unless broadcasters make changes. Howard Nass, TN Media senior vp/corporate director of broadcast development, told a session at last week's NAB convention that agencies are taking money out of clients' spot TV and shifting it into cable.

Jon Mandel, co-managing director of MediaCom, went a step further, saying that in many instances clients' TV budgets never even make it into spot TV. "We're spending \$300 million in national broadcast advertising, and only about

1 percent of our budget is in spot," Mandel said at the NAB session. "My client at Upjohn always sees cable salespeople, but he never sees anyone from broadcast spot. Cable is doing a better job. You have to learn how they sell."

While stations do an effective job on ad and promotional tie-ins with local vendors, they need to involve the marketers of products sold by those vendors in their marketing partnerships, Mandel said. "If you don't do it, you will lose out, because cable will do it," he warned.

The buyers' critique of broadcast was not limited to how local stations market their ad time. Both Mandel and David Marans, senior vp/media research director at J. Walter Thompson, criticized the recently released Quad study commissioned by the Television Bureau of Advertising and put together by Nielsen Media Research. The survey found that broadcast television has a higher percentage than cable of viewers who watch TV more frequently and particular shows more regularly. Marans labeled the findings "garbage," saying that what agencies really need to know is how many people are watching the commercials.

Nass added that despite the study's put-down of cable, cable has key value to advertisers as a "reach extender." Cable offers vehicles to target certain audiences, Nass noted, particularly children and sports fans. "It's up to the ad buyers to find the right mix," he said. ■

Big 3 Turn Back Time

NBC, CBS, ABC look to antiquity for May-sweeps movie ratings

TV PROGRAMMING / By Alan Frutkin

As the networks face a future of fragmented viewership, they are turning to the history books to get families to gather 'round the tube together during the May sweeps. On May 2 and 3, NBC will get the Big Three's hooked-on-classics theme started with the effects-laden biblical epic, *Noah's Ark*. CBS will also rely on religion for ratings with the saintly story of *Joan of Arc* on May 16 and 18. And ABC will turn to the pre-Christian tale of *Cleopatra* on May 23-24.

The three historical projects share what the nets hope is an attractive element of built-in

recognition. "You can ask the average person on the street to describe these stories, and they probably have five facts for each one," said Sunta Izzicupo, CBS senior vp of movies for television and miniseries. "It's a way to distinguish yourself during sweeps and elevate yourself above all the publicity generated both by your competition and by your own schedule."

Media buyers expect *Noah* to round up the most viewers, thanks in large part to heavy promotion from NBC's crack marketing team. Just prior to and during a sweeps month, "you can't turn on an NBC property—whether it's MSNBC, CNBC or NBC—without seeing

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MEDIA WIRE

and *Found*; *Wrath of God*; *Suicide Missions*; and *Military Blunders*. History will also produce a show on the new World War II memorial, hosted by Bob Dole. —*Jim Cooper*

Boxing, Wrestling Boost PPV to Record 1st Quarter

Event pay-per-view generated a record \$207 million in revenue in the first quarter, according to Showtime Event Television. The total, compared with \$241 million for all of 1998, gives the industry hope that 1999 could be the highest-grossing year ever. This year's first quarter was up 171 percent from last year's.

SET's quarterly summary reports that the category was driven primarily by boxing and wrestling. Mike Tyson's Jan. 16 victory over Francois Botha and the controversial March 13 draw between Evander Holyfield and Lenox Lewis, plus the WWF's *Wrestlemania* on March 28, were the biggest draws.

Mark Greenberg, SET executive vp/general manager, said the PPV uptick has prompted Showtime to step up development of new events and shows. —*JC*

AMFM Creating More Gems With Limited Inventories

AMFM Radio Networks is expected to announce this week that it will offer two new networks for RADAR 62, the listenership report due out in September. Called "Ruby" and "Sapphire" (in keeping with AMFM's gem theme), the two new AMFM loops will be limited-inventory networks. Half of the 22 RADAR networks measured by Statistical Research Inc. are limited-inventory, and such nets now occupy four of the top five spots in number of listeners. "We know stations can't give up 333 minutes weekly," said David Kantor, AMFM president.

The new Ruby network will offer seven minutes per week of inventory from station affiliates to AMFM's Brown Bag Production libraries, called Rocket Science for CHR stations and Firepower for rock and album-oriented rock stations. Sapphire will offer 20 minutes of inventory, three minutes each day in each daypart, with two minutes on Sunday. —*Katy Bachman*

something about these movies," noted Steve Sternberg, senior vp and director of broadcast research at TN Media. "That has really helped to bring in viewers."

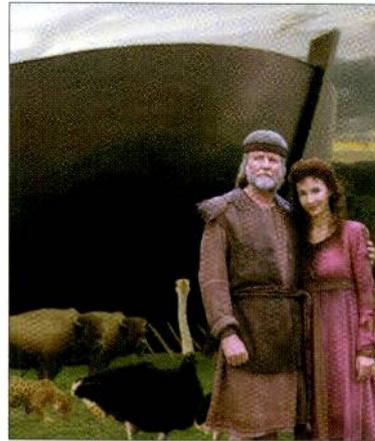
With the pricetag for all three projects in the range of \$20 million to \$30 million, the ratings payoff needs to be big. ABC's *Cleopatra* is reportedly sold out, with :30s going for \$400,000.

During sweeps, "the broadcast networks really have to do something that the audience loves and pays attention to, so they forget, for the moment, all the alternative channels they can tune in to," said Robert Halmi Sr., who produced both *Noah's Ark* and *Cleopatra*. "Event television is different from the everyday junk."

Some network execs argue that the value of

event movies and minis should be measured in terms other than how they affect commercial unit prices until the next sweeps period. "The job of any long-form division is to create a promotional base throughout the year to bring in viewers to your regular series," said Lindy DeKoven, NBC executive vp of miniseries and motion pictures for television.

And as viewers continue to migrate from broadcast TV to cable, such promotional tools are crucial. "It's a different TV universe," said Susan Lyne, ABC executive vp of motion pictures for TV and mini-series. "Doing something big and something that pops off the entertainment pages gives us a chance to bring back the traditional audience to network television." ■



Mr. and Mrs. Noah: Jon Voight, Mary Steenburgen sail for NBC.

Bazaar Editor Tilberis Dies

Exec invigorated Hearst fashion monthly with her wit and style

MAGAZINES / By Lisa Granatstein

Elizabeth Tilberis, the editor who transformed *Harper's Bazaar* into a formidable force in the fashion world with her élan, personal wit and style—all while battling ovarian cancer—died last week at age 51.

Tilberis was editor of the Hearst monthly for the past seven years. She began her career at British *Vogue* in 1970, rising to editor in chief in 1987. In '92, Tilberis left Condé Nast and crossed the Atlantic to take the *HB* post. Under Tilberis, the title added more art features and serious fashion journalism, as well as regaining a sense of elegance. *HB* earned National Magazine Awards for Design and Photography for its first four issues following its '92 relaunch.

"She was a very gifted editor who had the ability to take some highly talented and at times volatile creative people and...create the chemistry and energy to put out a very modern, fashion-forward magazine," said Claes Bahrenburg, the former Hearst Magazines president

who hired Tilberis. "She was an extremely courageous and gutsy woman, not only in her professional life, but in her personal life."

Just a year after joining *HB*, Tilberis was diagnosed with ovarian cancer. She became

president of the Ovarian Cancer Research Fund and last year published an award-winning memoir, *No Time to Die*.

"Liz's instincts and eye for fashion, fashion photography and style were unparalleled," said Cathleen Black, Hearst Magazines president. "She will be remembered as one of the magazine industry's greatest 20th century talents."

Department stores Bloomingdale's, Bergdorf Goodman, Henri Bendel and Saks will create window displays honoring Tilberis.

As for *HB*, Hearst has invited Karin Upton Baker, 39, editor in chief of the magazine's Australian edition, to serve as a consultant for eight weeks, during which time Black will interview candidates to succeed Tilberis. ■



Tilberis will be remembered for her courage.

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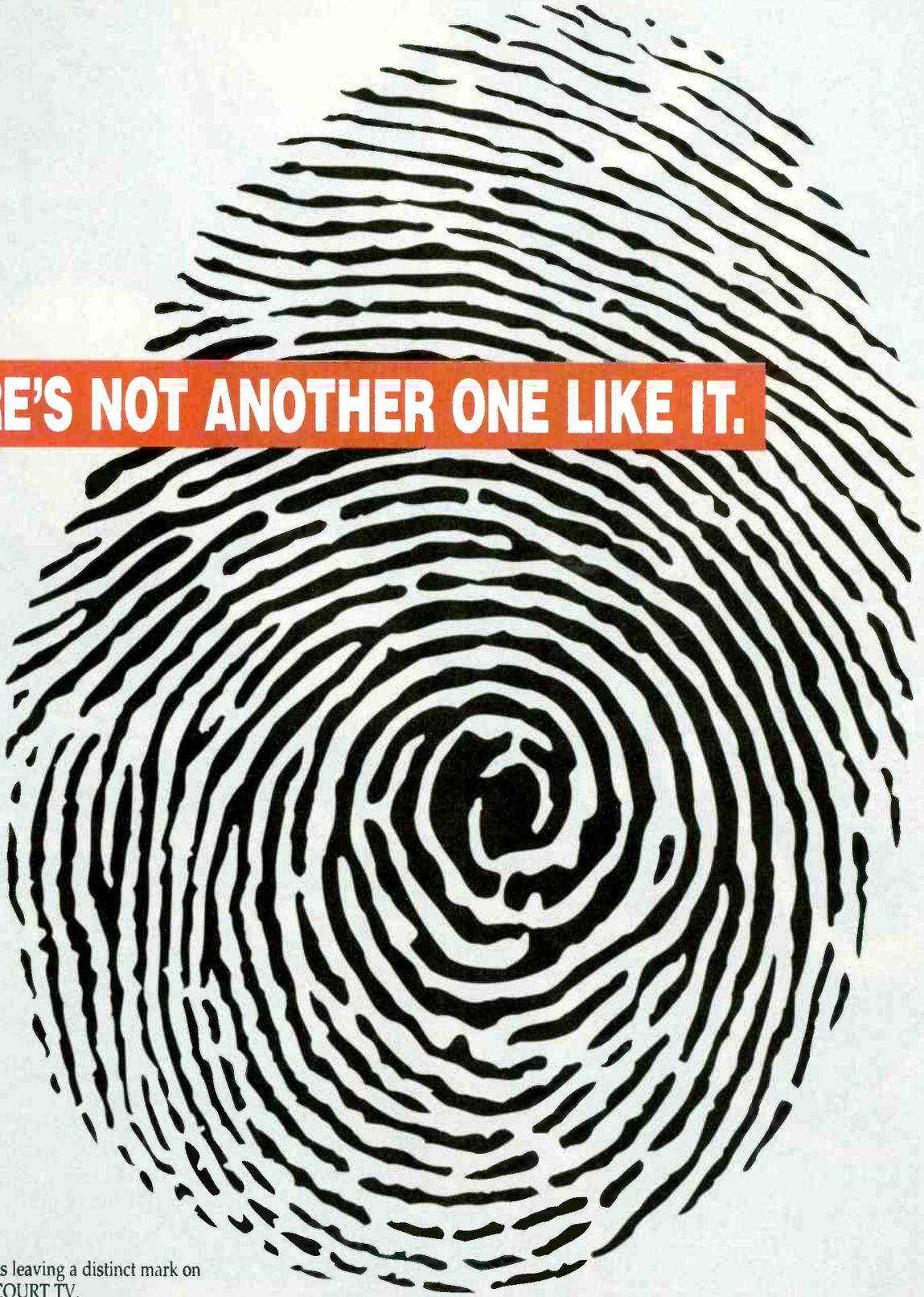
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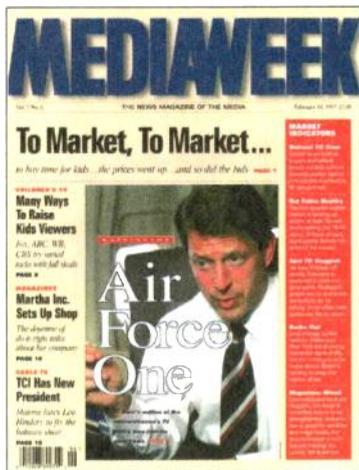
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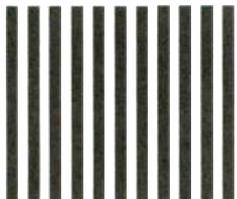
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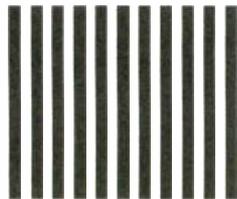
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Nets Grab Grapplers

WWF, WCW wrestlers to make sweeps appearances on NBC, CBS

NETWORK TV / By John Consoli and Jim Cooper

Professional wrestling on cable, long the butt of jokes by broadcast network executives, has provided those networks with somewhat of a ratings windfall of late. And wrestlers from both the World Wrestling Federation and World Championship Wrestling will be making prime-time guest appearances during the May sweeps on NBC and CBS shows.

NBC is tapping WCW talent to make appearances—and draw some of those young men who watch wrestling—during the May sweeps. Randy “Macho Man” Savage is scheduled to walk on to *Mad About You* and Hollywood Hulk Hogan will have a role on an episode of *Suddenly Susan*.

Rival wrestling circuit WWF is getting a piece of the action, too. Stone Cold Steve Austin will make a second appearance on CBS' *Nash Bridges*, in the show's season finale. Austin's first turn on *Bridges*, as a renegade but honest cop named Jake Cage on Feb. 26, produced the 3-year-old series' highest household rating ever, a 9.9/18. The episode generated a 5.4/16 in adults 18-49 (*Bridges*' highest since April 1997), and a 6.4/17 in adults 25-54 (best since January 1997).

Other broadcast nets have cashed in on

wrestling as well. A recent episode featuring appearances by WWF wrestlers Ken Shamrock and Duane “The Rock” Johnson, along with former WWF star Ernie “Big Cat” Ladd, helped Fox's freshman sitcom *That '70s Show* get some of its strongest ratings of the season. The episode averaged an 8.5/12 in households, a 6.8/16 in 18-49 (both higher than the show's season-to-date averages), a 9.5/26 in teens 12-17 (30 percent higher than usual) and a 12.5/31 in male teens.

“Hollywood seems to have realized our stars bring their audiences with them,” said Jim Byrne, senior vp of marketing for the WWF. “Hollywood loves our demos, and we love Hollywood.” WWF officials made the rounds with broadcast networks a few months ago to discuss further possibilities. “We kissed some rings,” added Byrne.

CBS Television president Leslie Moonves is intrigued by the drawing power of wrestling. “Anybody who doesn't realize the popularity of wrestling has his head in the sand,” Moonves said. “We are not embarrassed to have Stone Cold Steve Austin as a guest star on our network. We think it's great. What Vince McMahon [WWF founder and president] has done is very impressive.” ■

IBOC Gets Liftoff Date

NAB/CEMA committee sets Dec. 15 deadline for digital radio

RADIO / By Katy Bachman

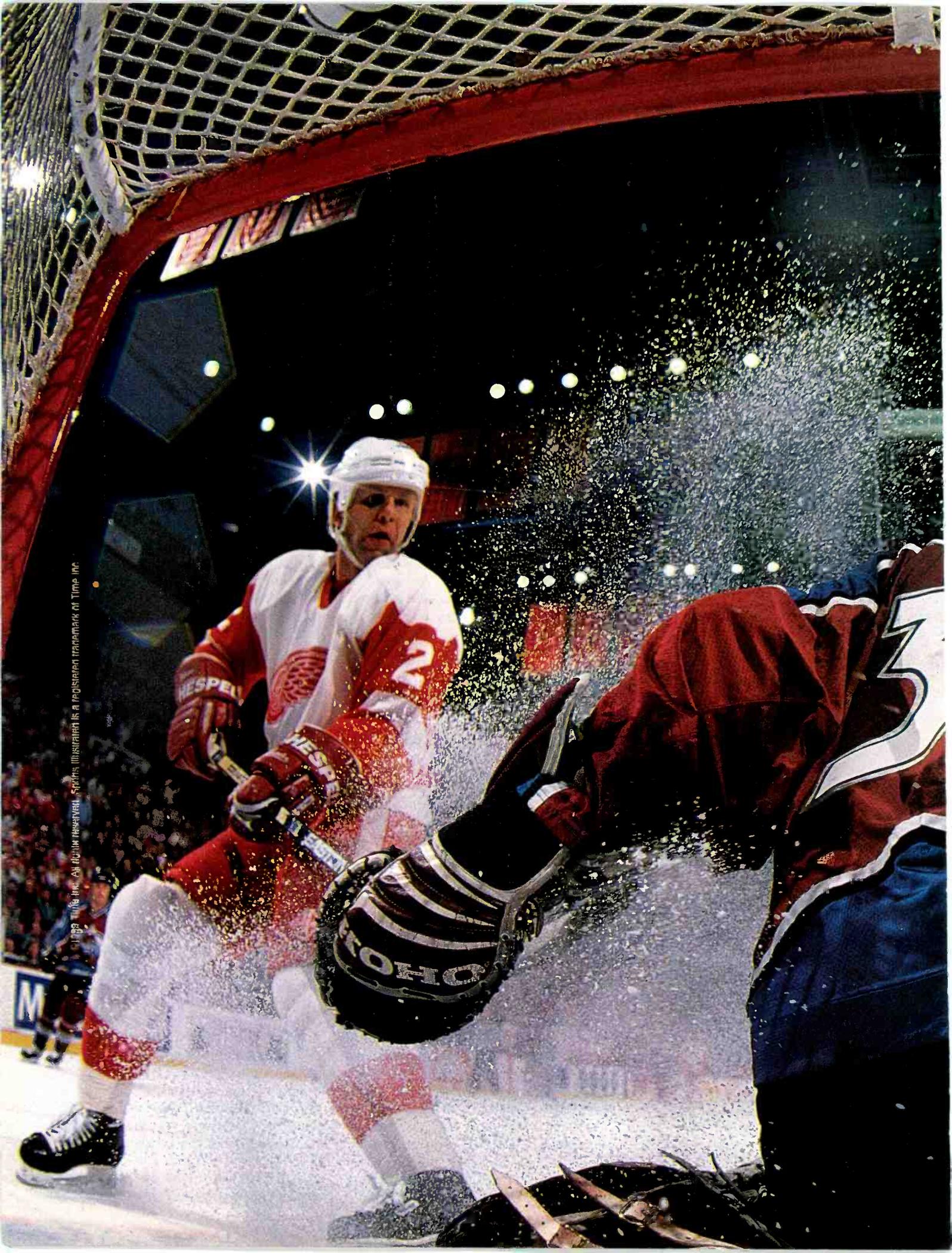
After being grounded for more than five years by technological and political gridlock, digital radio, known as in-band/on channel, or IBOC, will finally commence its countdown on Dec. 15.

Meeting prior to the opening of last week's National Association of Broadcasters meeting in Las Vegas, the three digital radio proponents (Digital Radio Express, Lucent Digital Radio and USA Digital Radio) agreed to submit laboratory and field test results of their IBOC systems to the National Radio Systems Committee. A joint effort of the NAB and the Consumer Electronics Manufacturers Association, the NRSC will review those results by Dec. 15, to determine whether the new technology represents a significant improvement over existing AM and FM.

Broadcasters are pleased with having a time frame. “This agreement will definitely help move the process along,” said Milford Smith, vp/engineering at Greater Media and chair of NAB's Digital Audio Broadcast subcommittee.

Much like high-definition TV, IBOC systems promise superior sound quality with less interference on both the FM and AM band.

Meanwhile, USADR—whose equity owners include CBS, Chancellor, Clear Channel and the seven other top 10 radio groups—is aggressively marketing its system, with or without endorsement. The Columbia, Md.-based IBOC developer has formed alliances with several transmitter companies. For stations that want to convert to digital now, USADR offers an early adopter program that details equipment specifications. ■



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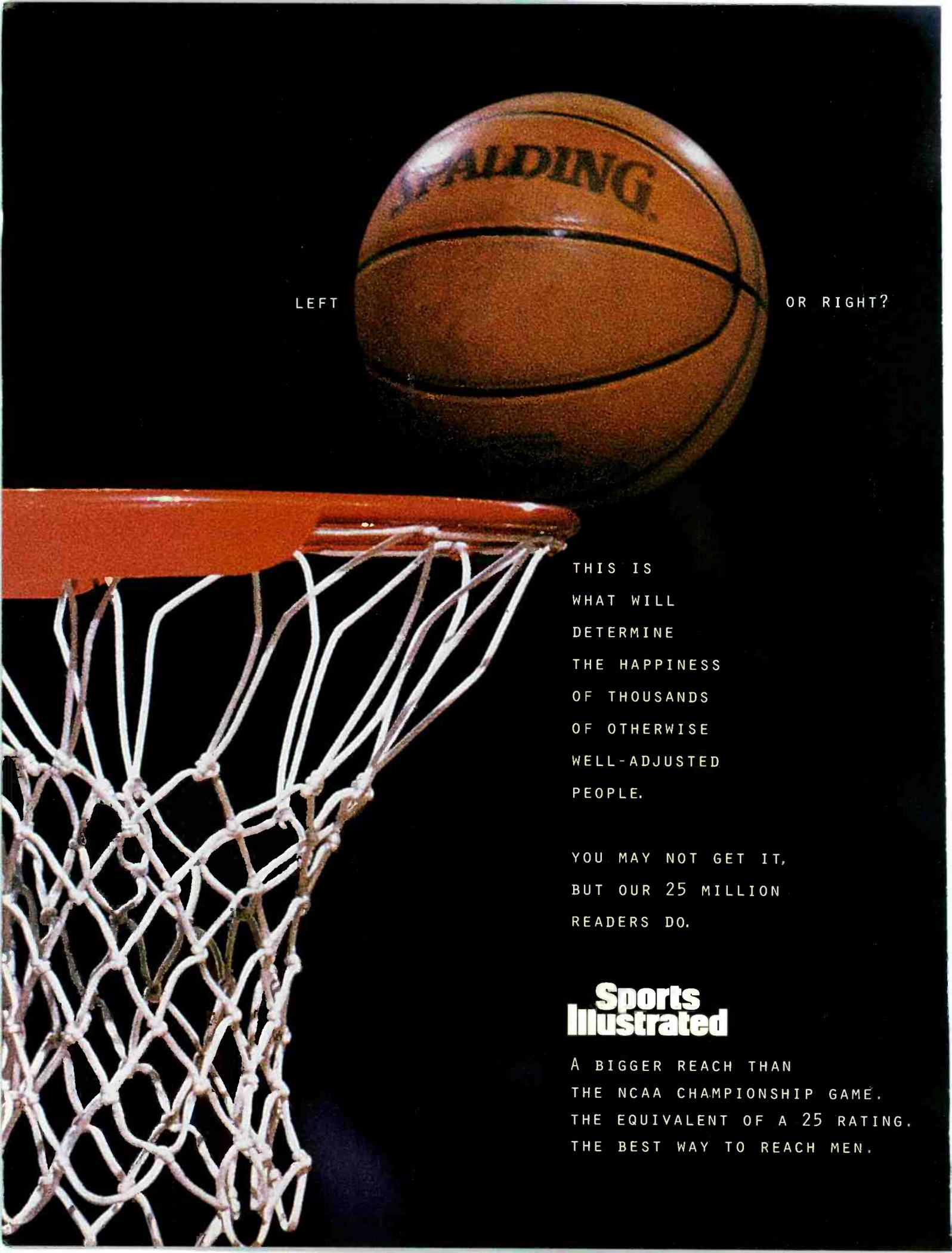
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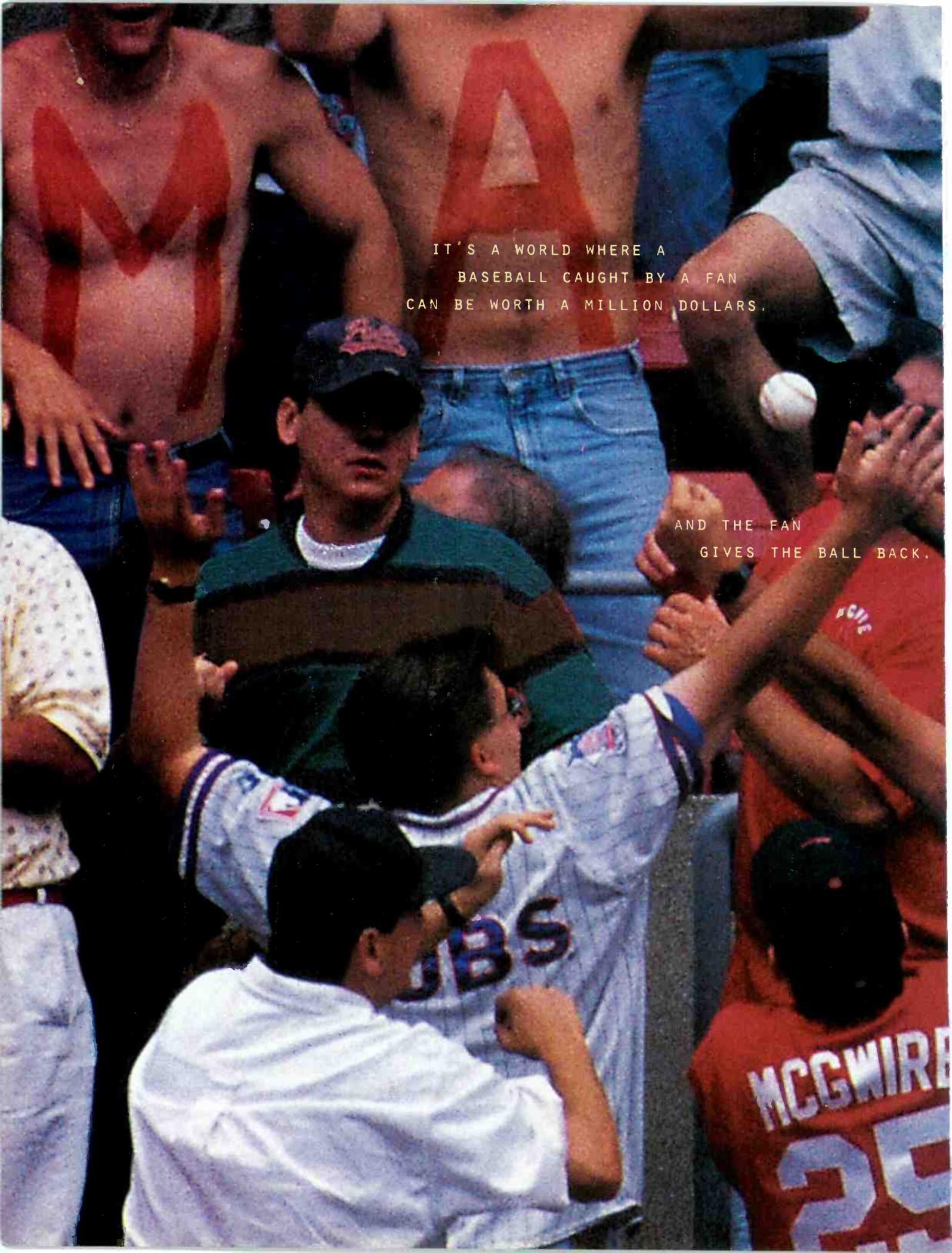
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HDTV: High-Drama Television

An ominous tone resonates through annual NAB conference as affiliates and networks clash

BROADCASTING / By John Consoli

THE THEME OF LAST WEEK'S NATIONAL ASSOCIATION OF BROADCASTERS' annual conference in Las Vegas was convergence, and convergence was everywhere except where it really counted. During the five days of countless panels, there were many overtures made to TV stations by telephone and Internet companies. It was all sweetness about how everyone should get together in order to make more money in the next millennium.

But convergence was hardly the buzzword among the TV networks and their affil-

iates, or among members of Congress and the FCC. And while the stations are a bit clearer on the direction they have to take in order to make the transition into high-definition television, with some 57 stations nationwide already having made the switch to HDTV capability, most still face the daunting cost of conversion knowing that they'll have to do so with less help and fewer financial incentives from the networks.

This year's conference was much like Charles Dickens' *Tale of Two Cities*. Inside the exhibit halls, which were large enough

to fit 22 football fields, vendors were offering more HDTV equipment at more affordable prices than a year ago. And TV group and station engineers were going about their business, buying products and services and planning for the future in a variety of ways. But in the corridors outside the meeting halls, where the group presidents and TV station general managers were hanging out, there was a much more ominous tone in the air. Not only is the cable industry trying to eat their lunch, but now the networks are trying to steal their

dessert. While it was once fun to be a local broadcaster, today their whole world seems to be in turmoil.

It was not unusual to see the top executives of two or three Fox affiliate station groups huddled together, pondering what course of action each might take in dealing with the Fox decision to take back 20 of each affiliates' 90 weekly prime-time spots beginning July 1 [*Mediaweek*, April 12]. And while Fox Television president Larry Jacobson and Fox Television chairman/CEO Chase Carey were in town to meet with disgruntled group owners, they were not backing away from their decision. This led some group execs to place calls to ABC and to make overtures to WB network execs who were also in town. At the same time, UPN president Adam Ware was also there, trying to capitalize on the situation.

An insider at ABC, which is having its own problems with its affiliates, said "several" Fox affiliates had contacted the network about switching affiliation but added, "We're not interested in picking up new affiliates at this time." Fox refused to comment on the situation.

Some group owners with Fox affiliates are clearly more upset with the Fox move than others. When Jacobson could not find a dinner mate among Fox station or group execs one night during his stay in Vegas, he was bailed out by Emmis Broadcasting president Jeff Smulyan. Emmis, however, will be less affected financially than some of the other Fox affiliate groups. For example, under an ad inventory buyback option offered to the station groups by Fox, Emmis would sacrifice \$1 million a year in ad revenue, while Sinclair would lose \$10 million.

Fox stands to make an additional \$100 million a year if all the affiliate groups exercise the buyback option. Fox execs thought the buyback plan, under which the station groups would pay less than market value to get the 20 spots back and be given an additional 15 prime-time spots by Fox for which they would be able to sell and keep 75 percent of that revenue, would be a good bone for the affiliates. But some won-



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At the Avid booth, a representative demonstrated the company's editing suites, hoping to show that convergence—the NAB's theme—is a little closer to reality.

der how many of those they could sell locally each night, even in a good economy.

Fox officials are not commenting publicly on the decision, but privately they are saying that the company is doing what the other networks have talked about doing but have so far been afraid to implement. ABC and NBC are both working on plans to redistribute some of the stations' profits back into the networks to be used to finance better and more expensive programming.

"Remember [former NBC Television president] Neil Braun's affiliate investment strategy?" said a Fox exec who declined to speak for attribution. "ABC is trying to find ways to get its affiliates to contribute more, and CBS doesn't have young enough demos to demand much compromise."

NBC's affiliates balked at Braun's plan, and he left NBC a short time later. "Somebody has to do something to change the economics of network television," said the Fox exec. "The stations have to share some of the value they earn downstream from being part of a network. If it comes to losing some affiliates, then it comes to that."

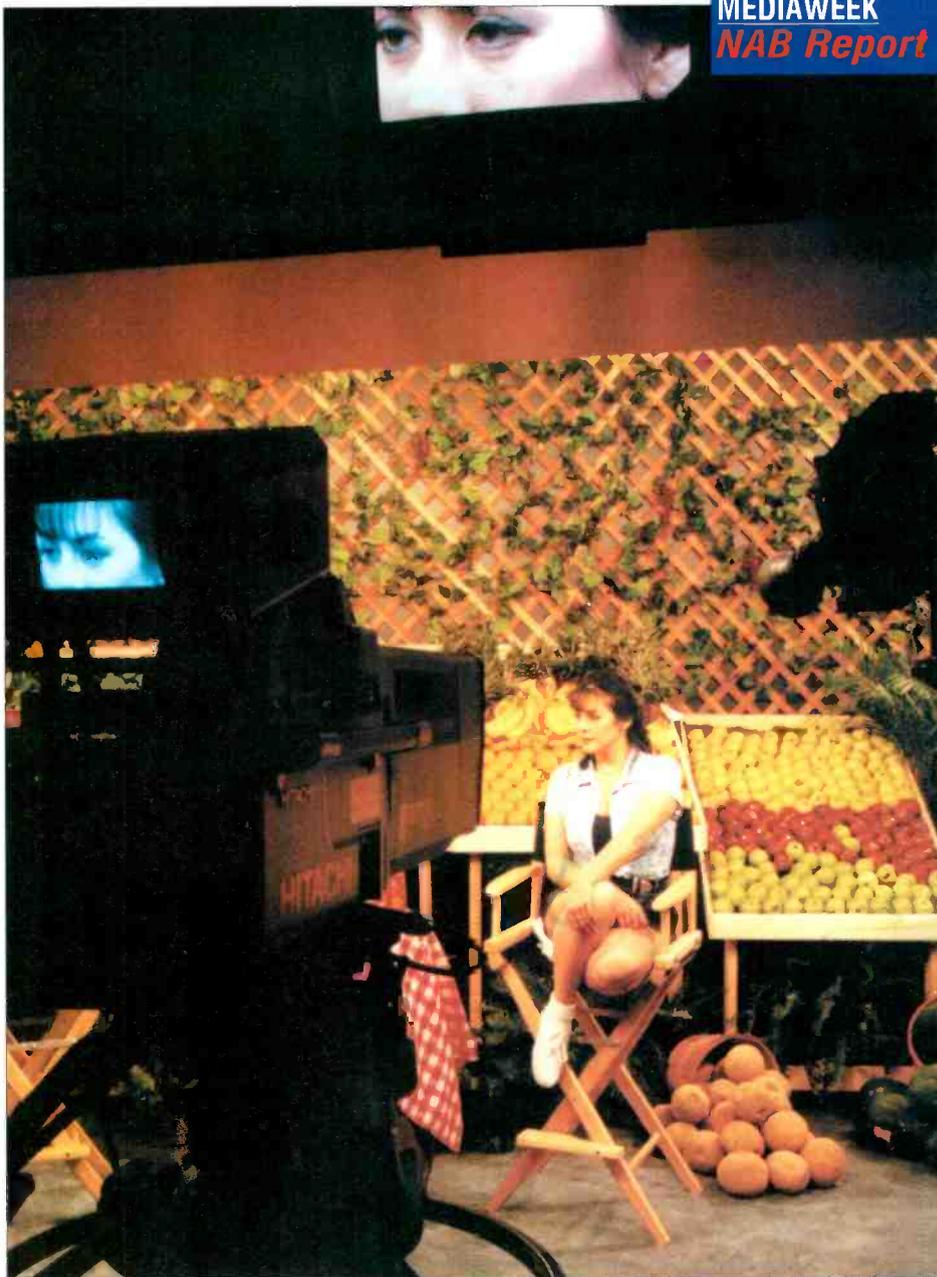
If that happened, Fox could conceivably put some of its prime-time entertainment on its regional cable sports networks or on its FX cable network. "Every cable operator would carry it," said a rival network executive.

Fox was placed in this situation because of its expensive NFL deal and the fact that it has one fewer hour of programming than the big three networks, which can be both a blessing and a shortcoming. Fox sees that as a real moneymaker for its affiliates.

Fox affiliates are angry because the decision to take back the ad inventory was made without consulting them. "The old Fox of a few years ago was much more collaborative with its affiliates," said a former Fox exec. "Now Fox is a global company with global aspirations. It is not only a network but a cable company. It wants to be a satellite company. Fox will do what's in its own interests globally. Its affiliates are not that important to it anymore."

Kevin O'Brien, executive vp of Cox Independent Television Group, which includes two Fox affiliates, and vp/general manager of KTVU-TV in San Francisco, also a Fox affiliate, is upset at Fox's "cavalier attitude." He added: "I've been a major supporter of Fox for years, and now I feel like the floor has been pulled out from under me. I plan to take a different approach from now on."

There were also some rumblings that



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Vendors conducted more business this year, thanks to lower prices on cameras.

Fox is hoping to devalue its affiliates so that it can eventually make an offer to buy them at a sweet price if the government relaxes ownership limits.

The convention also saw talk of affiliate raiding among Fox, UPN and WB. "They've been offering our stations \$3 million to \$4 million to jump to UPN," said a WB exec. Added a Fox exec: "UPN is already out of business. They just don't know it yet."

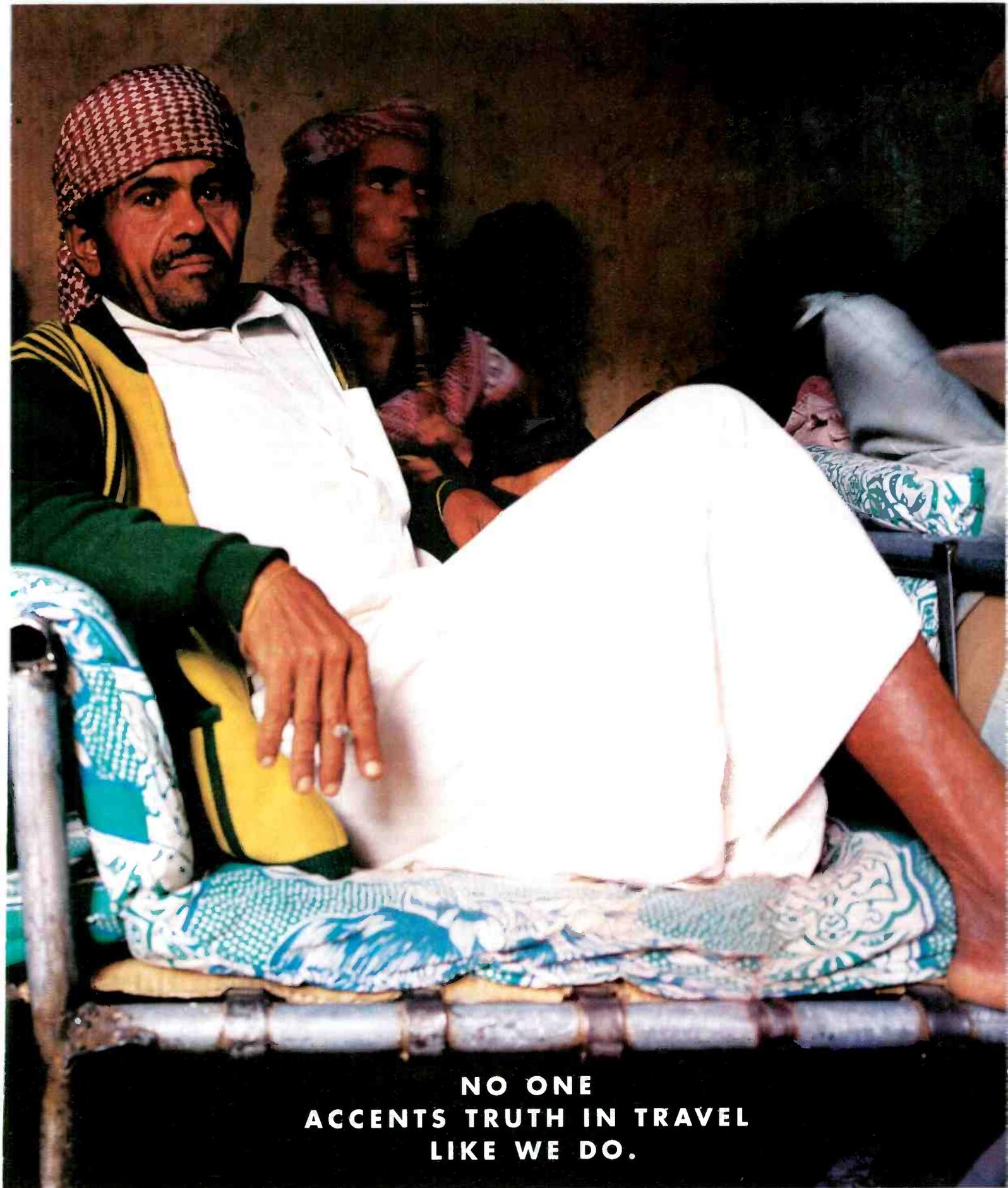
As for ABC and its affiliate problems, not much happened at NAB. ABC Television president Patricia Fili-Krushel did not attend NAB and David Barrett of Hearst-Argyle, who heads the ABC affiliate board, said negotiations are currently in a "cooling off" period. Basically, the network is offering the affiliates a share of the newly

announced cable soap opera channel if they agree to pay some of the cost of *Monday Night Football*. ABC wants to negotiate directly with the affiliates, but the affiliate board has expressed a desire to reach a common solution.

Amid all the undertones of dissension, it was appropriate to hear Howard Stringer, the former CBS president and now chairman/CEO of Sony Corp. of America, addressing the affiliate relations problem in the NAB's keynote address: "If this isn't resolved, every network is going to be spending too much of its time trying to keep the affiliates who hate it away from the affiliates who are undecided. Surely this relationship can be recast favorably for all in the new digital universe. Each should be camped on the other's doorstep."

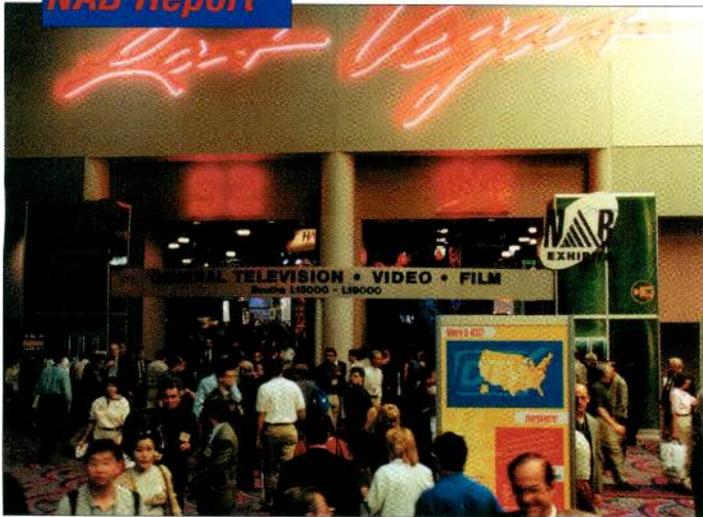
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Attendee traffic was heavy on the convention floor in Sin City.

Preaching to The Conversion

Hardware costs drop

TV STATIONS / By Megan Larson

"I AM CONVINCED THAT THE REMAINING SKEPTICS among you will be true believers—digital evangelicals even—very soon, probably by the year 2000." So declared Howard Stringer, head of Sony Corp. of America, who not only delivered the keynote speech at the conference, but also was there to hawk his company's digital equipment and technology.

The sales pitch apparently worked. A few networks announced deals to buy Sony digital cameras and editing suites at the confab. So did Panasonic, which landed deals with broadcast groups such as Hearst-Argyle and Sinclair. So much business was going down that even Yoichi Morishita, president of Panasonic's parent company, Matsushita Electric Industrial Co., attended the NAB for the first time.

But many broadcasters walking the convention floor seemed to feel about digital the way brokers felt last week about tech stocks they bailed out of: It's overinflated. "It's the cart before the horse," said Raymond Johns, president of Catamount Broadcasting. "There are still so many obstacles." Johns said they include the current dearth of programming produced in digital, a lack of consumer awareness and many questions that surround the implementation and use of multicasting.

"It's a nonevent," said Richard Keilty, general manager of the A.H. Belo-owned NBC affiliate WCNC-TV in Charlotte, N.C.

Situated in the 28th largest TV market, WCNC will be digital-ready by Nov. 1 but it's not clear who will be watching. Keilty put it this way: "There aren't any [digital] TV sets."

But the year 2006—when the government will begin taking back analog spectrum and 85 percent of the country ostensibly will be covered by digital TV signals—will be here sooner than some would realize. And so, to stay ahead of that curve, broadcasters shopped, or at least browsed, for digital equipment.

This year's convention floor offered more digital equipment for sale at more moderate prices. And it helped that broadcasters also had a clearer picture of how to proceed with the digital conversion process. Broadcasters now "have first-world knowledge of how digital television works...there is moderate buying going on," said Andrew Fisher, executive vp of Cox Broadcasting's TV group.

Perhaps the biggest deal was CBS' purchase of Sony's Betacam SX equipment and recording media—at an estimated cost of \$20 million—to be used in its New York studio and 18 international news bureaus. The replacement of analog hardware marks "the largest single step in CBS News' migration from an analog to a digital infrastructure," according to a network announcement. In addition, 16 (out of 22) Fox owned and operated stations announced a commitment to Sony Betacam SX in their newsrooms. Chicago-based Tribune Broadcasting chose Sony's NewsBase server to cut the time to prepare on-air news in half.

On a smaller level, the shopping list of Mario Hewitt, general manager of Norfolk, Va., ABC affiliate WVEC-TV, included routers, switchers and servers. Kelly Alford, director of engineering for Seattle-based Acklerley Group, was looking into transmitters.

"I want to make sure I don't miss the next best thing," said John Cottingham, general manager of Columbia, S.C., NBC affiliate WIS-TV. His station has sunk \$600,000 so far into digital master control equipment and a remote truck, but he said his budget was tapped out for the year.

"The dam is breaking," said Jeff Rosica, vp and gm of Philips Digital Video Systems' North American division, referring to increased traffic in his company's booth. But he expressed doubt that the 2006 deadline was any more realistic than it was last year.

Deals cut last week by the big boys of broadcasting do not erase the fact that the cost of a digital upgrade cuts significantly into individual stations' profit margins and capital expenditure budgets. "It's devaluing stations," said Catamount's Johns, who has spent about \$500,000 apiece on his outlets. "Not one person can stand up and say they know how they're going to pay for it."

That financial drain is enormous. "You've got a station with a \$2 million annual cash flow and is spending twice that or more on digital, and that's a major capital hit," said one sales rep who requested anonymity. "Some of these small guys are saying they're not gonna do it."

Indeed, a few broadcasters hinted they were waiting to see if the FCC will push back the 2006 deadline before they act on conversion. "It has to happen," said Joe Tirinato, senior vp of strategic programming at the Television Bureau of Advertising. "Everybody keeps comparing the development of digital television to color. It took 20 years for [consumers] to get interested in color television sets. Remember, nobody was ramming it down people's throats."



Four on the floor: (from l.) Joe Tirinato, TVB; former BBDO exec Arnie Semsy, ex KCOP gm Rick Feldman; Katz's Jim Beloyianis

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REGULATION / By Alicia Mundy

At NAB, Body Language Can Speak Volumes

If body language was any clue, it seems that divergence—between the federal government and broadcasters, and certainly between Capitol Hill and the Federal Communications Commission—was the keyword for regulatory issues at the NAB Convention. This became apparent from the first question on the first panel on the first day of seminars.

At the American Bar Association's Communications Law Forum on Sunday morning, Washington power broker Richard Wiley, a former FCC chairman, asked a Hill staffer to explain why there seemed to be so much friction between Congress and the FCC. Lauren "Pete" Belvin, aide to John McCain (R-Ariz.), chairman of the Senate Commerce Committee, took a deep breath and gently began a litany of all the issues on which FCC Chairman Bill Kennard has acted seemingly on his own, or at least without the prior knowledge of the majority party in Congress. Belvin was better behaved than last year, when she verbally spindled and perforated Kennard's representative, Suzie Fox.

This time, Kathryn Brown, Kennard's new chief of staff, stared straight ahead with a frozen smile, then broke in, noting how the two sides had more in common than is believed. She followed with a series of platitudes on Kennard's desire to work closely with Congress. Unfortunately, she mentioned his unwavering commitment to microradio. Belvin quietly rolled her eyes heavenward, even as Roy Stewart, the chief of the FCC's Mass Media Bureau, braced for an explosion. It went downhill from there.

The differences between the sides are numerous. For starters, Kennard recently mentioned he'd like the FCC to examine free airtime for broadcasters. Even McCain is against the FCC touching that hot potato. The last time Kennard mentioned the subject, Congress threatened to shut down the FCC.

On the issue of ownership rules, the Hill would like the FCC to do something; the FCC would like it all to go away. Last year, the FCC began the biennial review of ownership rules mandated by the 1996 Telecom Act. On their schedule, it was noted, the agency will probably have to begin the *second* biennial review before the first is completed. Stewart, the technocrat, explained to a packed room of lawyers and lobbyists that the FCC has separated the rules into two sets: The first includes the radioactive LMA and duopoly disposition; the second contains such minor items as the national cap on broadcast ownership and the rule against cross-ownership of newspapers and TV stations.

The FCC is having a hard time deciding these issues because of all the changes in the broadcast industry and such surging cross-industry events as the mix of Internet and over-the-air companies. In other words, the FCC is paralyzed looking at the Big Picture.

However, Stewart mentioned one major issue that could come up for rulemaking this year: a sea change in the way that local markets are defined, in order to count up the number of radio stations that

can be owned by one company in one area. This seems to have the backing of three of the five commissioners for now, as well as the support of the Mass Media Bureau. If the FCC changes the market dimensions to make them consistent, the agency technically would not be violating the Telecom Act, which mandated the number of stations one company could control in a major market.

Regarding Kennard's prime objective—diversity—Congress and other commissioners, such as Republican appointee Michael Powell, said they are interested in renewing a tax certificate that

would credit minority newcomers, owners and startups with tax breaks. Even McCain, in a televised speech to the NAB, suggested that he would favor such a specific policy. But McCain and Powell both said they questioned the point of the diversity hunt. Powell noted that if the goal is to have different voices, there are many ways that could work as well—including the Internet.

Microradio, the major issue for many radio operators, was held up for target practice by various Hill staffers. Even Paula Ford, who works for Sen. Fritz Hollings (D-S.C.) on the Senate Commerce Committee, conceded that the proposal doesn't have a lot of promise. Ken Johnson, spokesman for Rep. Billy Tauzin (R-La.), who chairs the House Telecom Subcommittee, pronounced the matter DOA. "It's not gonna start going forward, if it goes at all, until sometime in 2000. That's the middle of an election

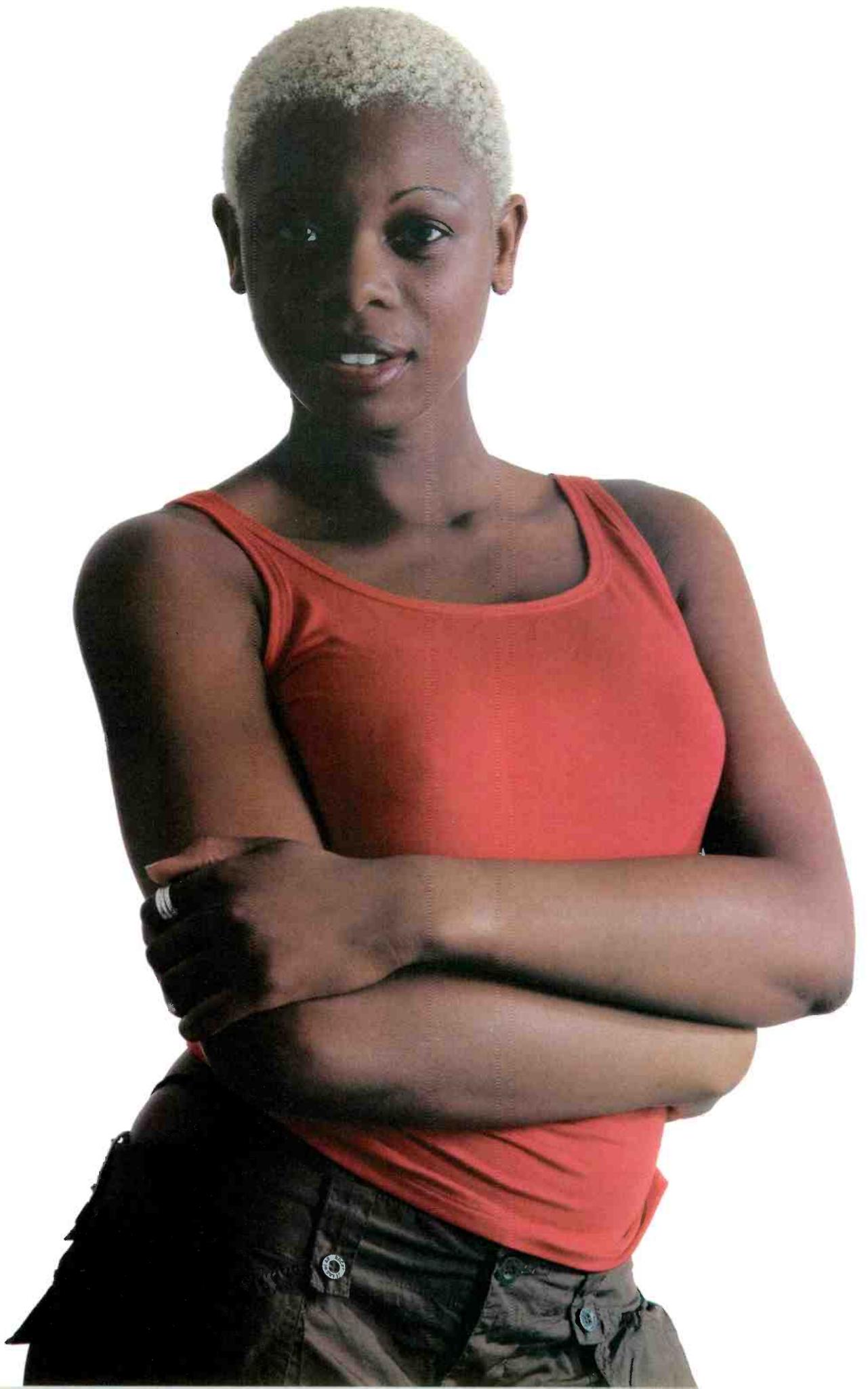
year and Congress isn't going to force that on broadcasters [then]," he told nervous station owners. However, several hours later Suzie Fox talked more immediately about the microradio issue, to the consternation of at least one Hill staffer, who rolled her eyes when Fox talked about rolling out microradio as early as September.

Network reps were giggling after the Hill staffers' seminar at how hard a beating the FCC had taken. But they got kicked around themselves—to the delight of one FCC official, who begged not to be identified—at a symposium on ownership issues.

A raise in the ownership cap isn't likely to get an endorsement from Kennard anytime soon. Even though he threw a bone to the NAB in his breakfast speech on April 20, sources at the FCC said Kennard is terribly concerned about concentration among broadcast owners. However, McCain raised the networks' hopes when he said he favored the raise. But a McCain staffer noted that the senator favors competition and said the price for raising the ownership cap could come in the form of payments for digital spectrum.

Even FCC staffers seemed to join the building consensus that the commission should be reorganized. Kennard has said he wants to consider the issue this year, but that seems optimistic. What was clear by the end of the NAB Convention was that the key issues are nowhere near closure. This dilemma is compounded whenever the chairman brings up issues that aren't seen as so immediate—microradio, alcohol ads, free political airtime, etc. "If they can't do the day-to-day work," Belvin said, "it makes the people on the Hill frustrated when they go near other issues." ■

In the eyes
of its critics,
the FCC is
paralyzed
looking at
the Big Picture.



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ITEM	QNTY.	DESCRIPTION	PRICE
LS107811	1	All too human	\$16.77
LS41411	1	Confucius lives next door	\$17.47
Sub Total			\$34.24
Sales Tax			\$2.06
TOTAL			\$36.30

Good news for e-commerce companies:
it's a matter of e-fact that MTV's
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SOURCE: Simmons, Sept/Nov '98

Local Media

TV STATIONS • NEWSPAPERS • RADIO STATIONS • OUTDOOR • MAGAZINES

BOSTON/RADIO

On-Air Chat Room

•“THE TALK STATION” IS BOSTON’S ONLY TALK station, but it has positioned itself differently from your run-of-the-mill talker. Entercom’s WRKO-AM targets baby boomers 35-54, aiming to lure them away from the oldies and classic rock stations they’re likely to tune in to now that their musical tastes have, well, matured.

Over the past two years, WRKO has transitioned from a traditional talker, with an older audience and very open phone lines for a wide range of topics, to one with a “playlist” of topics relevant to the new target demo. But it hasn’t been easy getting there. “We’re three years into a five-year transition,” said WRKO general manager Brad Murray.

First, the station was orphaned for more than a year when former owner American Radio Systems put itself in play in 1997. CBS stepped up to buy ARS but already owned stations in Boston that would have put it over the legal ownership limit there. Finally, this past August, Entercom took the reins.

Then, like more than a dozen other stations in the market, WRKO’s overall listening share slipped in Fall 1998 to 4.9 from 6.0 after Arbitron reconfigured the market, which resulted in more stations being added to the metro.

Adding insult to injury, in late February the station lost one of its top shows, *Two Chicks Dishing*, when best-friend cohosts Leslie Gold and Laurie Kramer had a falling out and decided to call it quits. “We didn’t expect the Two Chicks to leave. We thought we had our programming in place,” said

Kevin Straley, program director at WRKO.

Station executives aren’t whining. WRKO is still ranked sixth in the market and, according to Murray, just finished its most successful financial year ever. In the

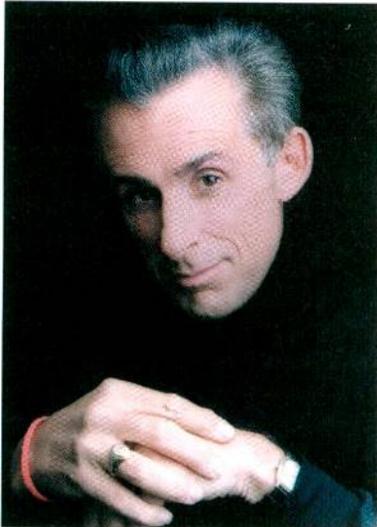
wake of Gold and Kramer’s exit, the station has made some programming tweaks, moving *That Guy Tai* from 7 p.m. to 11 p.m. Tai (T.A. Irwin) was lured to the station from alternative rocker WFNX-FM three years ago, and with two kids at home now finds himself talking about parenting, lifestyle issues and schools.

The station on April 5 added Jay Severin to late nights, giving him the 11 p.m.-1 a.m. slot. Severin, an MSNBC political strategist who describes his broadcast

style as “the radio offspring of Rush and Dr. Laura, with the possibility that Timothy Leary was the real father,” is as likely to cover “sex, drugs and rock & roll” as politics.

“[Our programming] isn’t politics, religion and revenge every day. It’s simply fun,” said Murray. “Some accuse us of dumbing down. But there’s plenty of media for the serious aspect. We’re a chat room on the air.”

WRKO’s shift to a chat-room environment hasn’t scared many advertisers away. Wendy Rich-Coleman, director of broadcast media for Casey Media, says WRKO’s changes haven’t altered the effectiveness of the buy for clients such as Jiffy Lube and Pizzeria Uno. “The station efficiently delivers a strong, adult audience; the radio isn’t background, people actually listen to the spot.” —*Katy Bachman*



Severin: Part Dr. Laura, part Rush, with a splash of Timothy Leary.

WEST VIRGINIA/NEWSPAPERS

Thomson Dailies Meld Sales Forces, Not Edit

•THOMSON NEWSPAPERS HAS COMBINED operations of its two daily newspapers in southern West Virginia to create a regional media presence. The Beckley *Register-Herald* and Bluefield *Daily Telegraph* now will sell advertising jointly and create spinoff publications, while editorial operations remain separate. It was erroneously reported that the two newspapers were merging. They will, in fact, remain two separate daily titles, according to Steve Smith, who was named president and CEO of the new operation, known as Thomson West Virginia/Virginia.

Smith formerly served as publisher of the Bluefield paper. *Register-Herald* publisher Rob Hammond has left to “pursue other interests,” according to the company.

“Putting the two papers under one management team will allow us to take advantage of our combined talents and capital resources so we can direct efforts that are more productive for our readers and our advertisers,” Smith said. The newspapers, which employ more than 300 people, will not cut staff as a result of the consolidation, he added.

Stamford, Conn.-based Thomson Newspapers has more than 20 such regional publishing units in Ohio, Indiana, Arizona and other areas of the U.S. and Canada where it owns clusters of properties. Thomas Hay, the company’s senior vp of operations, said the West Virginia restructuring will “strengthen our ability to cover the region and produce community-oriented, customer-focused newspapers...[with] distinct identities.”

The two dailies—which cover the southernmost counties of West Virginia and the southwestern corner of Virginia—have a combined circulation of about 52,000 weekdays and 56,000 on Sunday, according to the latest Audit Bureau of Circulations figures. Weekday and Sunday circulation for both papers was flat during the six months ended last Sept. 30 compared with the previous year.

A unit of Toronto-based media giant Thomson Corp., the newspaper group publishes 56 dailies and a range of weekly and specialty publications. —*Tony Case*

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NEW YORK/CABLE TV

Metro Channels Enjoy Improved Distribution

•AFTER SEVEN MONTHS, RAINBOW MEDIA'S three Metro Channels have amassed a collective reach of 8.3 million cable subscribers in the New York Metro area, part of Rainbow's local-programming master plan.

MetroGuide, with 3.5 million subscribers, reaches the most homes, thanks to a recent launch on Time Warner Cable of New York City. It offers up lifestyle tips, ratings, reviews and recommendations. Metro Learning, currently reaching 2.4 million subscribers, delivers live interactive learning-based programs for high school students and adults. The network, to be launched by Time Warner next year,



Metro rides MetroCard.

strips different categories of programming by day, such as Family Tuesdays and Wellness Wednesdays. MetroLearning also features Metro/Arts/Thirteen, six hours of nightly arts and cultural programming jointly produced with Thirteen/WNET and more than 150 local arts organizations.

Finally, Metro Traffic and Weather is the New York area's first 24-hour local traffic, transit and weather channel. The 2.4 million-subscriber network covers five different regions with the help of Rainbow's News 12 regional news teams and by using links to national weather systems and a large network of traffic cameras.

To drum up a little more attention for the channels, Rainbow recently teamed up with the Metropolitan Transit Authority, which distributes the aptly named MetroCards to bus and subway riders. —*Jim Cooper*

NEW YORK/NEWSPAPERS

Gannett Spreads Wings In Northern N.Y. Suburbs

•GANNETT CO.'S WHITE PLAINS, N.Y.-BASED *The Journal News*, serving New York City's affluent northern suburbs, has rolled out an edition devoted exclusively to burgeoning Putnam County. *The Journal News*—circulation 153,000 daily and 182,000 Sunday—opened a Putnam news bureau in the town of

Carmel and added three reporters to an existing staff of three in the county to support the edition. The paper distributes about 9,000 daily copies and 12,800 Sunday copies in Putnam, according to the latest Audit Bureau of Circulations report.

The paper already published four zoned editions, for Northern, Central and Southern Westchester County and Rockland County. Previously, the Northern Westchester edition covered news out of Putnam. Advertising sales are handled at the paper's main office.

Last October, Gannett's Suburban Newspapers unit merged a dozen dailies throughout the three counties into one new title, *The Journal News*. The White Plains *Reporter Dispatch*, Yonkers *Herald Statesman* and Tarrytown *Daily News* were among the newspapers that combined to form *The Journal News*. Management planned all along to create a product tailored to Putnam, according to a company representative.

Located 60 miles from New York City, Putnam County ranks eighth among U.S. counties in percentage of households with income over \$50,000, according to Claritas data. —*TC*

PHILADELPHIA/NEWSPAPERS

Inky Owner Grows Weeklies

•A CHAIN OF WEEKLIES RECENTLY ACQUIRED by the publisher of Philadelphia's daily newspapers just expanded its total circulation by more than 100,000 households. Trevose, Pa.-based ProMedia Publishing Co.—publisher of the *Northeast Times* newspaper and two shoppers, *Bucks County Midweek* and *Montgomery County Midweek*, near Philadelphia—launched five new editions of the Montgomery paper in more than a dozen towns, bringing the company's total reach to more than 365,000.

"It was a market we hadn't served, and we felt it was a market that existing advertisers and new advertisers would want to reach," explained Robert Smylie, publisher of the free-distribution papers.

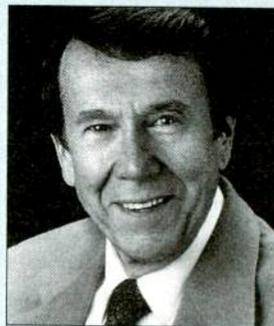
Philadelphia Newspapers Inc., which produces *The Philadelphia Inquirer* and the *Philadelphia Daily News*, purchased the weeklies last February. While the company publishes assorted real estate publications, the acquisition marked its first foray into community newspaper publishing. —*TC* ■

RADIO

Bob Grant to Gun for 'The Louse'?

WOR-AM New York talk-show host Bob Grant knows a thing or two about lashing out at politicians. The politically conservative radio personality constantly critiques Sen. Frank "The Louse" Lautenberg (D-N.J.) and New Jersey Gov. Christie Whitman. Now, it appears he is going to try to join their ranks.

Last week, Grant said he is considering a run for Lautenberg's seat in 2000. His possible candidacy isn't just an overnight whim or flip remark on his afternoon talk show. "I have been thinking about it for some time," Grant said. "When a caller to my show



Will Grant live up to his high school nickname?

mentioned the senatorial race and said he wished I was running, I said, 'You know, that's not a bad idea.'" Next thing Grant knew, he was contacted by the Libertarian Party, which is considering backing him.

"A talk-show host is at least as honorable as a wrestler," said Grant, referring to Minnesota Gov. Jesse Ventura. "We've

got too many lawyers in the Senate. This country was created with the concept of citizen members of Congress, such as carpenters, bricklayers."

But don't expect Grant the politician

to be Grant the talk-show host. "Some will be disappointed in Bob Grant the candidate," he said. "They'll expect him to be as irreverent as Bob Grant the talk-show host. It won't be a radio program, it will be a serious campaign. I didn't have the nickname 'Senator' in high school for nothing," he says.

If Grant and the Libertarians come to an

agreement, once the campaign starts the host would have to give up his 3-6 p.m. talk slot on WOR and its roster of 377 stations. "There's no reason to panic—this isn't going to be for a while," said Rich Wood, director of WOR, who added that Grant's announcement caught him by surprise. —*KB*

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first 2 weeks of release
60% more likely to entertain friends at home
Average monthly phone bill: \$100+ (index: 112)
Average weekly grocery bill: \$150+ (index: 115)

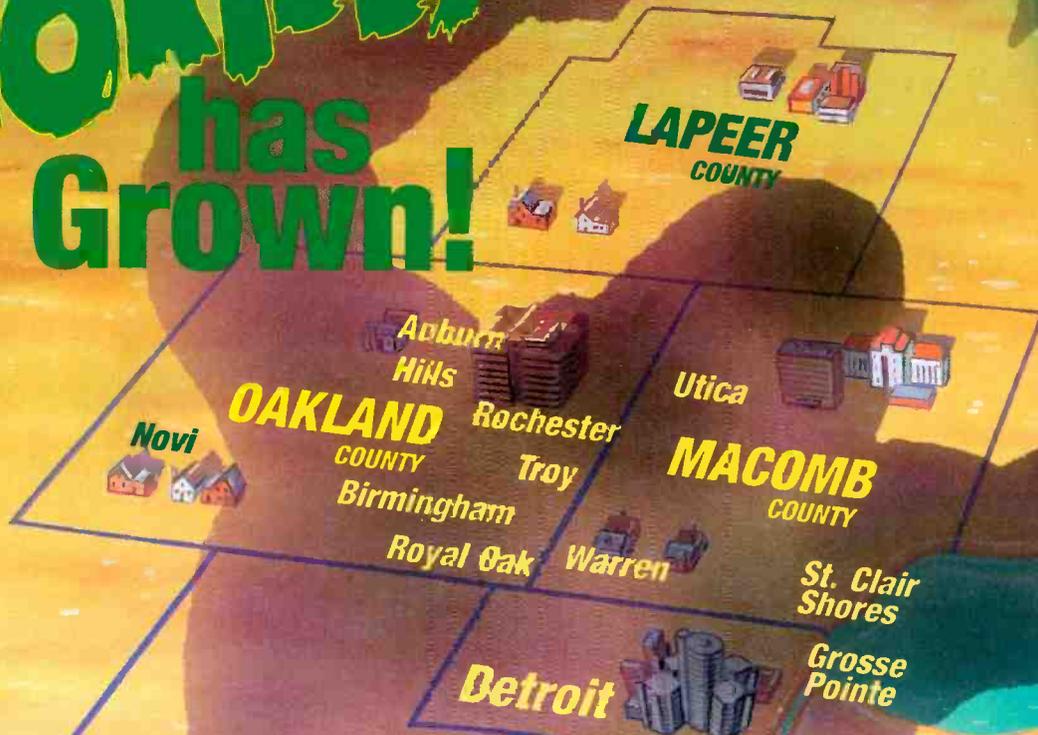
NBC DAYTIME. BUY THE POWER.



NBC.com

Sources: MRI Fall 1998, Base of Women 18-49. Volumetrics Simmons Spring 1998, Base of Women 18-49.

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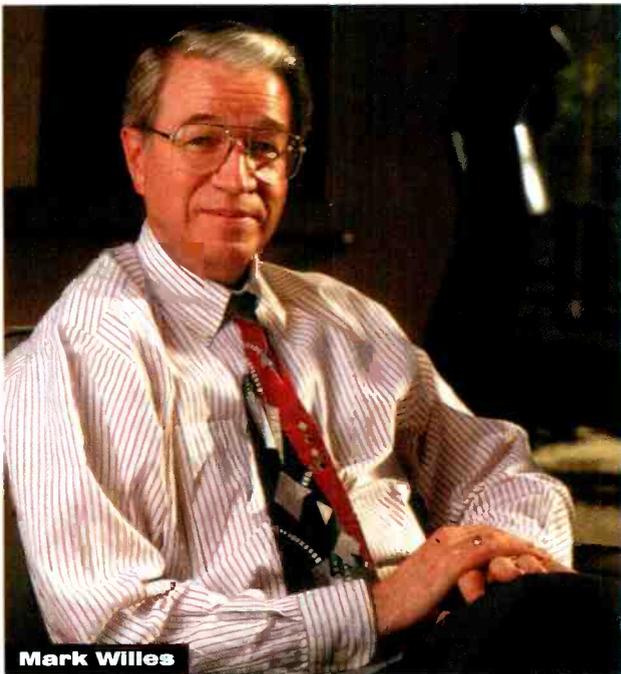
*Source: 1998 ABC & CAC audits where available.

The Oakland Press • The Macomb Daily • The Daily Tribune • And More...

SPECIAL REPORT **newspapers**

IN THIS REPORT

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- 30 **OPINION SATIATED** The last thing America needs is another columnist



Mark Willes

Trying Times

Sluggish revenue growth and missed circ goals vex the L.A. Times, but analysts are predicting improvement

Last year's sluggish revenue growth, flagging profits and missed circulation goals at the *Los Angeles Times* may not add up to straight A's for publisher and Times-Mirror chief Mark Willes, but analysts still give the paper high marks for improvement. Here's our take on his progress 18 months after he set out to reinvent the news business.

REVENUES AND PROFITS: C+, needs work Ad revenues at the paper grew a disappointing 2.3 percent through October 1998 and operating profits slipped 7 percent through the end of the year. But analysts fault external factors such as the Asian flu more than Willes. "On the things Mark can control, like finding new revenue streams, the *Times* is doing a good job," says Michael Beebe, a securities analyst at Goldman Sachs. The company hopes for ad revenue to grow 5 percent this year.

CIRCULATION: B+, shows improvement Willes said he'd boost circulation 50,000 in 1998, and 500,000 in the long term. So far, the paper has fallen far short of the mark. Average daily circulation grew about 17,000 for the six months ending September 1998, according to the Audit Bureau of Circulation. But any growth at all in the hotly contested circulation game is impressive, says Beebe, who views Willes' 50,000 mark less as an actual target and more as a battle cry to rally the company behind a much-needed cultural revolution. New neighborhood sections drove increases within key communities and improved the paper's performance among

women and Hispanics, two groups Willes has tagged for growth, says John McKeon, senior vice president of advertising at the *Times*.

NEW PRODUCTS: A-, a strong start A national edition, which hit the newsstands in October, is at about 55,000, (that number includes sales of the regular *Times* distributed outside Southern California). So far, the edition has performed well with high-tech and financial services advertisers, McKeon says. At the same time, 10 new local news pages aimed at communities such as Santa Monica and Simi Valley lured small advertisers that couldn't afford a *Times* buy in the past. About 90 percent of the 200,000 advertising inches that ran in the "Our Times" sections in the first quarter of this year came from new advertisers, McKeon says.

BREAKING DOWN THE WALL: Incomplete Willes kicked up an industry brouhaha with his plan to "use a bazooka, if necessary, to blow up the wall" between advertising and editorial, but the results are far from explosive. New products rising from the partnership look promising, says Beebe. He points to weekly features on small business and events such as the individual investors conference to be held in May. —Christine Larson

SPECIAL REPORT **newspapers**

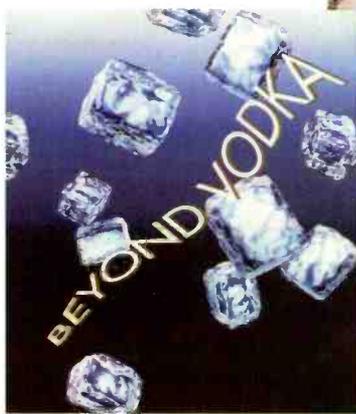
Get 'em where they live

Newspaper inserts are on target for ad's demographics

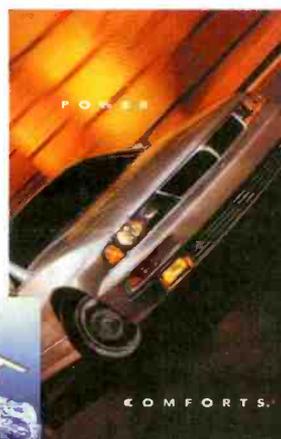
Some advertisers are considering a buy they might have deemed unlikely a year ago: newspaper inserts.

When agency Margeotes/Fertitta & Partners was looking for a media vehicle for client MediaOne Express, it faced a dilemma. The cable Internet provider offered service to people in nearly 300 zip codes around the country, meaning a full-circulation buy in major urban newspapers would not be cost-effective.

The agency found a solution in Target Reach, an 18-month-old New York-based divi-



sion of insert printer TC Advertising that offers advertisers targeted newspaper inserts. "We were able to send the inserts only to likely computer users in our zip code clusters, which enabled us to make the buy extremely efficient," says Eric Heuvel, director of interactive media at Margeotes. It was a departure for the brand-focused agency to



Unlikely suspects: Upscale advertisers Bacardi, Mitsubishi and Capital One Visa target newspaper readers with inserts.

Win the credit card game with the 9.9% Fixed Rate Visa Platinum card from Capital One.



do an insert for a technology client. "We had a learning curve in getting the piece laid out the way we wanted it to look," says Heuvel, but the precisely targeted nature of the buy made the opportunity too good to resist.

Advertisers who previously considered newspaper inserts the undisputed domain of retailers like Wal-Mart and Walgreen are thinking again. New clients include Compaq, Kodak, Bacardi and Mitsubishi.

"We may not be one-to-one, but we are one-to-few," says Joe Fenton, vice president of Target Reach. Fenton says the unit's proprietary database has cross-matched the distribution zones of 2,500 of the nation's newspapers with other databases, including demographics, cable TV boundaries and lifestyle variables. If an advertiser wants to reach tea-drinking 30-year-olds who buy cars frequently and don't watch TV, Target Reach calculates the percentage of newspaper zones that contain those prospects.

"We gave them all the information from our purchasing database, such as how often a person entertains and how many small appliances they buy in a year and they gave us a list of zones for various newspapers," says Mary Rodgers, senior manager of marketing communications for Cuisinart. Target Reach prints the inserts and coordinates the buy.

Users do pay a premium for the convenience: CPMs range from \$75 to \$275, including printing, depending on insert size and the newspapers bought. But, says Jack Schubert, corporate media director at Earle Palmer Brown, which ran an insert for Capital One that was restricted to 30 percent of various newspapers' circulation, "You eliminate waste, which goes a long way toward compensating for the premium."—Meryl Davids

Size doesn't matter

Advertisers don't mind shrinking ad space

If your local newspaper looks a bit smaller when you glance at the front page in the morning, don't rush out for new eyeglasses. Maybe it is.

In a move to cut newsprint costs, about 150 North American dailies have shrunk, or are planning to shrink, their page dimensions, according to the Newspaper Association of America. The downsizing removes about 1 inch side to side and 1.5 inches top to bottom to create a broadsheet about 12.5-by-22 inches. Newspapers say readers like the more manageable size, and advertisers say it's a non-issue. The change involves moving from the standard 54-inch wide newsprint roll to one 50 inches wide. Newspapers report saving 7 percent to 11 percent on newsprint bills. For a metro daily spending more than \$100 million a year on newsprint, the savings add up quickly. Downsizers include the *Toronto Star*, *Washington Post*, *Denver Post* and *Los Angeles Daily News*.

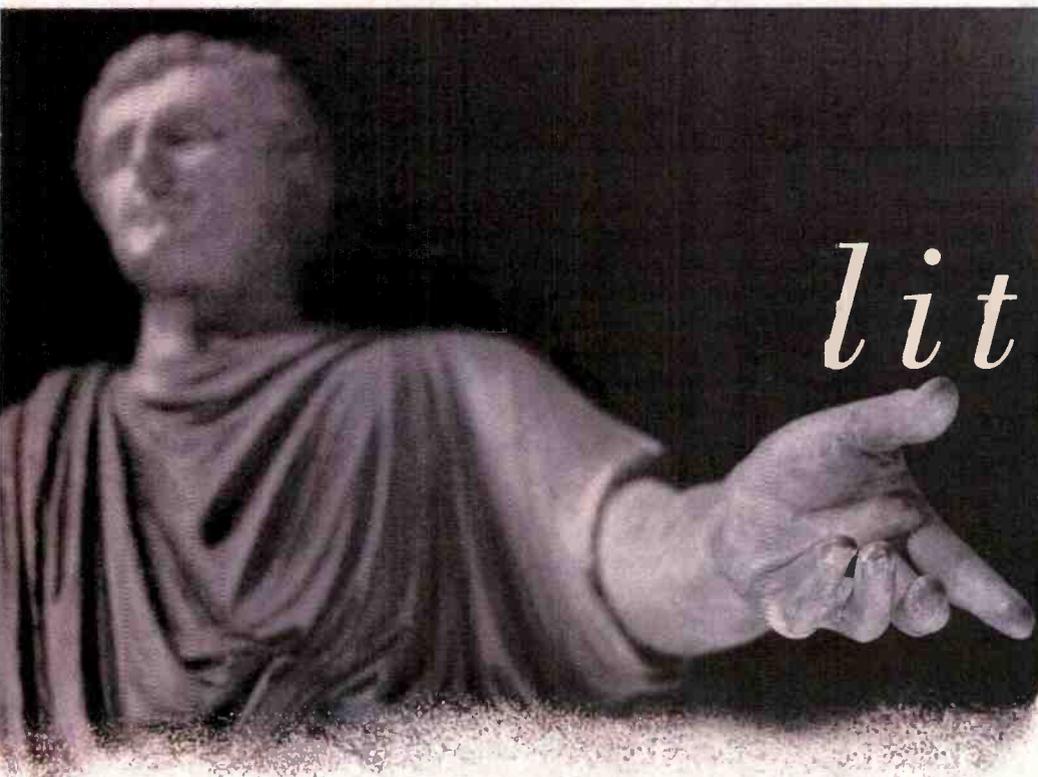
Steve Greenberger, senior vice president and director of print media for New York-based Grey MediaCom, says, "Obviously, it is going to be a little bit more work for advertising agencies to make sure they have the rights specs, but the change should not impact consumer awareness of ads." And if downsizing saves newspapers money and softens their ad rate hikes, all the better, he reasons.

The *Washington Post*, which invested heavily in new color presses, figures to save 11.4 percent on newsprint but to lose 4.5 percent of ad revenue because advertisers get less space. The downsizing "really hasn't affected our advertising or registrations at all," says Nancy Chistolini, of Hecht's department stores, one of the *Post*'s premier clients. "The reproduction is so much better, and we're able to run color more frequently. We look at it as an opportunity." —George Garneau



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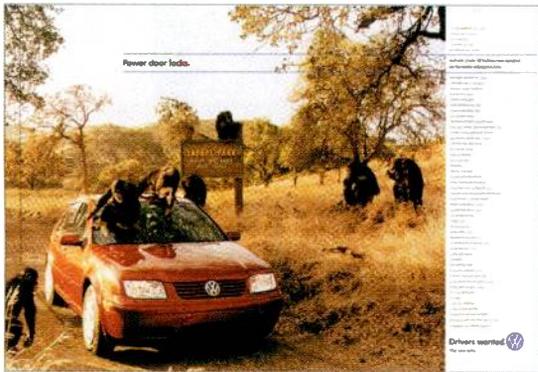
Stand Out

Readers remember color ads

Color quality in newspapers is improving, but recall may prove to be the real advantage for advertisers.

Last fall, the Newspaper National Network ran an ad for the same product in *People* magazine, the *Chicago Tribune* and *Boston Globe*. Unaided recall for the *People* ad and one newspaper ad was 6 percent. But the other newspaper ad—the only color one—scored 21 percent. “Color has enough stopping power to give even a weak advertisement legs,” says Bob Watson, vp of marketing and media at the NNN.

The Newspaper Association of America’s study exploring color and other ad variables will be released in June, but some are already moving forward. “If our ad works better in color, then we can run it in color. Newspapers have come far enough along in quality,” says Ron Lawner, chief creative officer and managing partner of Arnold Communications, which ran its Volkswagen Jetta ad in *USA Today*. “The primary reason to use color was the ad—it just worked better in color.” MJ Rockers, vice president and director of print production at Goldberg Moser O’Neill, says she was pleased with the agency’s color ad for Dell computers in *The New York Times*, although running ads in smaller publications “can get a little scary.” The NAA’s own Color Quality Task Force admits that color management technology has yet to provide consistency from one paper to another. Still, many are going ahead. J. Walter Thompson account director Maria Chigas says that they decided to use color for Kraft’s Philadelphia Cream Cheese because “our brand is about taking a restful moment, and by creating a color ad in a black-and-white newspaper, we [could] a restful moment for the reader’s eyes.”—Meryl Davids



Color ads, like this Volkswagen ad, beat black-and-white ads in newspaper recall tests.

Going National

Newspapers can lure the big advertisers, if the price is right

Since the mid-1990s, a half-dozen sales networks—including the Newspaper National Network, The Newspaper Network and Newspapers First—have offered one-order-one-bill service for advertisers to make multimarket newspaper ad buys. *Adweek* talked to Steve Greenberger, senior vice president and director of print media for New York-based Grey MediaCom, who oversees \$500 million a year in print media—20 percent of which is in newspapers—about the issues involved in buying newspaper ads today. **Q.** How have newspaper networks changed Madison Avenue’s view of newspapers as a smokestack medium inaccessible to national advertisers? **A.** One-order-one-bill companies allow media planners to more easily execute newspaper media plans by relieving the agency of much of the paperwork. In the last two to three years, though, newspapers have started to negotiate competitively off their rate cards, a new responsibility left, unfortunately, to agencies. So while networks have simplified the execution of print buys, newspapers have complicated the business again by starting to negotiate. **Q.** National newspaper advertising was up 7.7 percent in 1998, making it the fastest-growing newspaper ad category. NAA’s 4-year-old NNN sold \$95 million worth of newspaper ad space last year to clients such as Nissan, Microsoft, Johnson & Johnson, Campbell’s and Proctor & Gamble. Why the new interest in an old medium? **A.** First, it has become easier to buy newspapers. Second, more national advertisers are looking to “heavy up” their advertising in key markets and are going beyond broadcast to reach those consumers. Newspapers’ ability to accept color advertising has also increased advertiser interest. And newspapers are offering more creative opportunities, such as franchise positioning adjacent to sports results, weather pages and movie listings. This flexibility and potential to reach consumers more effec-

tively intrigues advertisers and their agencies enough for them to make sizeable investments. **Q.** How much is color driving the interest? **A.** Color is the great attraction for national advertisers, partly because much of what was created for magazines can be easily translated for newspapers. **Q.** Have CPM-based network rates done an end run around the national rate differential? **A.** The differential between national and retail rates is starting to narrow. As newspapers gain national advertising, they will begin to abandon the different rate cards for different types of advertisers and go to a single-rate structure. **Q.** In marketing to advertisers, how are newspapers advantaged or disadvantaged vs. other media? **A.** Newspapers that want more national advertisers are going to have to consider developing national ad sales staffs, especially given the competitiveness that rate negotiation is going to create in the next few years. Research tools for measuring newspaper readership—even to the ZIP code level—will be vital, due to the many custom geographic areas advertisers market to. The NNN opened the door to negotiation across all categories and has opened the minds of advertisers to use the medium. The NAA is currently working on a computer system designed to handle all of the back-room-expediting requirements for newspapers. Thus, the one-order-one-bill companies will soon have to determine what their real function is going to be. **Q.** Quality control is a big issue. Do you expect things to improve? **A.** Through computerization, the NAA will help simplify the process and eliminate many of the quality-control problems. The biggest hang-up right now is the inability to look at a single rate. As newspapers learn the needs of national advertisers sales forces should assimilate, color will improve, communication will improve, and advertisers will continue to endorse the medium with greater investments. —George Garneau

issue #786



- Saved baseball
- Idolized by millions
- Could use a hug

On April 25, nearly 43 million newspaper readers saw the side of Mark McGwire that struggles to be a good father, candidly discusses psychotherapy and believes life's greatest challenge is maintaining a relationship with the opposite sex. Every week, USA WEEKEND provides a fresh, relevant perspective on today's most talked about people, issues and events. Take a closer look at our new, re-styled pages and see for yourself why we're the nation's fastest-growing newspaper magazine.

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national issues finance people fitness food entertainment self-help health technology

SPECIAL REPORT **newspapers**

Help wanted

Classified ads are still going strong, but unless executives continue to pay attention, newspapers will lose out—big time—to the Internet.

By Paul D. Colford

They may be ghettoized in their own gray-heavy sections. They may hold little interest after a full meal of news, sports, features and editorials. But those long, eye-straining columns of ads for used cars, available jobs, houses and cute puppies are a rich and increasingly important source of revenue and profits for America's newspapers.

Classified advertising enjoyed its seventh consecutive year of growth in 1998, as expenditures increased 6.6 percent over the previous year, to \$17.9 billion, according to preliminary estimates compiled by the Newspaper Association of America. That's a piece of the advertising pie second in size to retail, or about 41 percent of the total spent in daily and Sunday papers, up from 25 percent or so three decades ago.

But the Internet beckons more and more effectively. Forrester Research forecasts in the next few years soaring gains in classified dollars online, at the expense of newspapers. Indeed, a telling sign of how online is shaking up the classified category is that, in a bold initiative being rolled out at the NAA's annual convention in San Diego this week, the association will introduce a brand mark that member papers may use when publishing ads online to denote a classified ad that originated with a newspaper, as opposed to a Web site. In addition, the logo of Bona Fide Classified, as the new brand will be called, will link to other newspapers' classifieds, which also may be accessed directly via bonafideclassified.com.

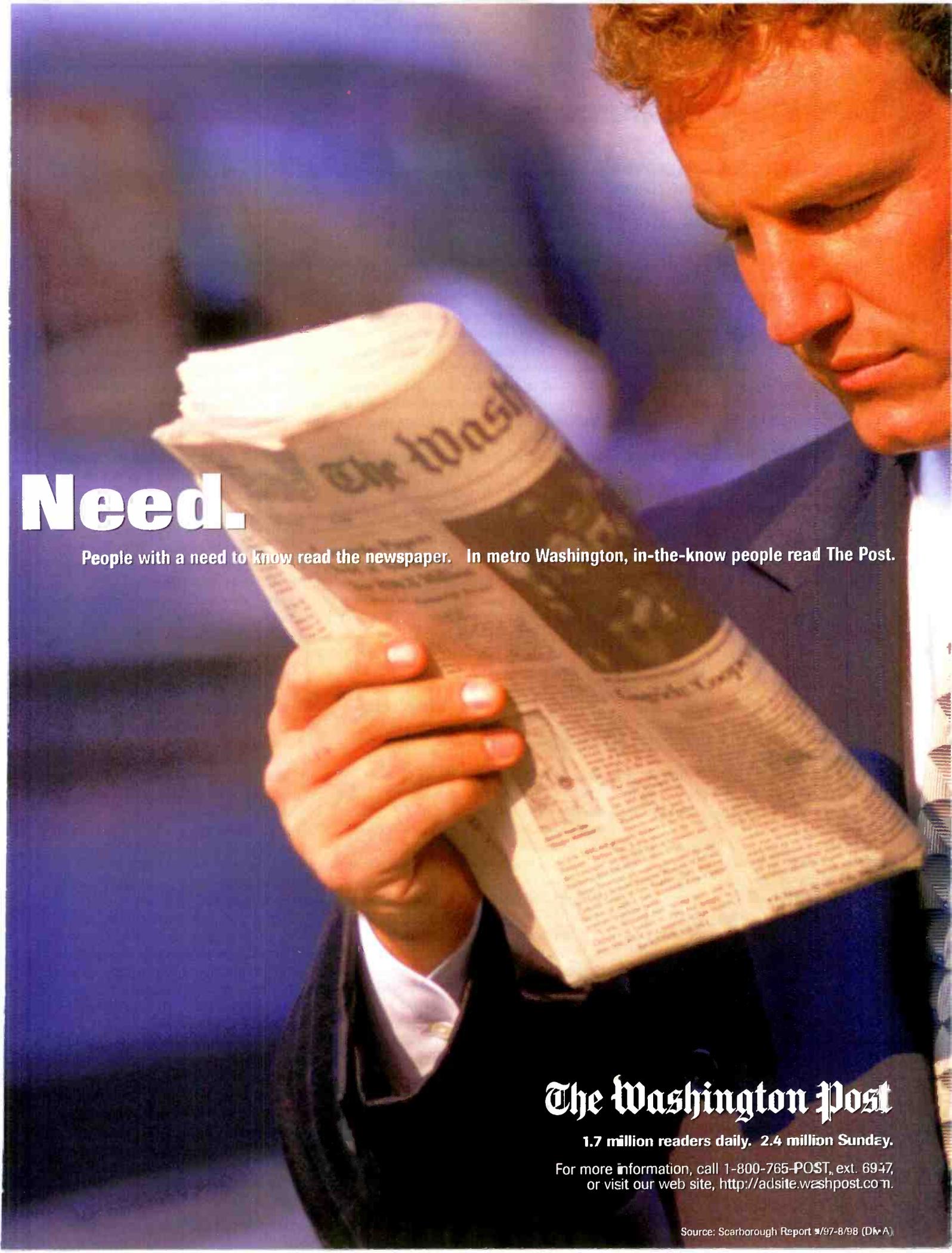
"We want to harness those ads on the Internet that are newspaper-generated," says Anthony Marsella Jr., the NAA's vice president for classified marketing. Research done for the NAA by Fleishman-Hillard in Washington, D.C., found such a high level of credibility in newspaper classifieds among consumers that the very print element, retro though it may be in this cyber-savvy age, is paramount in Bona Fide's logo. In the center is an old-fashioned news hawker, arm outstretched with paper in hand.

"While our classified revenues are strong, there are definitely clouds on the horizon, and the horizon is not far off," Marsella says. "Newspapers remain the strongest classified source across the board, but that's not a sit-on-your-laurels, feel-good thing. There's a lot of growth ahead on the Internet."

Three years ago, only 30 of the country's roughly 1,500 daily papers had a presence online. Now, about 900 have sites on the Web, and nearly 700 of them carry classified ads. Although the NAA has not projected how high classified expenditures might run over the long term—beyond, that is, an anticipated rise this year of 5.1 percent—it sees an increasing growth in online classifieds. Among the linked services that have already expanded the reach of many classified sections in newspapers are Career-

Illustration by Christoph Hitz



A close-up photograph of a man with light brown hair, wearing a dark blue suit jacket, a white shirt, and a patterned tie. He is looking down intently at a newspaper he is holding with both hands. The newspaper is partially unfolded, and the masthead 'The Wash' is visible. The background is a blurred, dark blue-grey color.

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SPECIAL REPORT **newspapers**

Path.com, a privately owned company co-founded in 1995 by *The New York Times*, *The Los Angeles Times* and four other major papers as a means to check job openings, post resumes and access employer listings.

"The challenge is to get eyeballs on our own products," says Dean Welch, director of classified advertising at *The Atlanta Journal-Constitution*, which prominently displays a link to the paper's classified ads on its home page. "A lot of daily readership can be attributed to classified advertising. A lot of our page views also are a result of classified advertising. The Internet is an opportunity to expand what we're doing."

To that end, Welch says, the *Journal-Constitution* soon will offer the option of running a classified ad solely on the paper's Web site. Currently, classified customers can get their ads online only through a print buy; up to 95 percent of the paper's classified ads also appear online.

At the *Sioux City Journal* in Iowa, a classified customer can't publish on the paper's Web site unless his ad appears in print. "We see print and online as a total package,"

says Cindy Sease, the paper's director of classified advertising. "We see a way to enhance the effectiveness of classified with online."

Taking a closer look at last year's \$17.9 billion in classified expenditures, Jim Conaghan, the NAA's director of market business and analysis, notes increases in the category's three main components: Automotive was up 4.5 percent; real estate, 5.4 percent; and recruitment, 10.8 percent. But the fourth-largest element of classified—ads for cuddly kittens, used baby furniture and old motorcycles ("needs work or good for parts")—was unchanged from 1997, totaling an estimated \$2.5 billion last year. "There's some concern about what's happening in the private-party category," Conaghan says. "We're still crunching the numbers, but there's no hard evidence to point to where this advertising is going, or if it's going anywhere else. There's no evidence, for example, that the rise of the auction sites online is draining it off."

Conaghan suggests that other print

media may be presenting greater competition. Indeed, giveaways and various illustrated guides that list cars, homes and merchandise for sale appear to have proliferated at diners, convenience stores and newsstands and other outlets that see high consumer traffic. "The fact that there's no shortage of these things points to a great consumer interest in that kind of information," Conaghan says. Though estimates of how much business these sheets do are hard to come by, NAA's Marsella put their total at more than \$750 million a year.

Buy-Lines, a long-established publication that carries auto listings, touts in a recent New York-area radio commercial the vision-friendly size of its print. The spot features a man struggling to read the classified ads in a newspaper.

"A lot of papers don't have easy-to-read classified sections," says newspaper consultant Kevin Brian Kamen, president of Kamen & Co. Group Services in Baldwin, N.Y. "To market a classified section more effectively, it should probably go color. If we know that classified accounts for 40 percent or so of all

advertising," he adds, "then why don't we reach out and tell that story to the public: that it's a great way in which to sell a home, a car, a used air conditioner. I don't think a lot of emphasis is being put in this area."

Kamen is also a partner in the *Times Newsweekly*, a paper in the Ridgewood section of Queens, N.Y., that so values its classified listings that it trumpets them first in placards affixed to the back of buses that crisscross the borough. "Queens' Best Newspaper ... Jobs, Apartments, Real Estate, Your Local News ... Available on Newsstands."

In another bid to raise the profile of classified ads, the *Asbury Park Press*, the New Jersey daily purchased by Gannett Co. two years ago, is pushing Ad-Vantage, a new program that puts first-day ads in two places at once—the classified section and a special section that runs in sports.

Meanwhile, new-media forecasters have been offering glimpses of how classified advertising will evolve in the digital world. Jupiter Communications, N.Y., has not bro-

ken out figures for non-newspaper classifieds online, but it projects that online classified advertising published online by newspapers and sites such as Yahoo! will total \$494 million this year and that these expenditures will bulge to \$1.9 billion by 2002.

Citing Carpoint, Realtor.com and Career Mosaic as Web sites that "are emerging as the first stop for consumers," Forrester Research concluded in a study of advertisers and Web sites released last fall ("Goodbye to Classifieds") that a shifting of ad dollars from newspapers to online, along with price pressure from online, will cut newspapers' classified revenue by \$4.7 billion by 2003. Forrester determined that car dealers, real estate brokers and corporate recruiters that already advertise on the Web plan to trim an average of 22 percent of their spending on newspaper classifieds in the next two years as they move dollars online. Among the reasons given by advertisers were that they found the Internet faster and more cost-effective.

Sease, who is also president of the NAA's Classified Federation, says of those forecasts: "Most of us believe they're untrue. We're not seeing declines yet."

Robert Broadwater, a managing director of Veronis, Suhler & Associates, N.Y., an investment banking firm specializing in media deals, says newspapers will continue to be well-served by their strong local identities. "Our position here is that new media does not drive out the old media. Old media may lose share, but it's a smaller share of a bigger pie."

Perhaps even more sobering for newspapers were some of Forrester's findings gleaned from contacts with 8,600 North American households about their media consumption habits.

"The more time consumers spend online, the more they prefer the Internet over newspapers as a source of classified ads," the report says. "Newspaper dominance is eroding. Advertisers are finding that broader reach at lower cost makes the Net more effective than print."

Sease says she doesn't view the growth of outside Web sites as "a huge threat. If newspapers are proactive, we'll be fine. As long as we extend our own brands to the Web and are open to changing the way we do business, we should remain strong." ■

Paul D. Colford, a staff writer with Newsday, writes a media column that also appears in the Los Angeles Times.

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Cha places

Newspapers face the challenge of serving more and more diverse communities as people move, age and immigrate.

By Tony Case

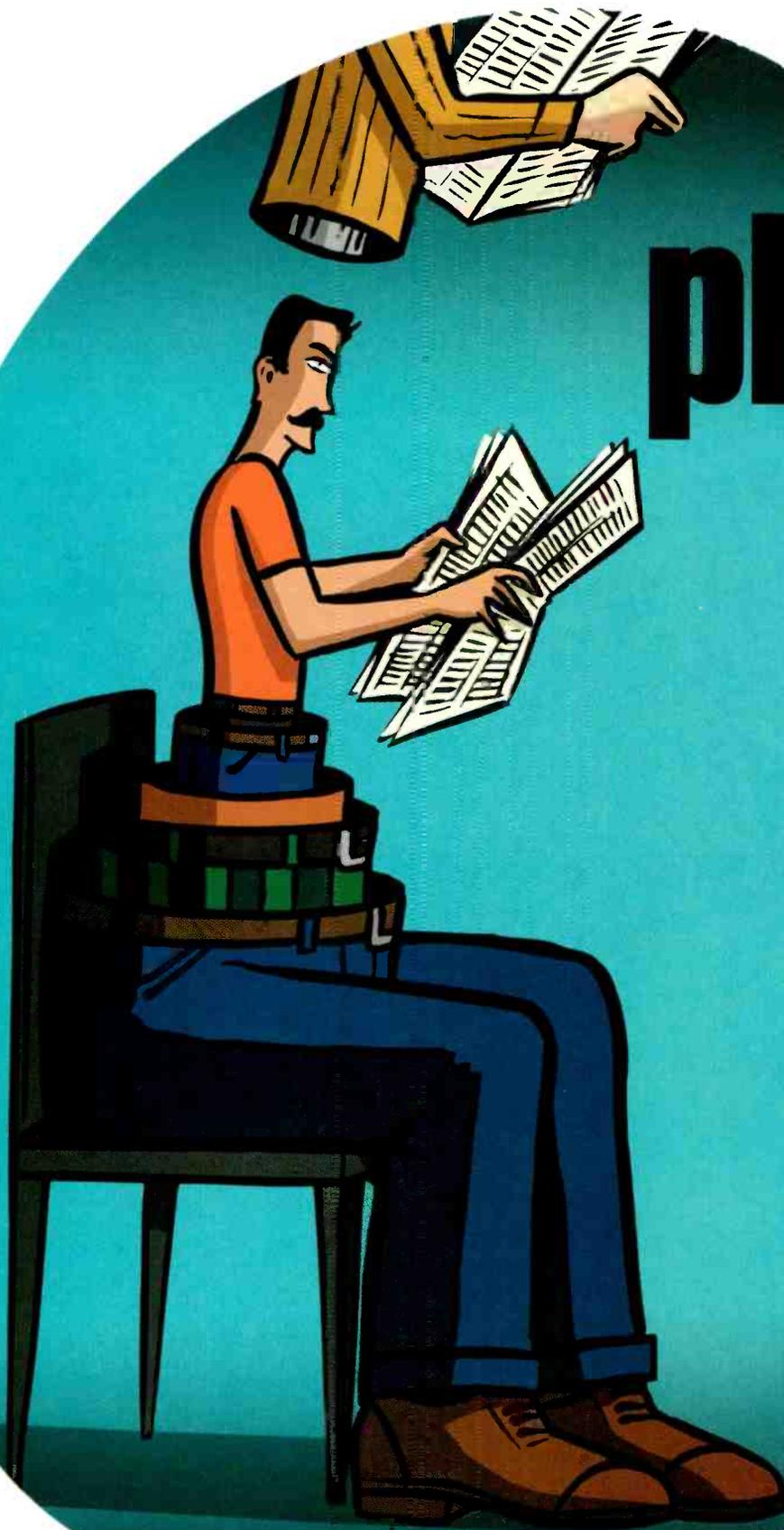


Illustration by Christoph Hitz

nging

Orange County, Calif., which is home to Disneyland and the John Wayne International Airport, has long been viewed a conservative, white-bread American enclave, the staid sister to wild child Los Angeles. A couple of recent news stories, however, turned that stereotype on its ear.

First, Loretta Sanchez—an Hispanic Democrat—defeated firebrand Republican Rep. Bob Dornan in the 1996 congressional election, a victory attributed largely to Sanchez's support in the county's burgeoning Latino community. Then earlier this year, thousands turned out to picket a local video store whose owner, a Vietnamese refugee named Truong Van Tran, dared to exercise his free-speech rights by displaying the flag of communist Vietnam and Viet Cong icon Ho Chi Minh.

Both stories made national headlines and caused those outside Orange County to take a closer look at this increasingly diverse place 2.6 million people call home.

But the dominant daily newspaper here, the *Orange County Register*, has for years been paying attention to the dramatic changes going on in its backyard.

"If the purpose of the paper is to nurture the community through providing information, it means we have to serve all the diverse groups in it," says *Register* vice president and editor Tonni Katz.

Figuring out how to serve a diverse community is a challenge facing newspapers nationwide as people continually move, age and immigrate. The Census Bureau projects that the U.S. population will surpass 274 million next year and swell to 394 million by 2050. Whereas the non-Hispanic white population is expected to inch up just 5.5 percent between 2000 and 2050 to 207.9 million, the largest minority groups in the U.S.—African-Americans, Hispanics and

Asians/Pacific Islanders—are expected to increase by a whopping 145 percent, to 191.5 million. Over the next 50 years, the median age is expected to reach 38.1, up from 35.7 in 2000. Meanwhile, sprawl is an issue as populations of once-quiet cities grapple with growth.

Not only are newspaper editors and publishers trying to keep up with the changing face of their readership, they are struggling to *retain* those readers, as well.

In their 1998 Media Usage Study, the Newspaper Association of America and the American Society of Newspaper Editors reported that 67 percent of the population regularly read a daily paper in 1977; 20 years later, that number had fallen to 51 percent. Though newspaper usage traditionally increases with age, newspapers are losing readers in droves—despite the fact that the adult population has soared.

Of the 10 largest U.S. dailies, six—including the *Wall Street Journal*, *The New York Times*, *Los Angeles Times* and *Washington Post*—suffered declines in either weekday or Sunday numbers or both. The latest Audit Bureau of Circulations report, chronicling circulation changes at 816 newspapers during the six-month period ended Sept. 30, 1998, shows that overall weekday newspaper reach dropped 0.3 percent and Sunday sales skidded 0.8 percent compared to the same period the year previous.

Those who run America's newspapers talk about better serving their communities by beefing up reporting and adding minority

staffers. Just last month, ASNE and Associated Press Managing Editors announced a diversity project: The National Time-Out for Diversity and Accuracy. Despite their good intentions, however, newspapers aren't reaching burgeoning minority factions.

In a recent NAA poll, only a little more than one-third of African-Americans, Hispanics and members of other minority groups read a daily paper. And even though publishers have long instituted programs such as Newspapers in Education to promote youth readership, they still struggle to lure future generations of print devotees.

There is some good news. Newspapers continue to reap an advertising windfall,

thanks to the continued strength of the economy. NAA reported that ad spending in 1998 amounted to \$43.9 billion, a year-over-year bump of 6.3 percent. Retail, classified and national advertising enjoyed increases last year.

But the good times are not guaranteed to last. The industry is so concerned about its

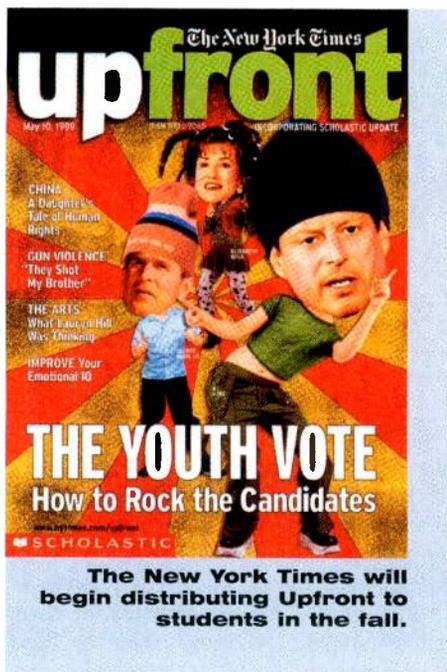
dwindling following that in February, the NAA, ASNE and other groups announced they would launch aggressive, readership-growing initiatives over the next five years. A plan of action is to be unveiled this week at NAA's annual convention in San Diego.

Still, there are no easy answers to newspapers' predicament, and reversing the reader retreat remains one of publishers' biggest headaches.

"There's no one magic bullet," says Jim

**Newspapers
tend to have
older readers,
but even they
are abandoning
newspapers.**

SPECIAL REPORT newspapers



Conaghan, director of market and business analysis for NAA. "There's a lot of basic blocking and tackling that has to be done ... and it takes a total commitment from departments across the newspaper."

"Trying to find a one-size-fits-all solution might be why many newspapers are in this precarious position," explains Mike Donatello, NAA's manager/market research. "They realize they need to tailor their products to the wants and needs of the market."

Newspaper marketers and editors are divising innovative ways to respond to their changing audiences. Here, *Adweek* examines three markets—New York City, Orange County, Calif., and Las Vegas—to discover how newspapers are meeting the challenge.

Getting 'em while they're young

The New York Times isn't taking any chances.

The newspaper's plan to produce a teen magazine is an attempt to reach readers while they are young, introduce them to the newspaper and hopefully, keep them until their grandchildren are old enough to read. *The New York Times Upfront*, produced in conjunction with educational publisher Scholastic, will make its debut in September.

The *Times* also has a Web site geared to kids. Up and running since last September, the New York Times Learning Network (www.nytimes.com/learning) is an online resource for teachers, parents and students

in grades 6 through 12.

These efforts are independent of one another—*Upfront* is the *Times*' Newspapers in Education project, while the Web site is run by the New York Times Electronic Media division—yet this one-two punch shows the *Times* is serious about attracting young readers.

In fact, many newspapers have started kids' pages, and more than 180 dailies—including the *Chicago Tribune*, *Baltimore Sun*, *Rocky Mountain News* and *Charlotte Observer*—carry *React*, *Parade* magazine's teen-oriented weekly insert.

The *Times* has considered teen-targeted editorial content "quite seriously," says NIE director Patsy Morton. But executives "saw that students exposed to the paper at an early age would grow into the paper and appreciate learning from the paper as it exists," she says.

Upfront will feature stories on current events and politics culled mainly from the *Times*, as well as original reporting. (A prototype issue published this month sported stories on human rights in China, teens and tobacco, and the 2000 presidential race.) A team comprising representatives from the *Times* and Scholastic will oversee editorial production. The *Times* will sell advertising across several categories, including packaged goods, technology, fashion and media. Scholastic—which already publishes myriad classroom magazines—will handle distribution.

Upfront will be distributed mainly through classrooms, according to Tom Carley, director of business development for the *Times*. "Time and time again we've found people who said, 'A teacher introduced me to the *Times*,' or 'I saw the paper in the school library.'"

Published every other week beginning in September, *Upfront* will run about 40 pages. An annual subscription is \$19.95, with discounts for multiple classroom copies. The magazine aims for a circulation of 300,000 and total readership of 1 million by next year. Home subscribers will be able to receive the magazine through promotions in the *Times*' home-delivery newsletter.

"We now recognize that the home is an important starting point for exposure to the paper, and we are building that relationship," says Morton.

Another area where the *Times* is building

a relationship with kids is on the Internet. With the Learning Network, students can access news summaries that feature vocabulary and geography links, as well as a daily news quiz and crossword puzzles. They can also communicate with *Times* reporters and even write their own news stories and letters to the editor. The site also provides educators with daily lesson plans based on the *Times*. The Web site works well on its own, but also exposes kids to the joys—and benefits—of regular newspaper reading.

It's a habit *The New York Times* needs to foster now more than ever. The country's largest metropolitan daily last year showed that it is vulnerable to vanishing readership. During the six months ended Sept. 30, 1998, the *Times* lost more than 8,000 weekday copies, compared to the same period the previous year, for a daily circulation of 1,066,658, according to the Audit Bureau of Circulations. Sunday copies plummeted by more than 31,000, to sales of 1,627,718.

It's getting tougher to compete for the hearts and minds of America's youth, who have more media options all the time. The Internet continues to grow in popularity. Teen-oriented magazines like *Teen People* keep cropping up. And kids today are much more likely to be familiar with TV's *Dawson's Creek* than *Dante's Inferno*.

In a 1998 NAA study, focusing exclusively on media consumption among teenagers, "Competing for the Markets of the Future," 96 percent surveyed said they listened to

It's getting harder to compete youth, who

the radio in the week prior, 90 percent turned on TV, 80 percent read magazines, while 69 percent reported opening a newspaper. Forty-four percent went online.

The *Times* hopes such projects as *Upfront* and the Learning Network can draw more of the surging teen market, which the government projects will reach 23.6 million next year and 28.1 million by 2030.

Says Carley, "Newspapers have to start early."

Bringing communities together
Orange County, like many newspaper markets across the country, has seen its demographic makeup change dramatically in recent years. In fact, Orange County is the

country's eighth-largest Hispanic market, according to the 1997 Survey of Buying Power. Its Hispanic population has surged a staggering 93 percent since 1980 and now accounts for some 30 percent of the county's total residents, according to the U.S. Census Bureau. Hispanics are expected to outnumber non-Hispanic whites by 2005, according to at least one estimate.

Hispanics aren't the county's only powerhouse minority group. A smaller, but substantial segment of the population—13 percent—is of Asian heritage. The senior population is also exploding.

"There's absolutely no question Orange County is changing; you'd have to be on Mars not to see that," says Tonni Katz, vice president and editor of Freedom Newspapers' *Orange County Register*, with a weekday circulation of 356,953 and Sunday sales of 413,349, according to the Audit Bureau of Circulation.

"It's one of the fastest-changing counties in the country, and I think we've successfully been able to cover that change," Katz says. "We see our role as building community, and one way to knit together fragmented communities is by showing commonality."

Still, the newspaper—like any media outlet in a market this diverse—struggles to cater to its constituencies.

"There is polarization between the conservative, Anglo, well-to-do population and the other side of Orange County, which

in 1992. Following the lead of *Miami Herald's El Nuevo Herald*, *La Opinion* of Los Angeles and others, the *Register* introduced a Spanish-language weekly tabloid, *Excelsior*, which today boasts a circulation of 45,000 and readership of 135,000.

The paper gets most of its ad revenue from local merchants, including large retail chains such as Macy's, Nordstrom's and Office Max. National advertisers, such as AT&T, American Airlines, Bank of America and Miller Beer, also do business with



and Carlsbad, Calif.-based Latino Print Network, which specializes in the Hispanic press, to sell national ads in the minority press. NNN president and general manager Nicholas Cannistraro says the partnership was born after advertisers clamored for access to black and Latino readers.

The Spanish-language weekly is just one of the *Register's* news outlets throughout Orange County. The daily also operates a Web site and publishes more than two dozen community papers, including the *Fullerton News Tribune*, *Huntington Beach Wave* and *Irvine Citizen*. In 1990, the *Register* started one of the country's first local cable news channels, Orange County NewsChannel.

New Canaan, Conn.-based Century Communications now owns OCN, but the station still has an editorial relationship with the *Register*.

While the *Register* has established ties to the area's Latinos, the paper admits to having a tougher time reaching the county's growing and diverse Asian population.

"There is no one voice in that community, one dominant weekly speaking for the community," says Jim Ryan, the *Register's* vice president of advertising and marketing. Ryan counts at least nine small papers servicing the Viet-

namese community.

"We can't be all things to all people, but we should look at partnerships with newspapers or other information sources that service our communities, to capitalize on their expertise and history in the marketplace and increase our ability to be a source of information for all the Orange County residents, not just those who are English-speaking," Ryan says. "We're exploring ways to better serve the diverse community we have here."

Vegas on a roll

As Las Vegas' daily newspapers have found, growth in the community doesn't necessarily mean growth in circulation.

Las Vegas is the fastest growing metropolitan area in the country this decade—its population leaping 40.9 percent to 1.2 million between 1990 and 1996, according to the U.S. Census Bureau. While circulation for Donrey Media's *Las Vegas Review-Journal*, the privately held *Las Vegas Sun* and the

works in service industries, is not white or well-off," says Guillermo Garcia, Latin American correspondent for the *Register*. "It's an interesting dynamic—one the paper is challenged to try to get its arms around, to highlight how it impacts those who live in Orange County."

Garcia says it is a balancing act, reporting on the whole of a community that has become fractionalized.

"I don't believe the *Register* is the pinnacle of ethnic reporting, but it's aware there's more than just vanilla out there—even though I think the core readership may prefer vanilla to any other flavor," he says.

Still the newspaper reached out to its growing Latino constituency in a major way

the weekly. *Excelsior* general manager Mike Cano remembers a time when advertisers weren't so receptive to the Spanish-language print media.

"I'm getting calls from advertisers who didn't used to return calls," he said. "It's getting to the point where corporate America is understanding the value of the Hispanic press."

Increasingly, advertisers are reaching out to minority markets. In March, the New York-based sales and marketing service Newspaper National Network—which last year placed national advertising in some 850 newspapers nationwide—joined forces with New York-based Amalgamated Publishers, an ad rep for Afrian-American newspapers,

for the hearts and minds of America's have more media options than ever before.

SPECIAL REPORT newspapers

papers' joint Sunday edition has grown somewhat throughout the 1990s, each paper recorded declines in reach for the six months ended Sept. 30, 1998, compared to the same period the year before, according to the Audit Bureau of Circulations.

"It would be nice to think that because people are moving into town they're going to buy the paper, but they're not," says Jack Harpster, ad director for the newspapers, which function under a joint operating agreement. Under their JOA, the *Review-Journal*

and *Sun* share business functions, including advertising, marketing and production. The papers compete on news stories, except on Sunday when they publish as one edition. "Growth in the newspaper business does not happen automatically, even if you're in a growth market. It is a challenge."

The morning *Review-Journal's* circulation was 151,162 in the six months, off 4.6 percent from the same period the previous year. The afternoon *Sun* lost 2.9 percent of its circulation, selling 37,202 copies.

The reach of the Sunday paper dropped 2.8 percent to 213,619 copies.

Harpster attributes the falling numbers to past cutbacks in the promotion budget. But he notes that since the numbers dipped, more money is being spent to boost circulation.

"You hope you can cut back on these promotion costs, but obviously you cannot," he says. The paper is using multimedia advertising, cut-rate subscriptions and other incentives to win back readers.

While both papers struggle to stave off circulation losses, they're busily building their editorial franchises—adding reporters to cover the city's growth and developing community sections and Web sites to attract the area's estimated 5,000 new residents per month.

Popular new resorts, like the billion-dollar, 3,700-room Mandalay Bay and Steve Wynn's spectacular Bellagio, with its \$300 million collection of Picassos, Matisse and Warhols are drawing crowds. So are the scores of family-oriented attractions, fine restaurants and high-end shopping, which brought more than 30 million guests to the city last year, pumping \$24.6 billion into the economy. More than 32 million visitors are expected this year.

The influx of tourists and resulting building boom have brought a wealth of new managerial, service and construction jobs—and new residents. Led by Las Vegas' unprecedented growth, a reported 46,500 new jobs were created in Nevada last year, representing a 5.4 percent increase in the annual job rate. Mandalay Bay, which opened last month, generated some 5,000 new jobs alone, according to one report.

"It used to be that crime was people's biggest concern; now, it's traffic, followed by air pollution and water availability," says Charles Zobell, managing editor of the *Review-Journal*, which is considering a column devoted to the subject of sprawl.

Mike Kelly, managing editor of the competing, family-owned *Las Vegas Sun*, says that his paper has added about 20 editing and reporting positions since he came aboard two years ago—and is looking to hire more staffers. New reporters are dedicated to covering growth and related issues, such as business, the environment and the expanding suburbs.

The papers have also beefed up coverage of issues important to the growing senior community, traditionally one of daily newspapers' most devoted constituencies.



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The Las Vegas newspapers have added reporting staff to cover issues relating to the city's population boom.

As Las Vegas has sprawled, so have its newspapers' media enterprises. The Green-spun family, which owns the *Sun*, also publishes a city magazine, *Las Vegas Life*, and

an alternative weekly newspaper, *Las Vegas Weekly*, and has a stake in the city's 24-hour cable news channel. To reach the growing Hispanic community, the *Review-Journal* just bought an equity interest in a 3-year-old Spanish-language weekly, *Tiempo Libre*. The *Sun* recently underwent a redesign, and the *Review-Journal* is planning one.

To reach the city's burgeoning suburbs, the *Review-Journal* five years ago started geographically zoned tabloid sections called "View," featuring community news and advertising. The sections are distributed to home subscribers, and an additional 136,000 copies go to nonsubscribers free. "View" penetrates some 90 percent of the market, according to Harpster. The sections run anywhere from 16 to 52 pages. Editorial copy is generated by reporters in the individual communities, and advertising is sold neighborhood by neighborhood.

The sections "allow us to sell ROP [run-of-press] advertising to all the moms-and-pops ... who might have been priced out of

buying ads in the entire daily," Harpster says, adding that the sections so far have proved profitable.

Overall, advertising business is on the upswing for both dailies. Like most newspapers, classified and local retail drives revenues, and the papers get support from department store chains such as Dillard's, Macy's, Neiman-Marcus and Saks, as well as the new businesses that have flooded the market. Casinos and resorts are an advertising gold mine for the papers. National advertising clients include Sprint, General Motors and Wells Fargo.

Still, advertisers will not stick around if they don't think they are getting their money's worth. The challenges facing the *Sun* and the *Review-Journal* are not unique to Las Vegas, but are magnified because of the boom. Says Harpster, "Advertisers don't like to see flat numbers in a growth market, and I can't blame them." ■

Mediaweek contributing writer Tony Case covers the newspaper industry.

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SPECIAL REPORT **newspapers****Father
knows best**

Donald Newhouse is running the family newspaper business the same way his father did. Only he's respected for it. By Verne Gay



S.I. Newhouse

The early morning sun was still well tucked beneath the Manhattan skyline when the phone rang in Donald Newhouse's office at the Newark *Star-Ledger* recently. He answered.

Was this a good time—the caller wondered—to chat about the nation's third-largest group of newspapers (total circ: 2.8 million) and the editorial gains they have made over the last decade? Would he like to answer a few questions about the post-modern management style so famously embraced by his father, Sam (S.I.) Newhouse, who died in 1979? Could he address some of the challenges facing the far-flung empire over which he has direct control?

Yes, Newhouse answered politely. It was a good time to chat. But not about that. There was never a good time to chat about that. There never has been a good time. There never will be.

And so, Donald Newhouse went back to work. Given its vast size and influence, the Newhouse chain remains enigmatic: With the possible exception of a handful of close associates, few people know how Donald (and his equally press-allergic brother, Si) spends his long days. That's the way it was with S.I. That's the way it is with Donald and Si. And—yes—that's the way it is with Mark, Jonathan, Michael, Steve and the dozen or so other nephews, nieces, sons and daughters who have chosen to work in the company that bears their name.

Given the fact that Donald Newhouse employs hundreds of reporters at monopoly newspapers in some of the largest cities in the country—New Orleans; Portland,

Ore.; Newark; and Cleveland—one could interpret such reticence as hypocrisy. Or churlishness.

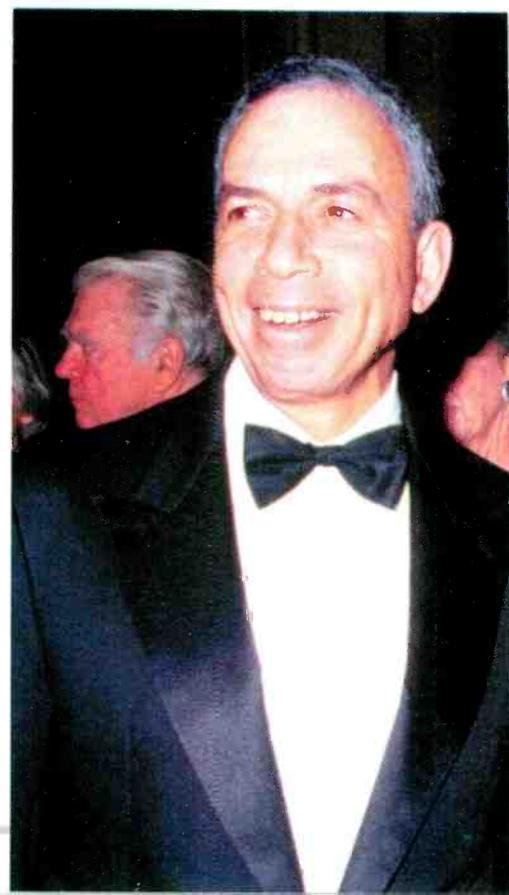
But that assessment would not be entirely accurate. Donald Newhouse doesn't talk about Advance Publications (which comprises Condé Nast and the newspaper group) because it is his *family's* business, say observers. Families—at least ones who are proprietors of one of the world's great private fortunes—don't talk about themselves to reporters—or to anyone else for that matter. This near-century-long cloak of silence is the Newhouse *omerta*.

"I think the boys [Donald and Si]," says one industry leader, "either genetically or intellectually inherited the style of the father, which was very, very private."

The irony is that Donald Newhouse finally has much to talk about. Once derided as some of the worst newspapers to ever roll off a printing press, the Newhouse dailies are no longer the spittoon of the industry. They aren't bad, and in a couple of cases, they are good—quite good. The Portland *Oregonian* just won a Pulitzer Prize for editorial writing. The New Orleans *Times-Picayune* (which won two Pulitzers in 1997) was a finalist for 1998. The papers in Syracuse (*Post-Standard* and *Herald-Journal*) and Birmingham (the *News*, which did ground-breaking work on the Gulf War Syndrome) are award winners, too. The once lowly *Jersey Journal* in Jersey City, N.J., has earned a measure of respect from peers, and the paper for which the entire company is named—the *Staten Island Advance*—led a charge for

succession from New York City and was taken seriously in the process. The flagship *Star-Ledger* has improved so markedly under former New York *Daily News* editor Jim Willse that anyone who grew up with the paper would hardly recognize it today.

Plenty to talk about, indeed. In a 1962 cover story on one of the nation's most powerful newspaper barons, *Time* maga-



zine effectively damned Sam Newhouse's hands-off approach to his papers by observing, "If he has not debased the quality of U.S. journalism, he has not notably improved it either." Tom Maier, a *Newsday* investigative reporter, would write in his widely respected biography of Si more than 30 years later, "That the Newhouses have fostered a culture of apathetic reporting, cozy political relationships, and a moral ambiguity that permeates their history as stewards of the public trust." It is noteworthy that just five years after that charge was leveled, few would agree the statement still holds entirely true.

What has happened, most observers agree, was not by design or fiat. Donald did not waive a wand from his perch in Newark demanding that the papers earn respect. Nor did publishers from the 23 dailies attend a leafy corporate retreat to learn the efficacies of modern editorial management.

In keeping with Sam's belief that the newspapers should operate unencumbered by corporate oversight or interference,

Once derided as some of the worst papers to roll off a printing press, the Newhouse dailies are no longer the spittoon of the industry.

Si (left) and Donald Newhouse inherited their father's penchant for privacy.

these publishers do not even know each other. When some papers—particularly the *Times-Picayune* and the *Star-Ledger*—began to shed the vestiges of their sorry past, a few people even suspected that Donald's son, Steven (who runs the *Jersey Journal* and the company's various Web sites) had led the charge to quality. Presumably, the basis for this assumption is that Steve graduated from Yale, while his father and uncle never finished college. What does Steve have to say about his influence? "I choose not to give general interviews about our publications."

But there is another possibility, too. The papers got better because they had to. "I think it's partly in response to the fact that running a dominant daily newspaper is much more competitive than it used to be," says John Morton, the veteran newspaper analyst of Morton Research, Silver Spring, Md. "Newspapers everywhere have been losing market penetration. The common wisdom is that to correct that, or at least slow it, editorial quality counts for a lot."

For all its secrecy and near-pathological aversion to scrutiny, the Newhouse papers have the same headaches as everyone else: declining, or stagnant circulation; a pitched battle for advertising dollars; new competition from weeklies; and a pervasive paranoia stoked by the suspicion that new media could one day render the whole business of newspapering null and void.

Most American newspapers, says Morton, have learned that the way to confront an uncertain future is to forge tighter bonds with readers. How? Improve them, word by word, paragraph by paragraph, picture by picture. As one person bluntly puts it, "Mediocre newspapers don't continue to make money."

Yet what is unique about the Newhouse group of papers is the paterfamilias, who continues to exert an uncanny influence over its style and culture. As a result, the papers have as much allegiance to the past, and the way things were done in, say, 1950 as they do to the present. Individual publishers still operate their papers the way they see fit. Donald rarely runs interference. And the children play a vital role throughout nepotism-soaked Advance.

Some publicly-held newspaper companies even appear to have embraced a simi-

PHOTOS FROM TOP CORBIS, ROSE HARTMAN/CORBIS



SPECIAL REPORT newspapers

lar m.o. Maier says that S.I. "saw newspapering as a way of making an endless stream of cash. He was geared toward marketing research and a very symbiotic, close relationship with advertisers ... and with keeping costs low." He adds, "Fortunately or unfortunately, so much of modern journalism has adopted that model."

Donald, the youngest son, is believed to have never given a lengthy interview, but was deposed some years ago during the famous court case in which the IRS sought \$609 million in estate taxes from the company. (The IRS suffered a humiliating defeat.)

During the trial, he testified that he and his brother were determined not to "fall into the Hearstian trap of developing big egos and rich habits, and that we continue to keep earnings in the company because we were building for ourselves, and we were building for our children and our children's children."

It was as though S. I. himself were testifying.

Indeed, it's hard to imagine how things would be different if S.I.—"the Old Man" as he's frequently referred to—were still running the show. He would not be giving interviews. (The only good interview is the one not given, he is said to have observed.) He would still be traveling to his various papers—his so-called "paper route"—examining their books.

Yet there are some things he might disdain. He might frown at some papers' belated dash into the 20th century with better-paid employees, hugely expensive printing operations (such as the state-of-the-art facility near Cleveland) and the fancy Web sites.

He might also wonder why his sons have been so quiet on the acquisition front. Aggressive chains, the new barons of newsprint, have names like Gannett and Singleton. The last time Newhouse plunged into a major newspaper acquisition was 1976—when Sam was still alive—with the \$304 million purchase of the Michigan-based Booth newspaper group (which also landed them *Parade*). "The style and plan

Family business: Si Newhouse (far right) as a newspaper editor in 1955; Donald, below, with his parents in 1950.



It's hard to imagine how things would be different if the Old Man were running the show.

of attack" of Sam's sons, says one observer, "often appears to be quite passive. But when you examine it, it's really more patience."

There are a few theories on why the acquisition strategy, such as it is, seems to be in a deep freeze. One: There are no good deals anymore and the sort of papers that Newhouse covets (well-run, highly profitable monopolies), are not available. Two: The company has poured available cash into the various cash sponges within Condé Nast. Three: There are not enough Newhouses to individually oversee each new

newspaper in a growing empire. And, perhaps most plausible, four: There's no need to own any more newspapers. Publicly-owned newspaper companies have average operating profit margins of about 21 percent. But Morton estimates that Newhouse has pushed margins near the 30 percent line.

That fact alone, would make S.I. very proud.

Most of what's publicly known about S.I. can be found in two places—a 1983 biography by Richard Meeker entitled *Newspaperman*, and a privately published book by Sam himself, entitled *Memo to My Children*. The portrait is of a man both direct and blunt and so bound to his work that he forced his sons to become a part of it. The intimation was that by passing his world onto his sons, he could achieve a form of immortality. But it was also good business: "We don't need long, profound discussions about 'why,'" he would say. "We just seem to know what's going on in each other's minds. It's like thinking and talking in shorthand."

Meeker would describe a diminutive autocrat with a marked distaste for extravagance, red tape and unions (there were labor fights at the *Long Island Press*, the *Advance*, and a particularly violent one at the *Oregonian*). He trusted no one, save his sons, and his formative memories were of an impoverished childhood and absentee father. He learned the business of newspapering in Bayonne, N.J., where he mastered the art of cutting costs and boosting advertising.



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But Bayonne has never been a great newspaper town, and S.I. bought a controlling interest in the *Advance* in 1922. As the empire grew, S.I. took to the road, never bound to an office, traveling the country restlessly looking for new properties, especially family owned newspapers, or tending to his own.

So disinterested was S.I. in other media that later key pieces of the Newhouse empire (cable, TV stations, magazines) would seem like afterthoughts. In one oft-spun piece of S.I. apocrypha, he was said to have bought *Vogue* (\$5 million in 1959) for his wife, Mitzi, as a 53rd wedding anniversary present. Not so, says Maier: It was part of a careful diversification plan.

In some respects, New Jersey and the *Star-Ledger* (circulation 407,000, as of September 1998) remains the prototypical Newhouse market and newspaper. As such, this paper's turnaround has become symbolic of the entire chain's reversal of fortune.

Once scorned as fat, sluggish and even slightly corrupt, the paper nonetheless had a throttle-hold on the New Jersey market. S.I. bought the paper in the '50s, when it was dying opposite the editorially superior Newark *Evening News*. And in 1957, Mort Pye (who had married a Newhouse cousin in '42) was named its editor. For better or worse, Pye stitched the paper into the very fabric of New Jersey. "One of the first things I discovered when I came was that New Jersey had an inferiority complex, and a very serious one," he explained. "I figured that ought to be dealt with."

When the *News* died, the *Star-Ledger* had New Jersey to itself, and Pye became one of the most powerful editors in the country, in part by using the paper to champion a variety of civic projects, including the sports complex in the Meadowlands, Route 280 (dubbed "Pye-way"), and the Performing Arts Center in downtown Newark. Former N.J. governor Brendan Byrne said at his 1997 funeral: "Mort knew how to get results. There was criticism that he practiced advocacy journalism, and he did. We're all better off for almost all of it. It was for a good cause."

Advocacy journalism was good for the



**The Star-Ledger
has joined the
fraternity of
modern papers
with brighter
graphics and
better reporting.**

Star-Ledger, too. Critics charge that by cozying up to big business, the paper effectively gutted journalistic objectivity, and occasionally took boosterism to unethical lengths, including muscling candidates to advertise in the paper or suffer editorial page assaults.

Under Willse, the changes have been stark. Displaying a Newhousian trait for discretion, he declined repeated requests for an interview. "I think we'd prefer to have the paper speak for itself," he wrote

in an e-mail, "rather than talk about it ourselves."

And what does the *Star-Ledger* say? Even though it still has an over reliance on wire copy, the newspaper has joined the fraternity of good, modern papers with brighter graphics, better writing and reporting. Pye-style boosterism seems long buried: The paper has even taken a decidedly opposite tact in some instances, specifically with its coverage of the N.J. state police "racial profiling" scandal.

"It was a mixed-breed dog that really needed to find some pedigree, and it's doing that," says Jerome Aumente, director of the Journalism Resources Institute at the Rutgers School of Communications. "[The *Star-Ledger*] has improved tremendously."

The improvements at the *Times-Picayune* (weekday circulation: 259,317) are even more dramatic. In the past, critics especially enjoyed skewering the New Orleans newspaper: "The myopic giant of the delta morn," said one, rather colorfully.

By all accounts, it was wretched. S.I. bought the newspaper in 1962, and it became the personal fiefdom of Norman, Sam's brother, who (critics contended) allowed it to wallow in its old ways. Like Newark, there was another excellent paper in town, the *States-Item*, which Newhouse would later absorb, then extinguish.

David Snyder, a reporter and editor who had worked at both papers since 1958 before retiring, says he rarely saw the Newhouses: "A couple of them would come in, sit down with the editor and then leave in about a half an hour.

"Basically they didn't spend much money on the *Picayune* [but that] was like most Southern papers," he adds. "Nobody was spending a hell of a lot on papers in the south." Critics would also claim the paper was segregationist. To that, Snyder says, "it was just sort of the mind-set of the time. And certainly, we covered the [white supremacist] Citizen's Council like it was serious stuff."

Most credit the turnaround to two people—publisher Ashton Phelps Jr. (the son

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Companies interested in being included in the book should contact Clare Jacoby or Kevin Oaks at 310-472-5253.

SPECIAL REPORT newspapers

of the paper's patriarch) and current editor Jim Amoss, appointed in 1990. Amoss told a reporter, "We were capable of doing very good things, but we seemed to have trouble doing things that make a good paper every day."

The Newhouses get some credit, too. Ellis Henican, a New Orleans native and *Newsday* columnist, says: "They kind of got embarrassed by it. They were tired of being the laughing stock, of everyone say-

ing 'Hey, great town, crappy newspaper.'"

To erase the old stigma, Amoss improved coverage of race relations and the environment. A famous series, "Oceans of Trouble," traced environmental degradation of the waters around New Orleans.

As Snyder defines the seachange at the *Times-Picayune*, "they just went after better stories, more serious stories."

The turnaround in Cleveland, say observers, has not been as smooth. The

recent history of the *Plain-Dealer* (daily circ: 382,933) has been tumultuous, right up until two weeks ago, when editor David Hall abruptly resigned.

S.I. bought the paper in 1967 for an unprecedented \$50 million, and, once again, the new ward was considered sleepy and journalistically erratic. Traditionally, each family member has had oversight—however tangentially—of one of the newspaper properties. Son Si got dibs on the daily in Cleveland.

Si did not reportedly express much editorial interest in the *Plain Dealer*, until his friend, lawyer Roy Cohn, sought to retract a series in the early '80s on future Teamsters' boss Jackie Presser. Cohn, according to Maier's account, was pressured by mob connections, who were angling for Presser's ascendance to the union's leadership. There were later charges that S.I. had engineered a secret deal to kill the competitor, the *Cleveland Press*, but charges were later dropped by the Justice department.

The *Plain Dealer* has had stability at the top for years; Alex Machaskee, publisher since 1990, made some major capital improvements (new state bureaus, new printing plant, and a new office, now under construction). But Hall's seven-year tenure ended badly. Some newsroom sources say Hall was slow to make decisions—"a source of great frustration with [editors]," says a source. "It was well-known that Alex and David didn't get along," says one insider. "We knew things were pretty bad."

They got worse when Hall got in a screaming match with Mayor Michael White, who had a long-running dispute with the paper over coverage of City Hall. "To [Hall's] credit, he met [the mayor] head on, and yelled at him [and] used intemperate language," a source says. (Hall did not respond to a request for an interview.)

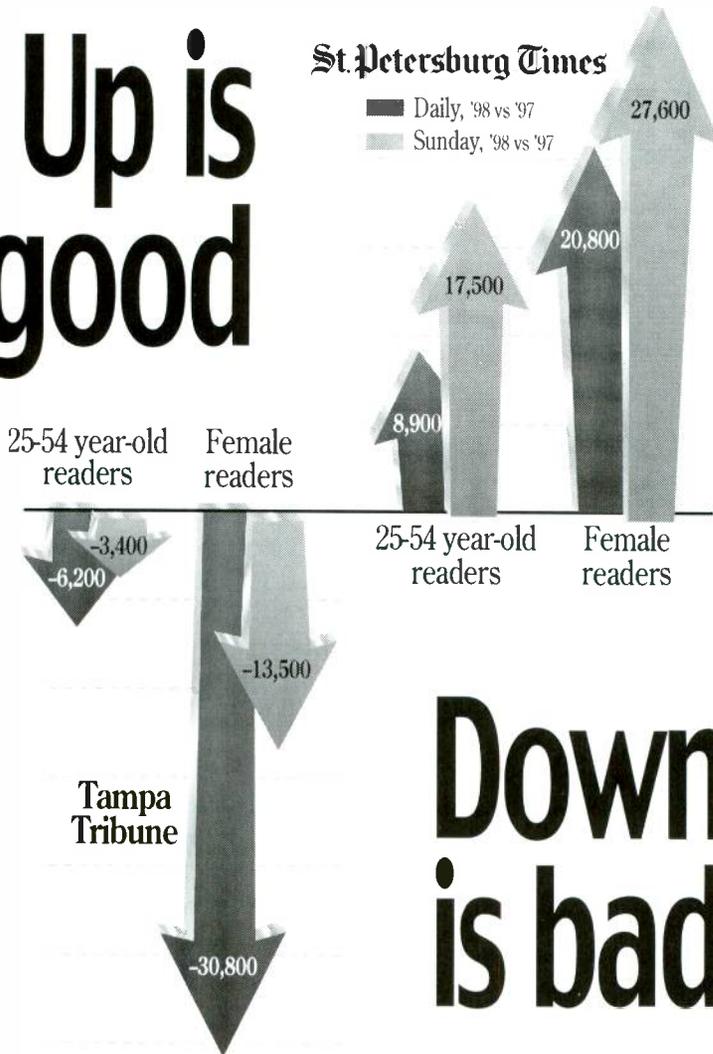
There is widespread speculation that Machaskee used the incident to oust Hall. But Machaskee—the only Newhouse publisher contacted who consented to an interview—denied the incident had anything to do with Hall's exit. He praised Hall—"David has a very fine journalistic mind"—and said the editor left of his own accord, because he is under consideration for a professorship at the University of Minnesota.

Machaskee said no successor was in

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place: "Our goal is to identify an individual whose editorial leadership will make the *Plain Dealer* one of the finest newspapers in the country."

Yet of all the papers, none seem to embrace that peculiar Newhouse brew of old-with-new/bad-with-good as perfectly as the *Portland Oregonian* (daily circ: 346,593). The *Oregonian* is considered a solid paper by most observers, including Newhouse biographer Meeker, now the editor of the *Willamette Weekly*, who calls it "perfectly satisfactory, if not very exciting." John Russial, an associate professor at the University of Oregon, says "They do a pretty good job. Their hearts are on the editorial side, [and] it's an exciting place for reporters and editors to be."

S.I. bought it for \$5.8 million in 1950. "[It] was the best buy I ever made in my life," he would say—an observation few would dispute. The *Oregonian* is a behemoth. Total ad revenues in 1998 were \$145.8 million, making it the second-largest-grossing paper in the chain, after the *Star-Ledger* (\$216.6 million.) According to Competitive Media Reporting, the *Oregonian* also boosted total ad revenue by more than \$10 million in 1998, while the *Star-Ledger* fell \$10 million.

Under S.I., the *Oregonian* had a troubled history. In 1960, it was hit by a violent strike (S.I.'s cousin, Don, who oversaw production, survived a shotgun blast), which would drag on for five years. Afterward, the paper's editorial quality took a dive. Maier and others claimed the paper succumbed to advertiser pressures, and—as recently as the early '90s—was absurdly passive in its coverage of Oregon. How so? The paper was *months* late covering the Bob Packwood sexual scandals.

Shortly after the Packwood embarrassment, the Newhouses brought in editor Sandy Rowe (from the *Virginia Pilot*), who has molded the newsroom along vaguely new age lines. To cut red tape and abolish hierarchies, she established so-called editorial "teams," defined by subject matter such as crime, environment and health.

So, with the *Oregonian* leading the vanguard, the Newhouse newspapers are about to enter the 21st century—stronger, better, smarter.

It is an irony perhaps even S.I. would appreciate. ■

Verne Gay is a staff writer at Newsday.



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SPECIAL REPORT **newspapers**

Screen the news

The New York Times wanted to but didn't; Microsoft's *Slate* tried hard but couldn't; the *Wall Street Journal*, against the odds and Net naysayers, has succeeded beyond expectations.

While the denizens of Dow Jones aren't exactly shouting Yahoo!, there *is* an unmistakable air of satisfaction. The nation's largest-circulation business daily did what none of its mass media competition could: charge a subscription fee for its Internet content.

Let the portals peddle free eyeballs to advertisers; Dow Jones believes it can leverage one of the best brands in finance into a Web business model that commands both premium subscription and premium ad dollars. With over 300,000 paying readers and growing, this starkly contrarian belief can't be cavalierly dismissed.

The success of the online *Journal* begs provocative questions: Is this an aberration, a harbinger of the future or a flash in the new media pan sure to fizzle when the Web's next wave of innovation hits? Is the *Wall Street Journal Interactive Edition* a model for other newspapers to emulate?

WSJIE's editor and publisher Neil Budde says his publication's success is no aberration. With a brown beard, bright eyes and wearing tasseled loafers, Budde looks less like a Silicon Alley digital infonaut than the ink-stained *Wall Street Journal*ist he was. He insists that the *Journal's* editorial tradition is hardly a handicap in the new media world. The digital *Journal*

isn't merely repurposed material; it's a genuinely innovative extension of the *Journal's* editorial sensibility.

"We're doing well because we care about our brand and the editorial quality it represents," says Budde. "We offer a depth and breadth of financial and investment coverage that other sites don't offer." What's more, the online *Journal* offers need to have—not just want to have—information. After all, he observes, people have always been ready to pay a premium for timely and in-depth financial information.

The Internet marketplace, however, is ruthless and demanding. Success is fragile. The WSJIE's surprising performance invites speculation about what it needs to do to grow. Should the WSJIE be spun off—à la barnesandnoble.com or the purported Disney spin-off of its Internet holdings—and be allowed to reap the benefits of being a purer play Internet company?

"Pure plays [companies involved only in Internet business] have been growing faster than traditional media companies, says Lazard Freres investment banker David Braunschvig. "The market likes to see growth. The spinoff approach is something that has to be taken seriously."

"I know of no plans at this time," says Budde cautiously. However, it's no secret that *Wall Street Journal* employees on both coasts are actively gossiping about whether such a spinoff would be a wise move for Dow Jones top management—

The next step for the Wall Street Journal Interactive Edition could be more access and more personalization

By Michael Schrage

Illustration by Christoph Hitz

particularly in light of the company's Telerate debacle, in which Dow Jones lost big money when it tried to compete online against Reuters and Quotron. (Telerate was sold to Bridge Systems last year.)

It's not clear that such a move would undermine or reinforce the growth plans for the WSJIE and its \$400 million-plus electronic publishing division. But one thing is certain: The irresistible rise of the Web is transforming how the nation's largest business daily defines the value of its content.

Dow Jones is now considering which information should be free and which information merits payment. The company is confronting the challenge of integrating e-commerce options into its site in a way that doesn't compromise the editorial integrity of the brand.

In short, the early success of the Dow Jones subscription strategy has upped the

ing



SPECIAL REPORT newspapers

expectations and the stakes for the company: Can it grow as fast as its Web counterparts while preserving the bulk of its multiple revenue streams? Or will Dow Jones become yet another network niche on the Web?

Leading research firms such as Jupiter and Gartner stress that balancing content and commerce has proven particularly difficult for established media companies. For example, media behemoth Time-Warner has recently retained former Ticketmaster CEO Fred Allen to help craft its e-commerce integration strategy. Traditional content providers also confront the challenge of cannibalization and competition between new and existing services.

That's one of the reasons why Michael Bloomberg, who runs Dow Jones' arch-rival Bloomberg Information Services, is so publicly leery about the Web.

But Budde says they've seen very little competition between the print and Web editions. "Where we tend to see substitution is with the marginal subscriber," he says.

What about aspiring rivals, such as Motley Fool, MarketWatch, TheStreet.com. and other Internet pure plays that make up in attitude and edge what they lack in thoroughness? What about all those portals attracting eyeballs based on the Internet insight that 'Information wants to be free'?

They are more complements than direct competitors, notes Budde, and it's not clear they will be able to command Dow Jones' superior CPMs. "We certainly take all of them seriously," he adds, "but we don't think they have the sort of editorial resources and ethic we do."

Of course, that's precisely the sort of perspective once embraced by Barnes & Noble during Amazon.com's early years and what Ziff-Davis believed about CNet before Halsey Minor's little venture topped

ZD's market cap. Indeed, nouveau media IPO MarketWatch's market valuation already tops \$1 billion; the century-old Dow Jones has a market value of nearly \$3.5 billion. How well might a publicly-traded Motley Fool perform? The giddiness of Internet valuations obscures what has been, by any reasonable metric, a successful extension by a traditional media company into the digital domain. But it also affirms the

in a community context. You wonder how that might have to change."

In fact, the WSJIE is concerned about what kind of community it is creating online. Budde says that in the final analysis, the *Journal's* Internet presence is defined by the quality and timeliness of its information. The service relies on focus groups to make sure the "user experience" delivers value. "You'd be surprised how often the A-head [the *Journal's* nickname for its middle-of-the-front-page feature stories] is on the list of our top read stories," he says.

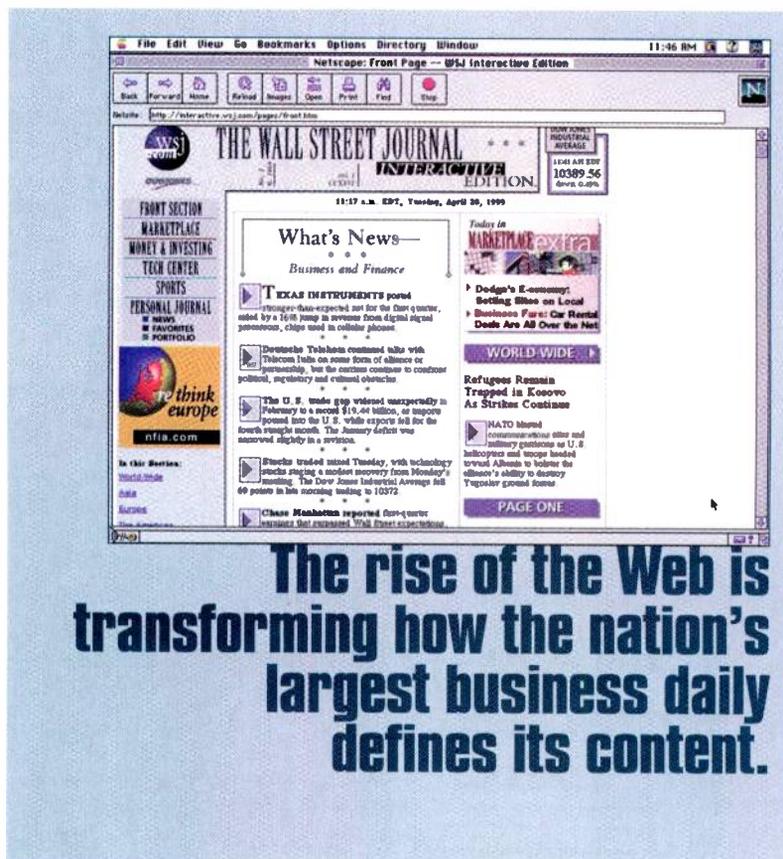
Indeed, Budde says, one unusual focus group finding is that subscribers suspect that "we're shortening the stories a lot; we're not. We're running them with wider margins so some times they look shorter. In fact, some of the online versions are even longer."

This information emphasis helps explain the special attention Dow Jones pays to, in Budde's phrase, the "Nielsen ratings" of which stories are read most intensely and most often.

Dow Jones' origins as a wire service company, as much as a newspaper company, have resurfaced in digital form on the Web. Is

the WSJIE more of a newspaper or a wire service? For Budde, the answer is clearly 'both.' What's more, he is pushing the interactive *Journal* to give subscribers ever greater levels of customization and personalization. While community may be important, he says, his focus group research indicates that the WSJIE's best customers want greater influence over what appears on their screen. In the Web world, says Budde, there is an increasing tension between what editors prioritize for their readers and how readers prioritize for themselves.

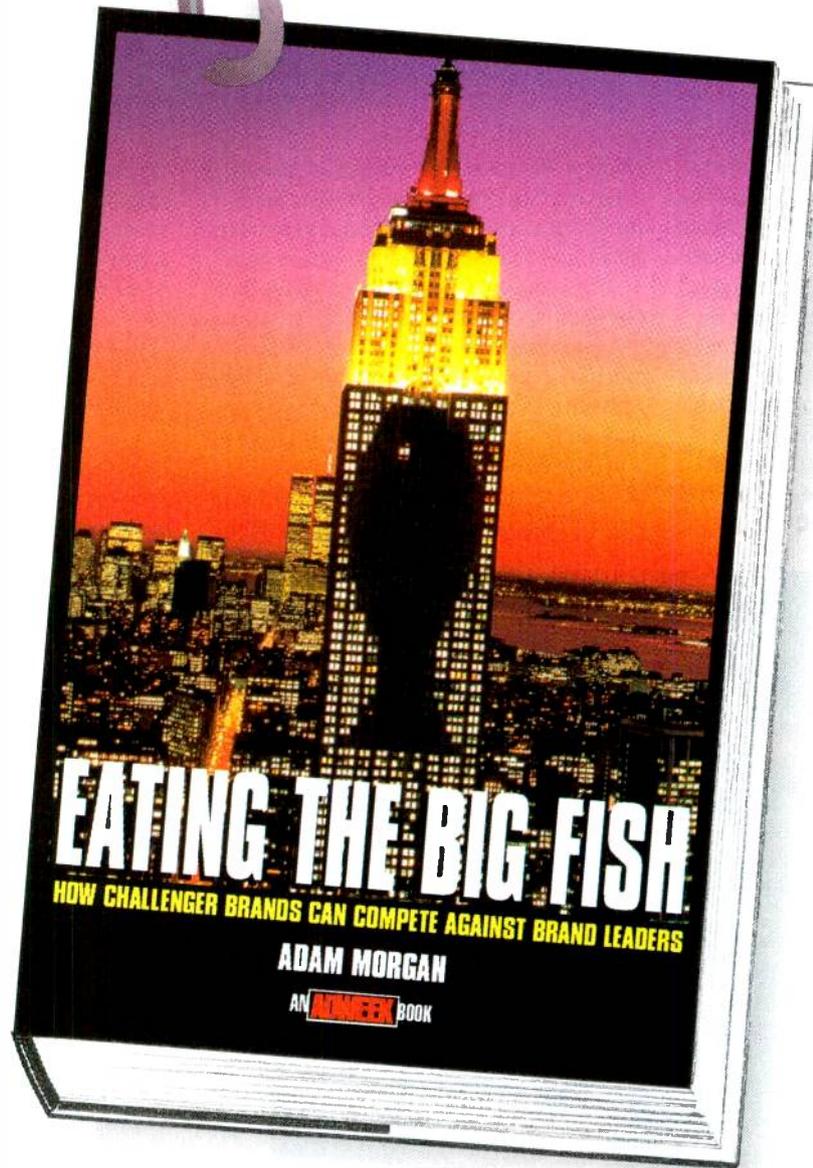
According to Budde, the question of what is a newspaper vs. what is a custom wire service becomes a distinction without



challenge Dow Jones will have in maintaining its early success.

"My belief is that subscriptions will be more convincing, appealing and successful if they rely not just on content but community," says Lazard's Braunschvig, who has worked extensively with both new media and traditional content companies in the Internet space.

"While [Dow Jones] has done a very good job, I think in the immediate future they're going to have to pay more attention to the community aspect of the Internet. [For example], Motley Fool and other financial sites rely on user-generated content to help build community. The *Wall Street Journal* isn't using their [editorial] talent



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—Steve Goldstein, V.P. Marketing & Research, Levi's Brand U.S.A.

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—Steve Hayden, President, Worldwide Brand Services, Ogilvy and Mather

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a difference. "I don't think push [technology—à la Pointcast] is completely dead," he says. "There is a great deal of interest from some of our corporate subscribers for versions of the *Journal* customized for them." As the digital medium becomes more flexible and versatile, the locus of customization control slips away from the content creators and distributors to the content consumers. This will put a premium on getting a keener understanding of how those content consumers actually use the WSJIE in the context of their Net surfing.

change. We've been so focused on providing a top-quality experience for our readers, we haven't paid as much attention to where we fit into the total Internet experience."

For example, Dow Jones hasn't been particularly adventuresome in the white-hot e-commerce space. "We've not done as much with books as we probably should. We certainly could do more with our personal finance advertisers and their sites." These will be innovation priorities this year.

Intriguingly, Budde also says the explosive growth of readership on the Web has

readers and advertisers—might find a presence in this nascent free space. The section lends itself to links with travel, leisure and luxury sites. For now, those plans have yet to materialize in cyberspace.

The WSJIE may move to a tiered editorial and advertising approach—offering timely and proprietary content to its core premium readership—and the advertisers that pay to reach them—and a growing free space to capture a greater portion of Web eyeballs. It's possible that such a free space might attract close to a million viewers, far surpassing the 300,000 paid subscribers. Might that change the economics of the WSJIE business model? You bet.

"This is a trend they'd be wise to take advantage of," says Braunschvig. "They would have the best of both worlds: a significant base of subscription revenues and a larger number of readers to preserve a broader advertising appeal."

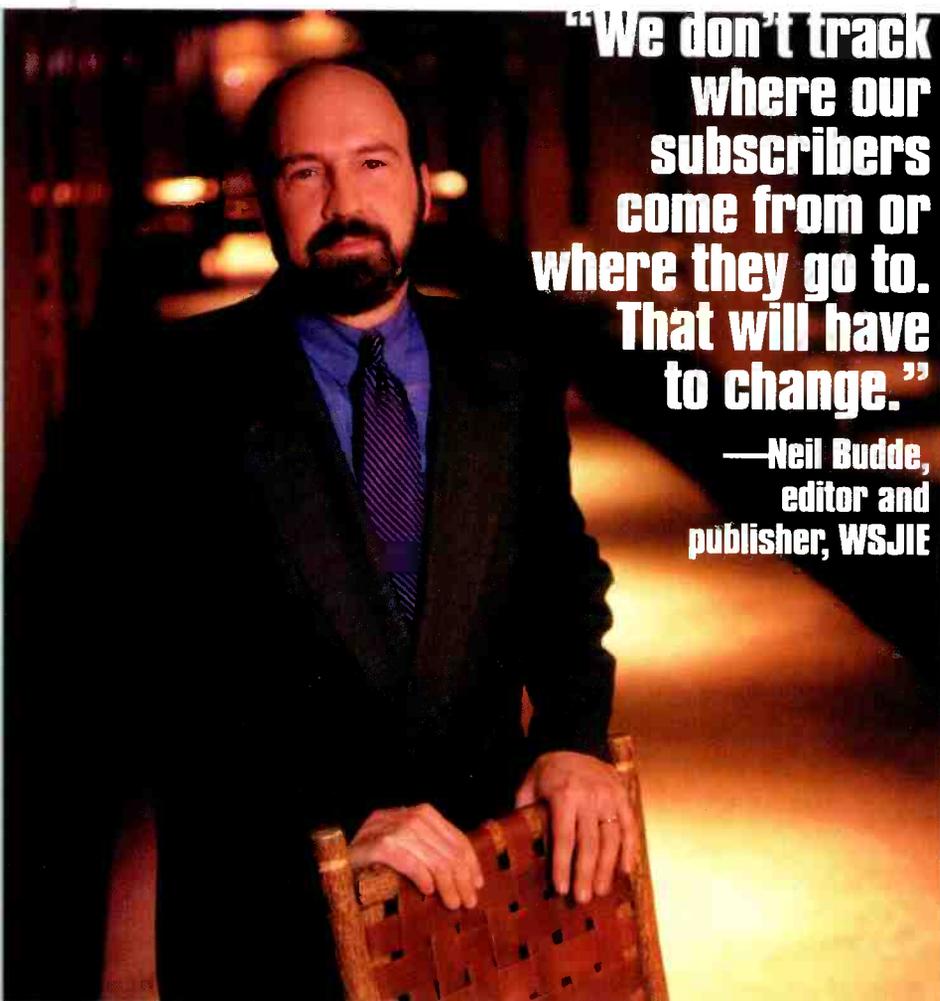
Still, Braunschvig and others note that while the *Journal* brand is first-rate, its lack of online breadth may create issues as the market evolves. "What Yahoo!, Amazon.com and AOL have in common is the ability to provide you with everything you want to do online. That's what they're moving toward. They're aggregators."

Dow Jones is not. It's not clear what kind of financial service portal the WSJIE aspires to be. Indeed, it may be less of a portal than an information provider. That raises key questions about how much a premium pure play content site will be able to command in a market where so many companies give away quality content with the expectation of gain on the community or transaction side of the business equation.

What's more, as the technology evolves—as a Yahoo! seeks to redefine the Web's multimedia parameters by investing almost \$6 billion to acquire Broadcast.com. (a multimedia service provider)—is the *Journal's* text-based approach the optimal way to go? Budde says the *Journal* is always looking to incorporate a multimedia component on the site so long as it's "fast."

Indeed, the future of the WSJIE may prove to be one of the best Internet stories the *Journal* may cover this year. It'll be an even better story if the rumors of going public come true. ■

Michael Schrage is a contributing editor of IQ.



"We don't track where our subscribers come from or where they go to. That will have to change."

**—Neil Budde,
editor and
publisher, WSJIE**

Unfortunately, Budde concedes, Dow Jones hasn't done as good a job as it might in tracking its subscribers online. "There's been a big internal debate about that," he acknowledges. "We don't have the internal URLs turned on; we will. We don't track where our subscribers come from or where they go to. I think that's going to have to

prompted Dow Jones to re-examine some of its fundamental assumptions about how to manage its subscription-based business model. Some of the e-commerce opportunities may be moved into a broader "free space" accessible to nonsubscribers. Indeed, the *Journal's* Friday "Weekend" section—barely a year old and a hit with

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Opinion sated

The last thing America needs is another newspaper columnist—especially on TV

By Paul D. Colford

So, the *New York Daily News* has brought Mike Barnicle back from disgrace to write a column for its revamped Sunday edition. At first, it looked like a bone-headed move, picking up the shell of a career months after *The Boston Globe* could no longer spin away nagging questions about the veracity of Barnicle's copy. But on closer inspection, the *News* probably has everything to gain, because surely a bunch of readers will be curious enough to buy the Sunday paper if only to sample what the controversial columnist has to say. And how often does that happen anymore?

A wise old former newspaperman once said to me, "The last thing America needs is another columnist." And I agree.

Many of today's columnists simmer instead of burn; they trade in irony instead of acid and the deeply mined fact.

I remember in the 1970s, when drinking men in the barrooms of my native Jersey City, N.J., would wait for young urchins to come through the door selling the "night owl" edition of the *Daily News*. They studied Dick Young's sports column, elbow to elbow, while hunched over their beers. In those days before ESPN and WFAN's "Mike and the Mad Dog," the brash, informed and often infuriating Young was such

a popular hitter that his switch to the rival *New York Post* in 1982 was a seismic event—one that prompted the demoralized *News* to file a \$1.5 million breach-of-contract suit (later dismissed).

It's a memory that seems not only quaint but paleolithic, now that columnists, no less than the newspapers that employ them, must battle for attention with round-the-clock TV news channels and the pundits that provide much of their gas. Amid so many other media distractions, is it possible that columnists will ever tip a battle in a newspaper's favor as Young, H.L. Mencken, Walter Winchell and others may once have done?

Is it possible that columnists will ever again tip a battle in a newspaper's favor?



H.L. Mencken: past glory

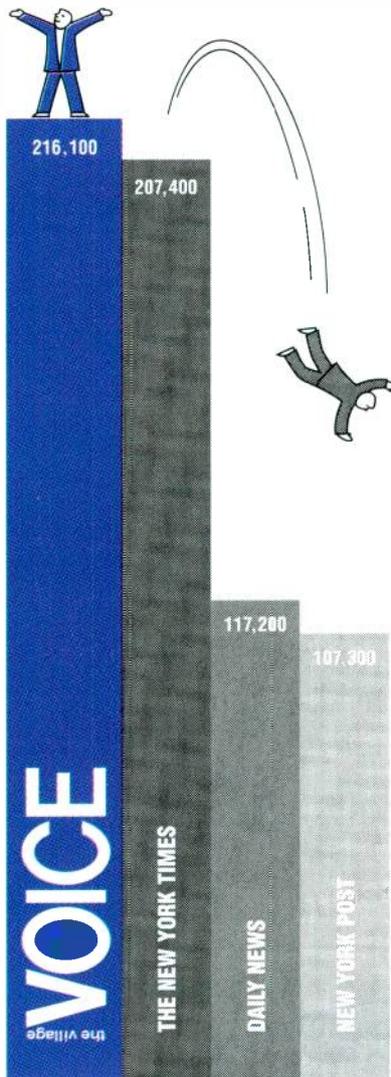
You might not think so, given what happened at my own paper: *Newsday's* 10-year-old New York edition was shut down by Times Mirror four years ago when it had an incredible roster of columnists—including Pulitzer Prize winners Jimmy Breslin, Sydney H. Schanberg, Jim Dwyer and Murray Kempton, as well as Liz Smith, Pete Hamill, Gail Collins, Bill Reel, Dennis Duggan and Mike Lupica—but a circulation of only 216,000.

Here in the era that has since lost Kempton, Herb Caen, Mike Royko and Mike McAlary—other big-city columnists known for their ink, not for being glib on TV chat shows—are there any voices so compelling as to carry readers to another paper if they were to switch sides? I can name a few.

Media players thrive on news of their own tribe, which makes Howard Kurtz's media notes in *The Washington Post* perhaps of greater interest to many of these readers than any of the paper's Page One stories. Kurtz is a franchise. William Safire's well-wired understanding of Washington and such foreign affairs as Chinese influence-buying have made his *New York Times* column an outlet for important news and views that surely is must reading for those in political and diplomatic circles. These readers would seek out a radical weekly if that were the only place to find Safire.

And Maureen Dowd's wit, sour view of the media rabble and scolding contempt for the posturing on both sides of the Lewinsky scandal have made hers an appointment column in the Clinton era, Wednesday and Sunday in the *Times*.

Moreover, Dowd has maintained an even higher level of interest in her column by staying away from the TV talk circus. The only time I've ever seen her on TV was last June—C-Span carried a benefit roast of former White House press secretary Marlin Fitzwater, whom a very amusing Dowd playfully cited for (get this) his sexiness. The round, bald Fitzwater appeared to laugh the hardest. Maureen, they'd follow you anywhere. ■



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MARKET PROFILE

Denver

BY MIRA SCHWIRTZ



JOHN F. III

Unfurling at the foot of the Rockies like a blanket of mountain moss, Denver is growing as fast as it can build. Within the last three years, the Mile High City has built more than 8,000 new homes, raising out of the range dust such new suburbs as Green Valley Ranch (with a proposed capacity for 6,000 people) and the Gateway (a 5-to-10-year development of 15,000 homes). All the building is designed to keep up with a population that has mushroomed in the last eight years by 15 percent, to 501,700 in the six-county DMA, the country's 18th-largest.

No longer a cowboy town known mostly for its good skiing and the Coors brewery 30 miles away, Denver has become a new-media capital. Companies including network provider Qwest Communications and cable giant AT&T Broadband Services (formerly Tele-Communications Inc.) are headquartered in the Denver Tech Center south of downtown.

Denver's lower downtown, called LoDo, is a cosmopolitan hub, home to expensive lofts and restaurants as well as Coors Field, the city's 5-year-old baseball stadium and home of the Colorado Rockies. The Central Platte Valley, a condominium and business center, will

also be the site of a new football stadium, to break ground this summer, for the two-time Super Bowl champion Broncos. The Pepsi Center, a sports arena that can seat 30,000, will be completed this fall for the NBA Nuggets and the NHL's Colorado Avalanche.

In the '80s, when Denver was hardest hit by the oil bust, the market experienced a prolonged slump. The savings-and-loan crash, high unemployment and the housing-market tumble didn't help. "In the '90s, we have been reborn," says Harriet Hogue, planning program manager for the city's community housing and development office. "We have managed to turn around our economy, and because of that we've attracted a brand-new population."

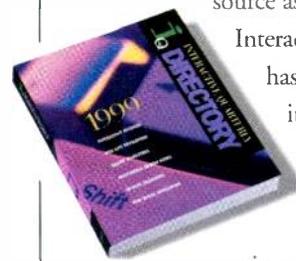
At the forefront of Denver's development into a metropolis, the city's media properties are in a frenzy of shake-ups and makeovers, battling for shares of a fluctuating audience.

Three local television stations, affiliates of CBS, ABC and the WB, have made recent changes to their local-news programming and studio sets in efforts to boost ratings during nightly newscasts. The Fox affiliate is building an entirely new station facility and promises to up the ante on news production when it launch-

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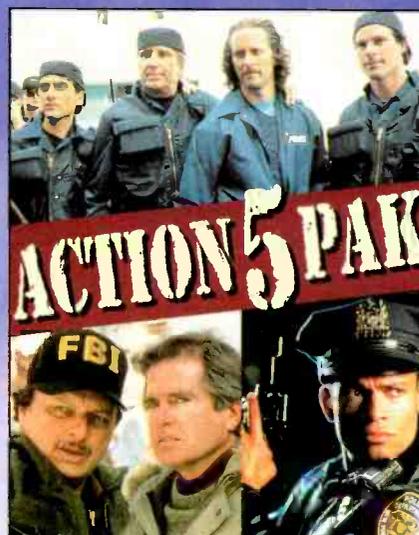
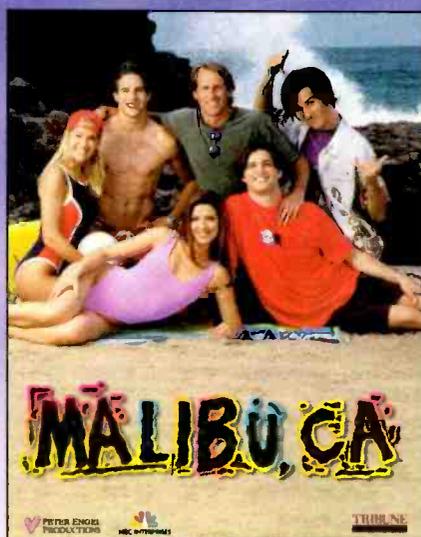
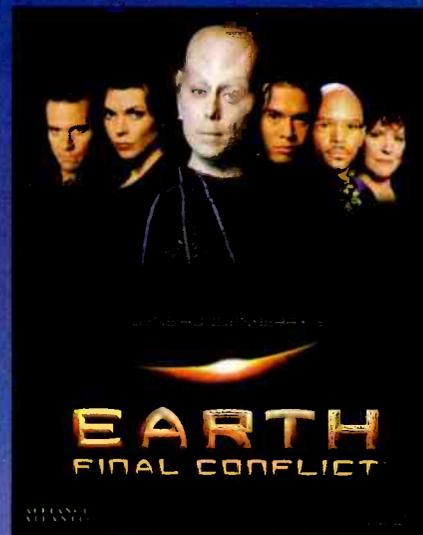
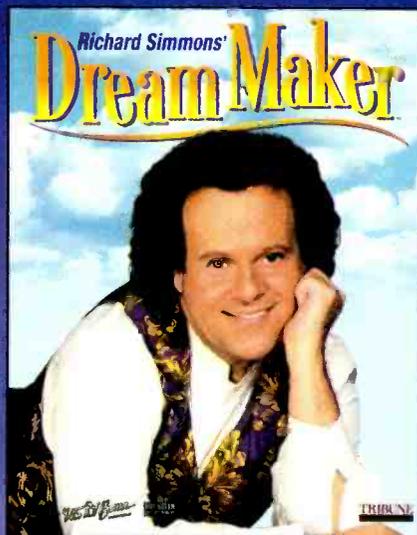


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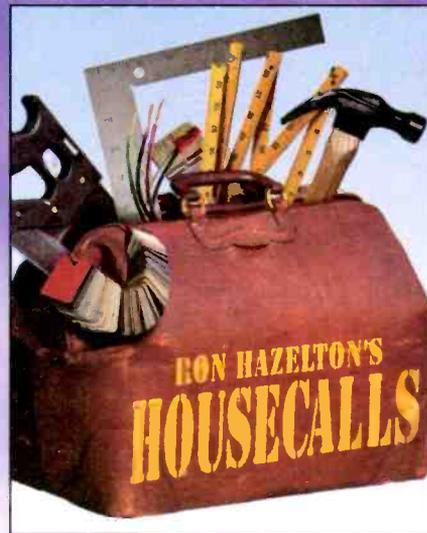
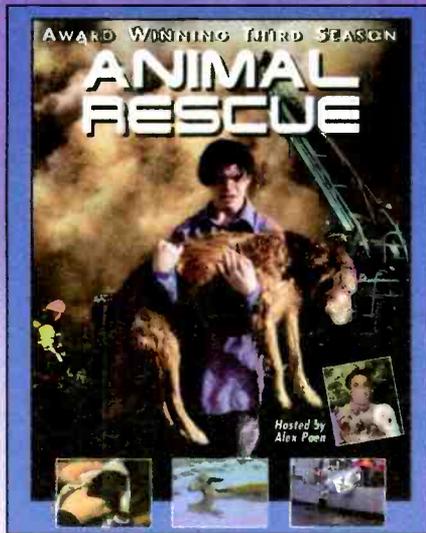
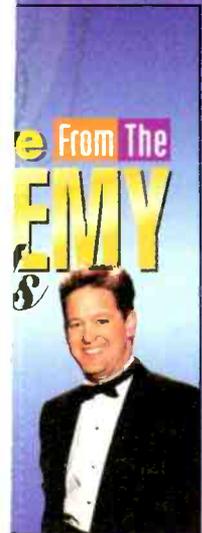
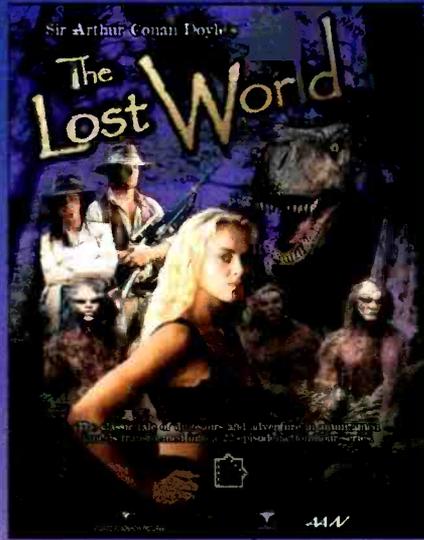
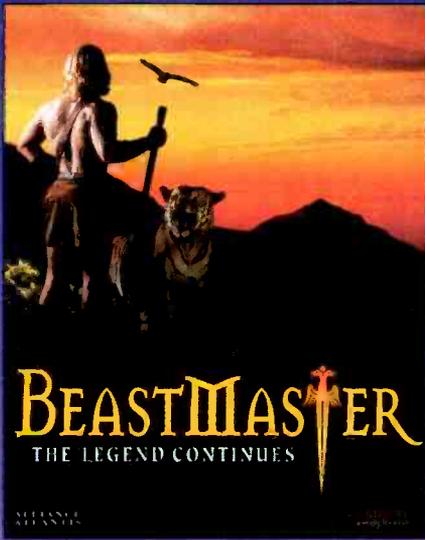
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Scarborough Profile

Comparison of Denver To the Top 50 Market Average

	Top 50 Market Average%	Denver Composition %	Denver Composition Index
DEMOGRAPHICS			
Age 18-34	33.2	34.2	103
Age 35-54	39.4	43.3	110
Age 55+	27.4	22.4	82
HHI \$50,000+	36.5	35.0	96
College Graduate	12.1	14.4	119
Postgraduate	10.3	13.3	129
Professional/Managerial	21.5	25.5	118
White Collar	45.9	50.0	109
African American	12.4	3.4	27
Hispanic	11.2	11.4	102
MEDIA USAGE			
Read Any Daily Newspaper - (Average Issue)	58.7	62.6	107
Read Any Sunday Newspaper - (Average Issue)	68.5	70.6	103
Total Radio Average Morning Drive M-F	25.4	24.9	98
Total Radio Average Evening Drive M-F	18.2	16.5	91
Total TV Average Early News M-F	30.5	31.6	104
Total TV Average Prime Time M-S	42.4	41.4	98
Watched A&E past 7 days	35.2	28.0	79
Watched BET past 7 days	6.9	2.6	37
Watched CNN past 7 days	37.9	30.6	81
Watched Discovery past 7 days	39.6	38.2	96
Watched ESPN past 7 days	32.2	31.1	97
Watched Lifetime past 7 days	24.8	20.1	81
Watched MTV past 7 days	16.4	13.6	83
Watched Nickelodeon past 7 days	16.9	12.4	74
Watched TNN past 7 days	18.2	15.7	86
Watched TNT past 7 days	31.8	27.2	85
Watched USA past 7 days	31.6	26.5	84
Watched The Weather Channel past 7 days	37.3	26.7	72
HOME TECHNOLOGY			
Owns a Personal Computer	50.0	56.7	113
Accesses Internet/WWW	30.7	39.4	129
Shops Using Online Services/Internet	4.9	5.0	101
Connected to Cable	69.8	60.4	87
Connected to Satellite/Microwave Dish	6.0	7.6	127

Source: 1997 Scarborough Research Top 50 Market Report (Release 2 1997, 12-Month Database)

es its late news hour this fall.

"There's more competition at that time period," says Marv Rockford, general manager of CBS' owned-and-operated KCNC-TV. "There are simply more choices available to people, and all the stations are feeling it."

Surprisingly, the local television outlets are not seeing Denver's population growth translate into larger audiences. Stations are struggling to maintain share, particularly in late news, as general managers struggle to appeal to an outdoorsy town that likes to go to bed early.

"Denver has become a challenge because its ratings have shrunk," said Ellen Lerner, Bozell's senior broadcast negotiator for Jeep.

"Everyone's news numbers have eroded. To get the hefty [ratings] point schedule we need, we have to buy almost every spot around."

"To find the audience is getting harder and harder," echoes Mindy Gantner, media director at Barnheart/CMI.

In the 10 p.m. news race, Gannett Broadcasting's NBC affiliate KUSA continues to maintain a solid lead over No. 2 KCNC. Despite losing Broncos telecasts last year, when the NFL's AFC package shifted from NBC to CBS, KUSA has kept up its close ties with the team. The station continues to produce a highly popular Sunday-night interview show with Broncos quarterback Jon Elway and a Sunday-

night discussion with Broncos coaches that makes the most of sports anchor Ron Zappolo's long relationship with the team. "They are very well produced. They've established wonderful relationships with the Broncos," says Christine Tedesco, media director at Denver agency Pierson Hawkins.

McGraw-Hill Broadcasting's ABC affiliate KMGH and KCNC have upgraded their newscasts in the hopes of closing the gap at 10 p.m. with KUSA, with little success so far. KMGH last August introduced new graphics and a new set, with an image of one of Denver's highest peaks, Mt. Wilson, in the background, says gm Cindy Velasquez. The new look, described by media director LeAnn Dawson of Morey Mahoney as "homey and cozy," cemented KMGH's return to a traditional news format last year after an experiment with an edgier, more aggressive newscast called *Real Life, Real News*.

KMGH "has always had a struggle to try to become a player in the 10 o'clock news," says Pierson Hawkins' Tedesco. "*Real Life, Real News* was a stark change. It looked more like a newsmagazine, like it was reporting on what was sensational rather than straight news."

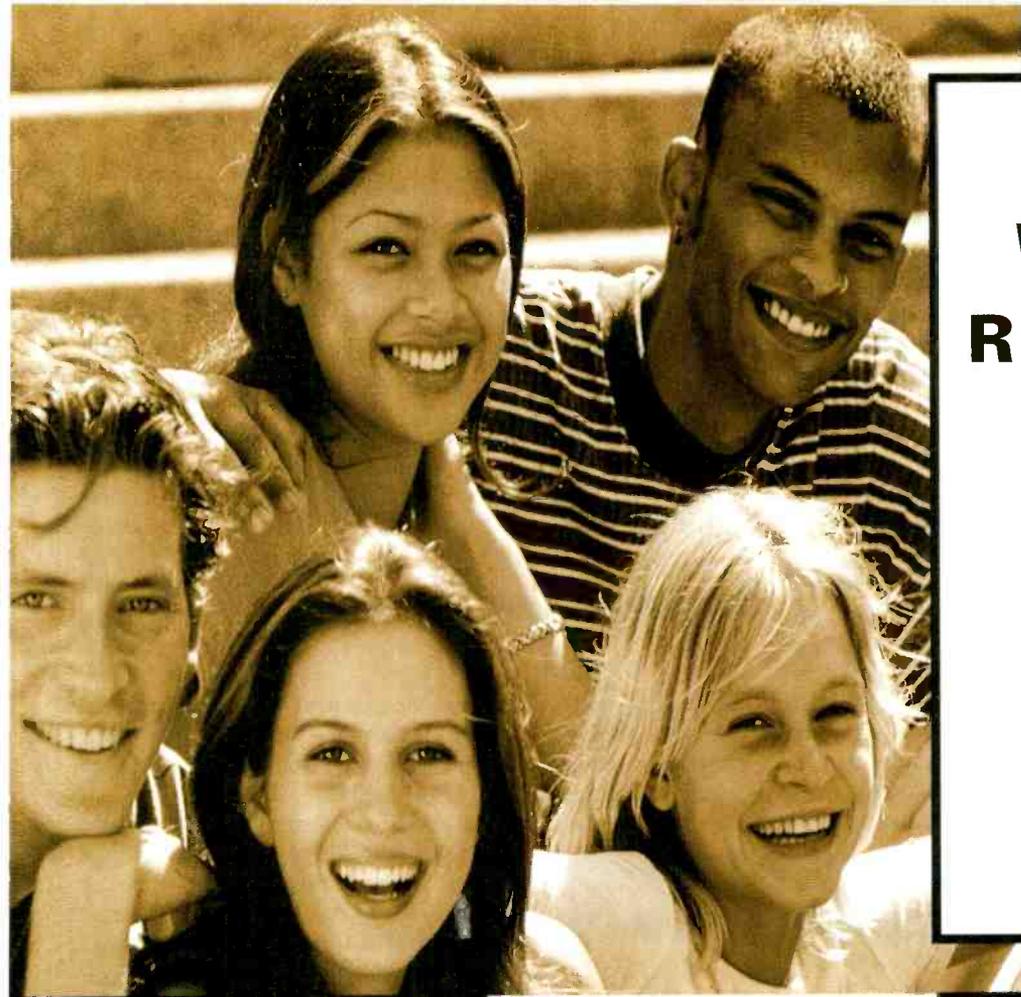
Although KMGH's ratings initially responded to the return to a traditional newscast with an upswing last November, the station's numbers were flat during the February sweeps.

KCNC has also made changes, upgrading its weather center in January to a state-of-the-art facility with two remote-controlled cameras. In July, a new sports anchor, Marc Soicher (most recently with New York's WABC-TV), will join the station on its 5 and 10 p.m. newscasts.

Tribune Broadcasting's WB affiliate KWGN is making an impact on the local news scene with its 9 p.m. report. Last spring, the station hired Ernie Bjorkman away from KMGH and refurbished its set, notes gm Bill Ross. Ratings are up, from a 4.2/7 share in February 1998 to a 5.1/8 share in '99.

KWGN is preparing for a fierce 9 p.m. news challenge this fall, from Fox Television O&O KFCT. "Knowing Fox was going to come in with all its bells and whistles, we figured we had to get competitive now," says KWGN's Ross.

While the Broncos are king, sports-crazy Denver has plenty of TV viewers for the market's other pro teams, particularly on cable. Fox Sports Rocky Mountain, which airs Nuggets, Avalanche and Rockies games, reports an increase of 1 share point for its Nuggets games this season over last. (Paxson Communications' KPXC-TV, which is also carrying some Avalanche and Nuggets games on broadcast



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this season, also reports strong ratings.)

"To carry some premium [sports events] like that is serving cable well," said Kurt Kennedy, local sales manager at TCI Media Services in Denver.

Although TCI's household penetration in Denver is a relatively low 50 percent, Lerner of Bozell said she uses cable in tandem with broadcast in Denver's more mountainous suburbs, where a higher percentage of households subscribe.

Sports also is a major factor in shaping Denver's radio programming. Almost all stations report on the local teams, even if they are not formally part of the programming lineup. "All the stations are out there doing their remotes [during games]—and it's not just the sports guys who do it," says Kerry Cooper, associate media director at agency Karsh & Hagan Communications.

Many radio stations in the market skew

heavily male because of the high local interest in sports. Jefferson-Pilot's KKFN-AM is making strides with its sports/entertainment format, with fall Arbitron numbers up from its introduction of shock-jock sports talker Craig Carton, an import from Philadelphia, from 6 to 10 a.m. and L.A. syndicated sports chatter Jim Rome from 10 a.m. to 1 p.m.

Despite the ratings uptick, one local ad agency exec wonders about KKFN's strategy. "Even though they are keeping their theme of all-sports-talk-all-the-time, they're really straying from that. I think true sports fans have been soured on that," said Steve Born, vp and co-director of account services

at Karsh & Hagan.

Many purist sports fans turn to Jacor's KTLK-AM, which has seen its numbers grow for its afternoon sports show hosted by former Broncos players Jim Ryan and David Treadwell.

Male-skewing stations also dominate the FM side of the dial. Jefferson Pilot-owned country outlet KYGO-FM has been tops with listeners 12 and up for years, although the February Arbitron numbers showed some slippage.

"For the first time ever, they're getting a run for their money," said broadcast buyer Tracy Chavez of Thayer Media.

The primary challenger is Jacor's classic rock station KRFX-FM. The outlet's ratings with men 25-54 have risen steadily over the last four ratings books. Also on the rise is Chancellor-owned rock outlet KXPX-FM, which hopes its improved morning ratings from bringing on Howard Stern last winter will establish it as a long-term player in the male demo. In the last month, KXPX has beefed up its playlist to be more in line with a typical Stern hard-rock outlet, said program director Mike Stern. To really make its mark, however, "The Peak" first has to overtake three other stalwart FM rock outlets—Jacor's KBPI and KBCO and Tribune's KKHK—all of which rank among the market's top 11 stations with listeners 12 and up.

Equally fierce is the market's daily newspaper competition between E.W. Scripps Co.'s *Rocky Mountain News* and Media General's *The Denver Post*. The papers' long-running circulation war has been a boon for readers ("subscriptions are virtually free," notes media planner Nadja Torling at Reece & Co.), but it may portend a fight to the death. "People speculate that it's only going to be a couple years before one of them gives out," Torling said.

Both papers have slashed sub rates, with offers including six months for free to an entire year of home delivery for just \$3. Total weekday circulation for both statewide papers is almost equal (341,554 for *The Denver Post*, 331,978 for *The Rocky Mountain News*), although they have different circulation strategies. Four years ago, the *News* narrowed its distribution to an 18-county swath of Colorado, a move the newspaper says has attuned its coverage more closely to the market penetration of its advertisers. *The Post*, meanwhile, has gone far afield in its distribution, with more than 22 percent of its paid circulation located outside the six-county Denver metropolitan area.

"To find the audience is getting harder and harder," a buyer says of Denver TV news.

Denver by the Numbers

Newspapers: The ABCs

Total 6-County Market: 881,300 Households

Newspaper	Daily Circulation	Sunday Circulation	Daily Market Penetration	Sunday Market Penetration
<i>Denver Post</i>	265,023	349,621	30.1%	39.7%
<i>Rocky Mountain News</i>	300,375	392,793	34.1%	44.6%

Source: Audit Bureau of Circulations

Nielsen Ratings

Evening and Late Newscasts

EARLY NEWS

Time	Network	Station	Rating	Share
5-5:30 p.m.	CBS	KCNC	8	16
	ABC	KMGH	6	12
	NBC	KUSA	9	20
6-6:30 p.m.	NBC	KUSA	8	14

LATE NEWS

Time	Network	Station	Rating	Share
9-10 p.m.	WB	KWGN	5	8
10-10:30 p.m.	CBS	KCNC	9	16
	ABC	KMGH	6	12
	NBC	KUSA	17	31

Source: Nielsen Media Research, February 1999

The market has a large city magazine, the popular *5280*, which claims a circulation of 40,000. The privately held, 6-year-old magazine has a strong enough following to keep it viable in the face of stiff competition from regional editions of such national magazines as *Time*, contends media director Tedesco of Pierson Hawkins.

Two other magazines, *Colorado Expressions* and *Colorado Homes & Lifestyles*, are also published out of Denver. *Expressions* skews toward an upscale, largely female audience, with a readership developed from country club-membership lists. *Homes & Lifestyles* highlights various Denver communities and upscale interiors.

In outdoor advertising, most of Denver's billboards are owned by Outdoor Systems and locally based Mile High Outdoor. Due to a current moratorium on billboard construction, the market's inventory is very tight. Most boards are along interstates I-70 and I-25, which bisect the town. Santa Fe and Wadsworth Avenues are also well-trafficked city thoroughfares with a large number of hard-to-buy boards.

"It's hard to get any of the good boards—they're usually held in three-to-five-year contracts," notes Joy Rishavy, media supervisor at Miles Advertising. Most of those contracts are held by ski resorts and housing-development companies.



■ The Rockies are a big draw for the new stadium and for Fox Sports' cable channel.

JOHN B.L.K. III

Denver by the Numbers

Radio Listenership

STATION	FORMAT	AVG. QTR-HR. SHARE MORNING DRIVE, 12+	AVG. QTR-HR. SHARE EVENING DRIVE, 12+
KRFX-FM	Classic Rock	7.9	6.8
KYGO-FM	Country	7.3	7.7
KOA-AM	News/Talk/Sports	7.2	5.0
KHOW-AM	News/Talk	7.1	3.2
KQKS-FM	Contemp. Hits/Rhythmic	5.4	7.1
KALC-FM	Modern Adult Cont.	5.1	5.3
KOSI-FM	Adult Contemporary	4.9	5.3
KBCO-FM	Alternative Rock	4.7	5.0
KXKL-FM	Oldies	4.6	5.3
KBPI-FM	Album-Oriented Rock	4.0	5.2

All information provided by Arbitron, Fall 1998 Radio Market Report

Radio Ownership

OWNER	STATIONS	AVG. QTR-HR. SHARE (%)	REVENUE (IN \$ MIL.)	SHARE OF TOTAL
Chancellor Media Corp.	5 FM			
	1 AM	18.2	\$29.58	21.7%
Jacor Communications	5 FM			
	3 AM	35.8	\$58.07	42.6%
Jefferson-Pilot	3 FM			
	2 AM	17.3	\$22.85	16.8%
Tribune Broadcasting	2 FM			
	1 AM	12.0	\$20.11	14.8%
EXCL Communications	1 FM			
	1 AM	2.2	\$1.5	1.1%

Ratings information provided by Arbitron, Fall 1998 book
 Revenue information provided by BIA Research, 1998 and
 Duncan's Radio Market Guide, 1998 Edition

CALENDAR

Women in Cable & Telecommunications will present the "Executive Development Seminar Mastery Course" April 27-28 at Sylvan Dale Ranch in Loveland, Colo. Contact: 312-634-2353.

The Radio Group of the Entertainment, Media & Communications Division of UJA-Federation of New York will honor Jimmy de Castro, president of Chancellor Media's Radio Group, at its **Annual Achievement in Radio Luncheon** April 28 at the New York Hilton & Towers. Contact: 212-836-1853.

The American Society of Magazine Editors will host the **National Magazine Awards** April 28 at New York's Waldorf-Astoria. *Business Week* editor in chief Steve Shepherd and retired *Scientific American* editor Dennis Flanagan will be inducted into the ASME Hall of Fame. Contact: 212-872-3700.

Bon Appétit will host its 10th annual **Wine & Spirits Focus** May 7-9 in Las Vegas at Mandalay Bay Resort & Casino, the Bellagio and the Rio All-Suite Casino Resort. Contact: 888-34-FOCUS.

Cable '99, the convention of the National Cable Television Association, will be held June 13-16 at McCormick Place in Chicago. Contact: 202-775-3669.

The Center for Communication on May 8 will present an on-location **workshop on the set of ABC morning talk show *The View*** with producer Barbara Walters and executive producer Bill Geddie. Contact: 212-686-6393.

Media Notes

NEWS OF THE MARKET

Edited by Anne Torpey-Kemph

Dominus Joins CAB

Longtime media executive Jerry Dominus has joined the Cabletelevision Advertising Bureau as vp of network sales and marketing. Dominus, who has worked on both the network and agency sides of the media business, is charged with developing strategies to increase national advertising on cable. Most recently, Dominus was a consultant to Cablevision, where he helped transform American Movies Classics into an ad-supported network and helped launch Metro TV in the New York metro area. Prior to his consulting work with Cablevision, Dominus was senior partner/director of national broadcast for J. Walter Thompson USA, where from 1991 to 1996 he oversaw network TV and radio for clients including Warner Lambert, Sprint, Kodak, Unilever and the U.S. Marines. For eight years before that, Dominus was vp of sales for CBS. His career at CBS spanned 26 years.

Comcast 'Posts' Sponsors

Comcast SportsNet announced that Dodge and Volvo will sponsor the local sports network's *PostGame Live* programs that air after Philadelphia Flyers hockey games and '76ers basketball games. Dodge will sponsor the Flyers' postgame show throughout the NHL team's playoff bid. Volvo will sponsor the '76ers' postgame show. Volvo also has a sponsorship option for the NBA playoffs.

Sinclair Radio Head Exits

Kerby Confer, chairman of Sinclair Radio and the executive responsible for building up Sinclair's radio assets, has resigned. In 1981, Confer founded the

predecessor to Sinclair Radio, Keymarket Communications, which he sold to River City Broadcasting for \$145 million in 1995. A year later, Sinclair purchased River City for \$1.2 billion. Confer will stay on until June 30 to work with Sinclair on special projects. Barry Drake will remain as CEO of Sinclair Radio.

SFM Gets Haggard Media Biz

Haggard Clothing has named SFM Media as its agency for media planning and buying. The Dallas-based account moves from GSD&M, which had handled it since 1997. Separately, SFM has promoted Jason Kanefsky to senior vp, national broadcast, reporting to Jerry Solomon, president of the national broadcast department. Kanefsky has been with the

agency since 1992 and handles the Encore Media, Intel, Isuzu and Outback Steakhouse accounts.

CN Tries Another Outsert

Condé Nast this fall will introduce an outsert called *Persona*, featuring lifestyle content aimed at women 40 and older. CN hopes to duplicate the success it had last year with its supplement *Currency*, which offered personal-finance information to the same audience and attracted several new advertisers. *Persona* will be polybagged with 14 Condé Nast titles, including *Vanity Fair*, *Glamour* and *Self*.

Brill's Publisher Departs

Brill's Content publisher Sally Preston, who joined the 225,000-circ media watchdog magazine in mid-January, has left to

Shadoe Reworks 'WARP'

Syndicated radio personality Shadoe Stevens will be doing three versions of his four-hour weekly show, *World Atomic Rhythm Parties*, through an extended syndication deal with NBG Radio Network. His original *WARP* show, which currently has 25 affiliates, is intended for mainstream Contemporary Hit Radio-formatted stations. Of the two new versions, one will be designed for the growing number of Rhythmic CHR stations and another for alternative-formatted stations. John Holmes, NBG president, said the two new versions will open up affiliation opportunities for more stations. "The Rhythmic CHR version is also well-suited as a Friday-night-party show," Holmes noted.



Radio host Stevens retools his *Parties* for two other formats.

become ad director at Meredith Corp.'s *Better Homes & Gardens* (circulation 7.6 million). Preston will report to publisher Jeanine Shao-Collins, who was promoted in January from associate publisher after Alex Mironovich left to head Playboy Enterprises' magazine group. No word yet on who will replace Preston. Meanwhile, *Brill's Content* has completed the second stage of financing for its first five years after financier George Soros agreed last week to become the lead investor, committing to a \$10 million fund. Soros will control the fund.

NYT Expands Calif. Delivery

Through a deal with R&J Distributors and Dan Schaefer, *The New York Times* has begun offering home delivery of the daily and Sunday paper in Napa and Mendocino counties in Northern California. The *Times* is already available in much of California, including Los Angeles, San Diego, San Francisco and Santa Barbara. With this announcement, the *Times* is available in 175 markets across the U.S.

Jammin' Party Debuts

NBG Radio Network has signed a sales representation agreement for *Jammin' Party*, a weekly two-hour show produced by Fisher Entertainment. The show, hosted by Al Bandiero of Chancellor Media's WBIX-FM in New York, premiered two weeks ago on 50 affiliates, seven of which are in the top 10 markets. Several affiliates are Chancellor "Jammin Oldies" stations.

Westwood Joins Jammers

It was only a matter of time before the popularity of Rhythmic or "Jammin'" Oldies would be syndicated. Westwood One last week announced plans to offer a 24-hour Rhythmic Oldies format within 90 days. Targeting adults 35-54, Westwood's format will feature classic rhythm-and-blues artists such as Prince, Aretha Franklin,

Marvin Gaye, K.C. & the Sunshine Band and the Temptations. Joel Hollander, CEO of Westwood One, said the network was motivated by the success of individual stations across the country programming the format. The programmer for Westwood's new format is Charlie Cook, also the general manager of Westwood's operations in Valencia, Calif. This will make Westwood's 10th 24/7 radio format.

XM Cuts Car Deals

XM Satellite Radio has cut deals with two car radio manufacturers. First, it signed General Motors after rival CD Radio announced it had suspended talks with GM over GM's strong financial interest in XM through owner Hughes Electronics. XM also announced an agreement with Delphi Delco Electronics. XM is a subsidiary

of Hughes Electronics, which is constructing XM's satellites worth about \$550 million. Through Hughes, GM owns a 25 percent interest in XM and is represented on its board of directors. While CD Radio lost a partner, it praised the relationship between GM and XM as "positive for the development of satellite radio in the U.S."

WSJ Radio Net Names Honchos

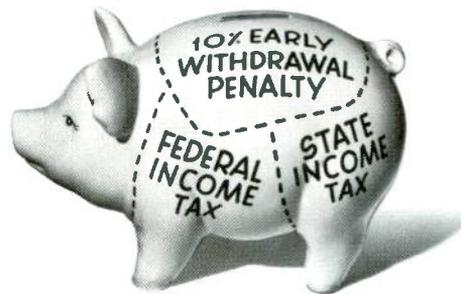
Two months after losing its director, Peggy Belden, to rival Westwood One, the Wall Street Journal Radio Networks has put in place a new management team. Paul Bell was named director of the Wall Street Journal and Dow Jones Radio Networks, responsible for the overall business strategy for the networks, including shows *Wall Street Journal Report*, *Dow Jones Money Report*, *Barron's on Investment* and *Work and*

Family. Bell was previously a marketing executive at *The Wall Street Journal* newspaper. Gloria Puchon Briggs was promoted to associate director from national ad sales manager for the Wall Street Journal Radio Network. Heading affiliate relations is Nancy Abramson, who has moved up from radio marketing manager for *Work and Family*.

Valdes Upped to Blaze Editor

Mimi Valdés has been promoted to editor in chief of independent hip-hop magazine *Blaze*, succeeding Jesse Washington. Valdés had been *Blaze's* managing editor and a contributing editor to sister publication *Vibe*. Separately, Deborah Marcoliese, formerly associate publisher of *George*, has been named publisher of *POV* magazine. Drew Massey will retain titles of founder and president.

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As IQ's report from this year's National Association of Broadcasters convention shows, "if" was long ago replaced by "when" as it pertains to the implementation of interactive TV. While no one knows when broad deployment will come, shows such as NAB demonstrate one of the most interesting things about new media: that for every naysayer, there seem to be at least two people working out of a garage taking their own crack at making the next medium work.—Catharine P. Taylor

@deadline

Yahoo! Unveils Direct Program

Yahoo!, now defining itself as a global Internet media company, today launches a direct marketing program called Yahoo! Birthday Club which delivers e-commerce messages to registered users within e-mail greetings on their birthdays. Charter sponsors include retailer **Eddie Bauer**, travel commerce site **Lowestfare.com**, discount clothier **Bluefly.com** and golf superstore **mammothgolf.com**. Separately, the Santa Clara, Calif.-based Yahoo! will license content from online gaming network **IGN**, San Francisco. They will also have co-branded content pages to drive traffic between their sites.

New Streaming Ads Offered

Sausalito, Calif.-based **AudioBase** starting today will offer technology which can stream up to 80 minutes of audio content without the use of a plug-in, and host audio content. The company also announced that Yahoo! has approved AudioBase-enabled ads, which have been served in tests by **MatchLogic**, **DoubleClick** and **NetGravity**. Online ad networks **AdForce** and **Flycast** will sell the service.

Web Job Fair Targets Students

CollegeClub.com, the San Diego-based destination site for college students, today launches its first Online Job Fair, to run through April 29. More than 100 companies are participating, including auction star **eBay** and job listings sites **Jobtrak.com** and **Monster.com**. The site includes tutorials on resumes and job hunting.

24/7 Goes Direct

24/7 Media, New York, launched a direct marketing unit, **24/7 Direct**. The company also named **Ari Bluman** to serve as national director of the new division.

Lycos Wins Portal Race To Add Streaming Radio

By Kipp Cheng

Lycos today adds a multimedia-enhanced Internet radio unit to its expanding network of sites, making Lycos Radio Network the first programmed streaming audio and video format to be incorporated into a major portal.

The move follows several attempts by competing portals to muscle into the online radio category. Santa Clara, Calif.-based superportal Yahoo! recently acquired Dallas-based Netcaster broadcast.com, while MTV Online Networks, New York, purchased Imagine Radio, Brisbane, Calif., last February to fold into its new online music destination launching later this year.

Unlike existing Internet radio outlets such as Spinner.com and NetRadio, which offer audio-only programming, Lycos Radio will offer streaming video in addition to genre-specific music channels. Utilizing the new RealNetworks G2 Player, the Lycos Radio player browser interface will feature an embedded video playback area, an area for banner ads, and navigational links. Near-CD quality audio and video will be delivered in distinct streams, allowing advertisers to make video insertions and banner ad

buys tied to specific songs.

"Unlike MTV, where the music is synchronized with the video, what we're doing is more of a free-form collaboration that melds advertising video with music," said Brian Kalinowski, multimedia product manager at Waltham, Mass.-based Lycos.

Current online radio networks can't effectively sell banner ads, said Kalinowski, because users tend to minimize the player windows while surfing other sites or launching desktop applications, denying advertisers quality views of their ad placements.

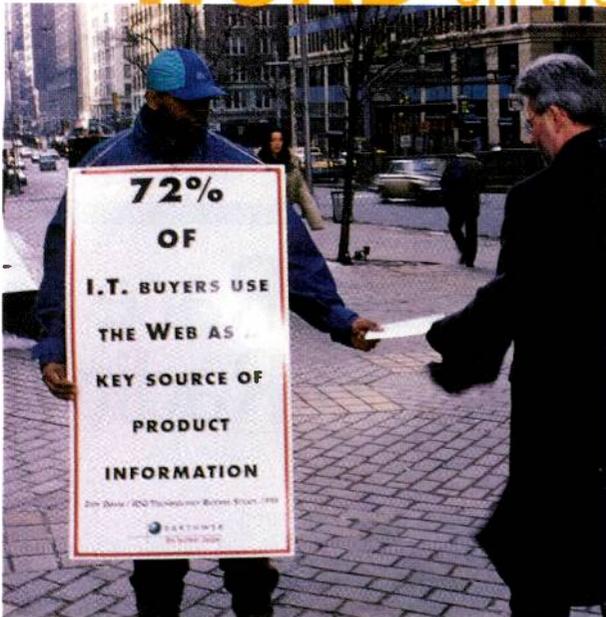
"Our concept was to make the player more interesting," said Kalinowski. "We have the ability to provide the audio stream, and then entice people to keep the box open [with video]. By keeping the box open, we can throw banner ads in front of users." Lycos Radio also hopes to provide future e-commerce partners links for purchase on demand.

For advertisers, the stickiness of Lycos Radio will be a main attraction. "We can create ad packages that no one can create right now: audio only, banner ad only, [or] banner and audio," said Kalinowski. ■



Lycos adds enhanced radio and video to its portal site.

WORD on the street



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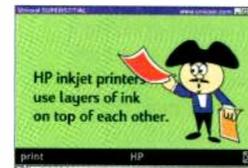
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HP Touts Printers in Online Effort

Hewlett-Packard unleashes its next wave of ever-richer interactive ads for its color printers this week, with creative by Portland, Ore. shop White Horse Studios in partnership with San Francisco hot-shop Goodby, Silverstein & Partners, HP's online media agency.

"We found that the typical banner ad click-through rate has dropped to half a percent—if you're lucky," said Julia Mee, corporate advertising consultant for Palo Alto-based HP. "On the flip side, when we do more innovative things on the Internet, whether sponsorships or rich media, the participation rates go way up."

Two different ads will demonstrate HP printers' color layering process. A self-



A bullfighter and flamenco music will help sell HP printers.

closing "superstitial," using technology from Unicast, New York, offers television commercial-like animation of a bullfighter struggling with the wrong-colored cape, enhanced by flamenco guitar music.

(Interstitials are usually streaming while Unicast's superstitials are downloaded into the browser cache after a desired Web page appears. The ad plays on the next click.)

Banner ads, using Enliven technology from @Home, Redwood City, Calif., let users move red and green dots around in an attempt to make an orange dot. They also let users print specs from the banner.

"The gif banners tend to get right to the message," said White Horse creative director and principal Jeanne McKirchey-Spencer, "while Enliven lets you have more entertainment value."

The ads will run for six months, the largest online buy HP has done, according to Jennifer Collins, account manager for HP interactive advertising, though she would not disclose how much will be spent.

White Horse landed the assignment through Collins. "HP is pretty decentralized," she explained, "so people within divisions are free to go to various vendors to develop creative, but come to us for media planning. One division had gone to White Horse and I thought they had done a very good job. The banners looked different to me than any banners I had seen."

The Enliven banners will run on sites including MSNBC, Pathfinder and Geo-Cities; the matador superstitial will run on Redwood City-based portal Excite.

—Susan Kuchinskias

bits

- **Garden.com** will serve highly-targeted offers and promotions to customers of its online retail store using **NetGravity's** server software and AdCenter service. Buyers of a bush, for example, might be offered deals on companion plants that do well in the buyer's region. Both companies are based in San Mateo, Calif.



- Media authoring toolmaker **Sonic Foundry**, Madison, Wis., released MAP 2000, a music and audio production package that supports formats from broadcast television to Web streaming media applications. The package includes Acid Pro, a library of sounds that can be looped to create musical compositions.

- **Theglobe.com**, New York, will provide its members with **MyPublish** e-commerce technology from **Wave Systems**, San Jose, Calif. MyPublish will let members promote and sell digital content including text, subscriptions, images, audio, video and software from their personal Web sites on theglobe.com's community site.



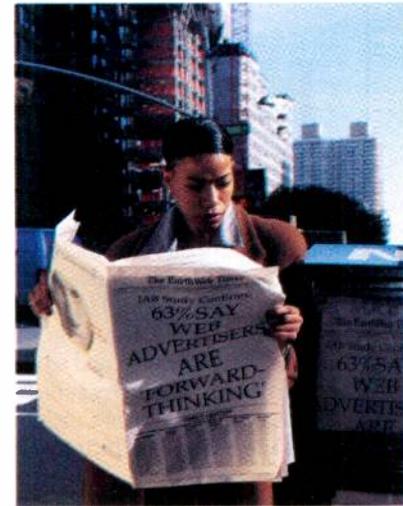
- **Gamesville.com**, a Boston-based game show site and database marketing company, named **Snap.com**, San Francisco, as the search engine for its site. Search results appear on a co-branded version of the Snap.com Internet search service.

- **Go2Net**, Seattle, a network of technology and community-driven Web sites, acquired auction site **Haggle Online** for approximately \$6.5 million in Go2Net stock.



Go2Net also includes search, directory, finance, business services, commerce and game sites. Haggle Online's management team will continue to develop the service.

- Online advertising gallery **Adsgallery.com**, Toronto, acquired **Portfolios.com**, also Toronto, a directory aimed at advertising professionals showcasing the work of photographers, illustrators, graphic designers, animators and interactive multimedia artists. Adsgallery.com parent company **Warp 10** absorbed key management employees and intends to generate revenue through advertising sales, site sponsorship and e-commerce transactions from its community.



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• **CBS**, New York, will acquire a one-third equity stake in **Office.com**, the online business destination of broadband service provider **WinStar**, also New York. In exchange, Office.com will receive \$42 million in promotion and advertising over a term of six years across the full range of CBS media properties, including radio and outdoor subsidiary Infinity Broadcasting Corporation.



• **Corbis**, a Seattle-based provider of digital images, opened its collection of over 350,000 works to the mass market. Consumers can purchase and download images for their personal use. The images are accessible via Corbis' search and commerce engine, search.corbis.com.

• Music site **sputnik7.com** last week launched an online satellite that will host a selection of exclusive digital music free for download. The **sputnik7** New York-based company partnered with **Rykodisc** artists Robert Cray, Kelly Willis and Mickey Hart and **Palm Pictures** artists Mocean Worker and Sly and Robbie. The site includes streaming music videos from sputnik7.com and digital music channels from **Music Choice**.

• **Homestead Technologies**, Menlo Park, Calif., makers of self-service Web-based publishing for consumers, launched **Homestead Publisher**, an extension of the drag-and-drop **Homestead** platform. With **Publisher**, users can edit Web sites offline and publish them wherever they want on the Web. The public beta is free and available for download at homestead.com.

• Rewards program **MyPoints.com**, San Francisco, merged its **MyPoints** and **Bonus-Mail** membership programs, offering advertisers a joint venue for online direct marketing. The new program enables advertisers to give consumers points for reading and responding to their offers. Rewards points may be redeemed for products and services.

• Computer chain **Micro Center**, Hilliard, Ohio, partnered with Redmond, Wash.-based **MSN Internet** to give away free PCs to customers who sign up for three years with MSN. Consumers will pay \$19.95 per month for MSN's Internet access.

Novo Sheds "Ironlight," Focuses on Strategy

BY SUSAN KUCHINSKAS—Novo Ironlight Interactive today unveils an updated identity, a new Web site and a new positioning as a strategic consulting group. The San Francisco shop will drop "Ironlight" and become simply Novo Interactive, and staffers will bill themselves as "digital commerce architects."

Novo's repositioning is part of an ongoing agency trend. On March 29, OgilvyOne New York announced the formation of strategic marketing consultancy OgilvyOne Consulting. Organic, San Francisco, has had a similar division since 1996.

Executives say customers are driving the changes. "Clients are not just coming to us and saying, 'Build this.' They're saying, 'How should we approach planning for this, spending against it, scaling it?'" said Novo CEO Kelly Anthony Rodrigues, who said his company "saw an opportunity to define before we design, develop and engineer."

Current Novo clients include Sony, Toyota, Levi Strauss, IKEA and E*Trade. Novo also won accounts from paper manufacturer Avery-Dennison, Pasadena, Calif., and online food and kitchenware retailer Digital Chef, St. Helena, Calif.

Digital Chef is the kind of highly-capi-

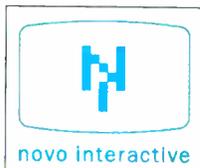
talized, pure Internet company Novo prefers to work with. "We think you have to service the client across their enterprise," Rodrigues said, "be able to consult on the strategic side, create, market and engineer. We think it's a more sound business practice

to embed ourselves across the businesses of our clients, for a smaller number of bigger, longer-term relationships." Novo plans to introduce a new compensation model based on performance that may include

taking equity positions in client companies.

Derrick Palmer, Novo's director of Internet business strategy and research, will lead a new strategic group. Palmer, formerly a director at Cambridge Management Consulting, San Francisco, said a big part of the job is change management. "When a company puts in place a technical solution like a Web site ... it's not just about technology. It's about internal processes, organizational design [and] having the people and skills to support it."

Palmer hopes to include end-users in the concept stage. "Why not ask them at the outset what they'd like to see," Palmer asked, "rather than developing something in the board room and then asking them?" ■



CMGi's Adsmart Spawns New Consulting Unit

BY KIPP CHENG—Advertising network Adsmart officially launches a new consulting division this week dubbed Adsmart Consulting. The Andover, Mass.-based company, a unit of CMGi, will provide free, day-long audits of Web sites within its network of over 220 sites, with plans to roll out consulting services to out-of-network sites on a per diem basis later this summer.

"Informally, we were already doing this," said John Federman, chairman and CEO at Adsmart. "In our business development processes, we were doing consulting for sites that were with other networks or sites that had no affiliation. What we began to understand was that we were creating an expertise in our organization for understanding how to monetize sites."

Federman said the consulting division

will help Web sites improve their profitability by suggesting additional revenue opportunities, for example, or making the site easier to navigate, or making the content more appealing, increasing traffic and impressions. Adsmart consultants will help sniff out and suggest possible syndication or partnership opportunities for its clients.

Adsmart expects the new consulting division to generate "a pretty significant revenue stream" and consulting clients will break down to approximately 50 percent within, and 50 percent outside, its network.

"For us, it allows us to take some of our talented people who come from the Internet, who come from the world of advertising, and rather than informally add this on top of their other responsibilities, give them a sole focus," said Federman. ■



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Digital Pulp Takes takegoodcare

Home healthcare company takegoodcare tapped Digital Pulp both to build its online store and develop a \$5 to \$10 million traditional and interactive ad campaign to market the new site.

"Healthcare on the Web is becoming a huge market," said Digital Pulp CEO Lee Nadler, citing the advent of sites like drugstore.com and PlanetRx. "People are being forced to take care of themselves more, or to take care of a loved one."

Summit, N.J.-based takegoodcare provides services, information and products from stores in Springfield and Edison, N.J. The site, takegoodcare.com, is expected to launch at the end of summer, Nadler said. Digital Pulp, which provides marketing services to clients using off- and online media, will support takegoodcare.com with national online, print, television and radio advertising.

Joyce Greenberg, chairwoman and CEO of takegoodcare, said the company considered several other undisclosed agencies before selecting Digital Pulp.

"It's a growth market that is growing in a way that has characteristics to suit the Internet very well," Greenberg said, noting that online help and training for product use, 24-hour customer service and community all will be incorporated in the site. The opportunity to chat "is as important as product," she said.

While takegoodcare won't expand its brick-and-mortar existence, Greenberg views its stores as "important laboratories" for creating the site and learning customer preferences.

—Adrienne Mand

Movers

PrivaSeek, Louisville, Colo., has named **Larry Lozon** as its CEO. He was a former senior vice president and director of General Motors' Cyberworks, Detroit ... Webstakes, New York, announced five appointments to the company's executive management team: co-founders **Steven Krein** and **Daniel Feldman** were named CEO and president, respectively; **Joseph Lamport** was named vp of partnership services; **Neil Somerfield** has joined as vp of marketing; and **Chris Bragas** was named chief financial officer ... Engage, Andover, Mass., has named **Betsy Zikakis** vp of marketing. She was with Open Market, Burlington, Mass. ... **Barry Layne** was named vp of programming and production at FasTV, the Los Angeles-based online video search aggregator. Layne previously served as lead Internet executive at Cendant Software (now Havas Interactive).

Unicast's "Superstitials" Welcomed by More Sites

BY ADRIENNE MAND—Rich media firm Unicast this week will kick-off a month-long program with several new advertiser, publisher and agency clients each agreeing to serve 1 million impressions of its "superstitial" ad model.

Superstitials are near full-screen ads that run between pages and load into a user's browser only when bandwidth isn't being used for content, explained Richard V. Hopple, chairman and CEO of the New York-based company. Unicast launched the format in February.

CBS SportsLine, Women.com, game site MPlayer, Excite and industry site Iconcast all have accepted the superstitials. Advertisers include the Internet Advertising Bureau, Hewlett-Packard, Universal Studios, Macy's and You Don't Know Jack. Participating agencies are DDB Digital, Left Field, Goodby Silverstein, WhiteHorse and Rockpile Interactive.

Each company will serve 1 million superstitial impressions by May 31. Unicast has hired research firm Millward

Brown Interactive, San Francisco, to study user acceptance, format effectiveness, brand recall and other qualities of the ads, which are up to 70K.

"I don't think there's any doubt in anyone's mind that advertisers are disenchanted of banners," Hopple said. "There

have to be units other than just banners." Superstitials work with the "conflicting needs" of advertisers, who want larger and more creative ads, and sites that need quick downloads, he said.

Superstitials for Universal's upcoming release *The Mummy* ran on CBS SportsLine for three weeks and currently are



CBS SportsLine's "Mummy" superstitial.

on MPlayer. Click-throughs on Sportsline averaged 21 percent, Hopple said, and the first week on MPlayer averaged 40 percent. "If you can generate that kind of click-through, you've got the user involved," he said.

Bob Habeck, managing partner at DDB Digital, Chicago, which worked with Universal on the ads, added, "To me, it's the closest thing right now to television." ■

BMG Spins CustomDiscs For Corporate Clients

BY KIPP CHENG—Record label BMG Music Group and online custom CD purveyor CustomDisc today announced a strategic partnership for corporate incentives.

CustomDisc will provide certificates to BMG, which the company can offer to its corporate customers as giveaways or premium incentives for consumers. Bearers can create custom CD mixes of songs selected from the BMG catalog. CDs will be co-branded with BMG and the corporate customer's logos.

"[CustomDisc] is a great consumer product, but it's also a wonderful premium product for corporations," said Nicolas Darveau-Garneau, president of CustomDisc.com. "The mantra of premiums and marketing is all about personalization and 'have it your way,' and this is all about

the consumer having it his or her way."

The 3-year-old Stamford, Conn.-based CustomDisc's current Web site, customdisc.com, enables consumers to create their own CD mixes. Users can also pick their own custom CD artwork, commissioned by CustomDisc.

"Our deal with BMG is the first and only deal with a major record label that any custom CD company has done," said Darveau-Garneau. "It's a very important strategic partnership for our company."

In a few weeks, CustomDisc will expand its online wares to include downloadable digital music files. While the file format has not yet been determined, Darveau-Garneau said the company will "be file format agnostic, allowing users to make choices based on their own preferences." ■

IQ Data



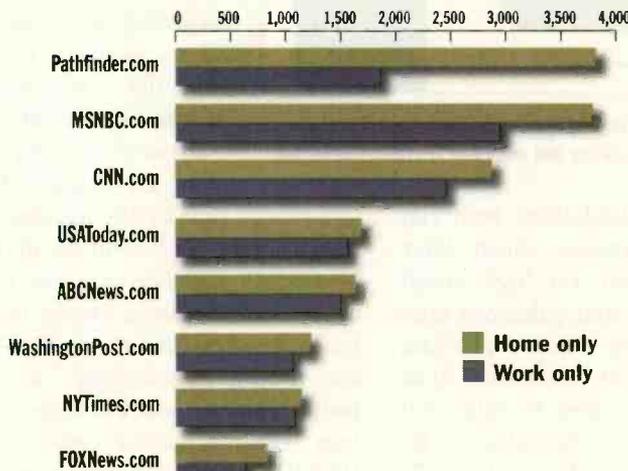
At Work & Play: All the News That's Fit to Surf

If there is still anyone out there who doubts it is just as important to track online usage at work as it is at home, they should look at the data below, indicating usage of news sites on the Web. Not only is work usage a hugely significant percentage, often accounting for 40 percent or more of all traffic, but the ranking of sites between work and home differs as well. Pathfinder.com, CNN.com and MSNBC.com are in the top three no matter where they are accessed from, but how they rank relative to one another differs depending on where they are accessed from.

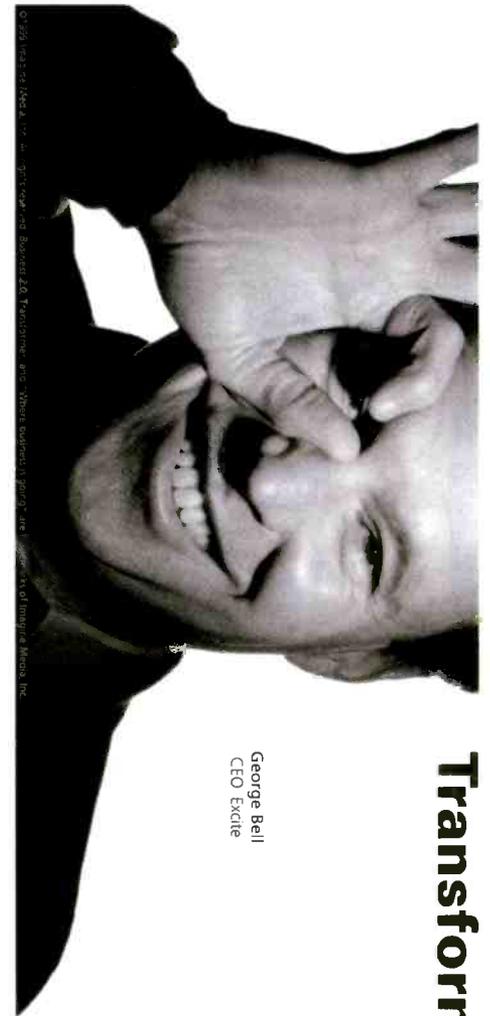
Top Traditional News Sites, as Defined by Adweek, March 1999

Unique Visitors (000s) Home Only		Unique Visitors (000s) Work Only			
1	Pathfinder.com	3,817	1	MSNBC.com	2,952
2	MSNBC.com	3,789	2	CNN.com	2,456
3	CNN.com	2,874	3	Pathfinder.com	1,863
4	USAToday.com	1,689	4	USAToday.com	1,566
5	ABCNews.com	1,635	5	ABCNews.com	1,501
6	Washingtonpost.com	1,229	6	NYTimes.com	1,086
7	NYTimes.com	1,144	7	WashingtonPost.com	1,064
8	FOXnews.com	832	8	FOXnews.com	640

Comparison of Top News Sites, as Defined by Adweek, March 1999



Media Metrix defines unique visitors as the actual number of users who visited each Web site, without duplication, once in a given month. More than 40,000 individuals throughout the U.S. participate in the Media Metrix sample.



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Analysis



Six Degrees of Television

NAB sees interactive TV searching for common ground. **By Susan Kuchinskas**

More than 100,000 broadcast professionals got together last week at the National Association of Broadcasters (NAB) annual trade show in Las Vegas. The theme of the show was "The Convergence Marketplace," but the view from the floor showed that the point at which television and the PC will converge is still beyond the horizon line.

While radio and television programming are weaseling their way onto the Internet very nicely thanks to streaming technologies, interactivity, connectivity and TV-based appliances remain an unwilling *ménage à trois*. There are big problems to be solved: Who will provide interactivity to viewers? Who will pay to produce the content and services? What will it take for advertisers to jump on board, and what should interactivity on the TV be like?

That last question is thorny enough. Among the exhibitors at NAB trying to answer it were improved television services such as Replay Networks and TiVo that let viewers time-shift programs, a category often referred to as personalized TV; Internet services via

the television, offered by Microsoft-owned WebTV and ICTV (which also provides games and video on demand); digital entertainment on demand from services such as Intertainer and WebTV, which will launch a satellite-based service in partnership with satellite broadcast provider EchoStar Communications Corporation in May; the @Home and

Consumers are probably very confused, too—at least those who have even heard of these services. The biggest problem for viewers who do want their television to be interactive is figuring out how to get it. The curse of Betamax still hangs over the set-top box industry with its incompatible standards, while cable providers are still in the process of laying fiber-optic cable as they struggle to keep revenue up.

The stake for cable companies and broadcast stations is bigger than just subscribers or eyeballs, though. Now is the time when they need to scramble to get in on the revenue opportunities from e-commerce, ad targeting and selling ad real estate on the television's interactive interface.

However, many of them are distracted at

this crucial time by the mandate to convert their equipment for digital broadcasting, which will not only allow them to transmit much ballyhooed greater picture quality but also provide interactivity. "Everybody's talking about the better picture quality, better sound [of HDTV]," said David Burkey, president of Continental Electronics Corporation, Dallas. "But the real



Singularis, one of many companies looking to gain a foothold in interactive TV, launched P3 at NAB, a personalization service that could help TV stations target ads.

Road Runner initiatives, both run by cable operators, which offer Internet content via high speed cable modems; and enhanced television content that provides interactivity and sometimes links to the Internet tied to cable TV programming, provided by companies including OpenTV, ACTV and Wink Communications. Sound confusing?

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benefit is information—it's a broader pipeline to the consumer." Burkey's company was at NAB to sell broadcasters its new digital television transmitter, with a spin. CEC adds a turnkey solution for combining data services, whether Internet access, Internet-like services, or enhanced TV, directly to consumers.

Singularis, of Lausanne, Switzerland, is another company ready to usher broadcasters into the new age of television. It launched P3 at NAB, a personalization and profiling platform for use by broadcast stations. It lets viewers personalize their programming while providing preference information to the station, allowing them to target promos and ads. "We believe that information services will be provided by the operator and cable companies," said Mehdi Aminian, Singularis' CEO. "But they will have to become the trusted broker between all the online services and the users."



Everyone, from time-shifted viewing company TiVo to WebTV, had a convergence pitch at NAB.

Meanwhile, penetration of even the most established third party interactive services is low: @Home boasts 460,000 subscribers, but many players peg critical mass of such services at several million. Major rollout of television-based data services, most say, won't hap-

pen until next year. Until those eyeballs come, advertisers won't follow.

"If I'm a major advertiser and I want to do an interactive ad, I don't want to make one for every platform under the sun," admits Terrence Coles, vice president of commerce and advertising of Culver City, Calif.-based Inter-tainer. "We have to get together on a platform, find a way that we all consider is interactive and standardize across platforms.

Even when that happens, some of the demos at the show illustrated that too many interactive television products add little more than a mechanism for the broadcaster to send more promos and purchase offers. For example, James Aguilar, director, network media group, of WebTV, Mountain View, Calif., showed an example of what his company plans to provide as the next generation of the service, which he described as "delivering a deeper television experience." An enhanced version of *Saturday Night Live*, the demo added an interactive strip to the side of the broadcast window. Viewers could read the bio of guest host Ben Stiller, find out that the musical guest was Alanis Morissette, and buy her CD. Yawn.

@Home plans to roll out a similar model with a television start page based on merger partner Excite's personalization features and including e-mail; an electronic program guide (EPG); video and enhanced TV; and basic two way broadband interactive services for

the most popular uses such as checking stocks.

These less-than-compelling examples do not seem like something viewers would pay extra for, and that's another problem. "For consumers who don't want to use the Internet or go to any additional expense, but want something in

"Eighty percent of television ads don't have anything to do with you," says Celerity's Van Meter.

addition to the video, I think it's a good platform," insisted broadcasting consultant Melitta Ellerbe. Certainly, some programming lends itself more easily to enhancement. Stats-heavy sporting events are perfect vehicles for the addition of text boxes, as are shopping programs.

For those who just want to veg, perhaps replacing annoying commercials will be enough to move them into a laid-back version of the digital age. According to Kenneth Van Meter, president and CEO of Celerity Systems, Knoxville, Tenn., a maker of interactive video hardware and software systems, "Eighty percent of television ads don't have anything to do with you. In focus groups, we found that if you have the ability to block the ads you don't want to see and get the ones you do, most people felt that was positive."

Whether the will to kill the cat food commercials is enough to drive people to the electronics store to buy one of those little black boxes remains to be seen. ■

CULTURE TRENDS

MTV Around the World

Week of 4/19/99

MTV Asia

<i>Artist</i>	<i>Title</i>
1. Britney Spears	Baby One More Time
2. Shania Twain	That Don't Impress Me Much
3. Madonna	Nothing Really Matters
4. Blondie	Maria
5. Offspring	Pretty Fly

MTV Latin America (South Feed)

<i>Artist</i>	<i>Title</i>
1. Offspring	Why Don't You Get A Job?
2. Blondie	Maria
3. Los Cabelleros	Avanti Morocha
4. Bersiut Vegarabat	Yo Tomo
5. Los Pericos	Pupilas Lejanas

MTV India

<i>Artist</i>	<i>Title</i>
1. Shankar	Breathless
2. G. Michael	As
3. Cher	Believe
4. Sonu Nigam	Ab Muje Raat Din
5. Pankaj Udhas	Aahista Kije Baatein

MTV Australia

<i>Artist</i>	<i>Title</i>
1. Britney Spears	Baby One More Time
2. Silverchair	Anthem for the Year 2000
3. New Radicals	You Get What You Give
4. Offspring	Pretty Fly
5. 2Pac	Changes

Billboard's Top 15 Country Singles

Compiled from a national sample of airplay. Provided by Broadcast Data Systems.

<i>This Week</i>	<i>Last Week</i>	<i>Peak Pos.</i>	<i>Wks on Chart</i>	<i>Title</i>	<i>Artist</i>
1	1	1	74	Shania Twain	Come On Over
2	2	1	62	Dixie Chicks	Wide Open Spaces
3	3	2	5	George Strait	Always Never ...
4	4	1	20	Garth Brooks	Double Live
5	5	5	2	Lila McCann	Something In The Air
6	9	5	5	Kenny Chesney	Everywhere We Go
7	8	2	50	Faith Hill	Faith
8	7	4	8	E.Harris, L.Ronstadt, D.Parton	Trio II
9	6	6	2	Patty Loveless	Classics
10	11	6	55	Jo Dee Messina	I'm Alright
11	10	3	21	Soundtrack	Touched By An Angel
12	13	1	96	Tim McGraw	Everywhere
13	14	8	48	Mark Wills	Wish You Were Here
14	15	4	84	Martina McBride	Evolution
15	12	5	6	Tracy Byrd	Keepers/Greatest Hits

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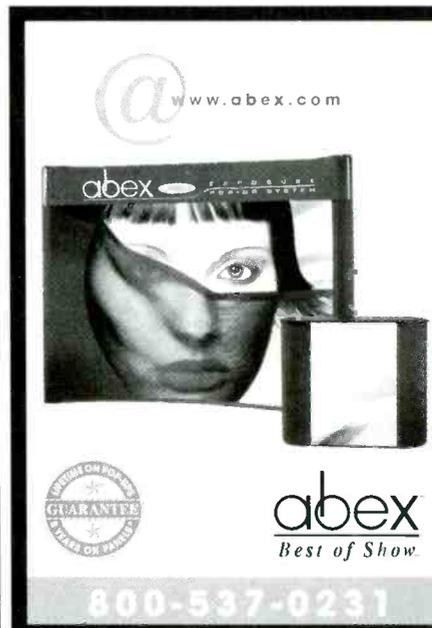


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COMDEX Spring
Chicago IL • April 19-22

National Association of Broadcasters
Las Vegas NV • April 17-22

Supermarket Industry Convention & Educational Expo
Chicago IL • May 2-4

E3 Electronic Entertainment Expo
Los Angeles CA • May 13-15

Restaurant, Hotel/Motel Show
Chicago IL • May 22-25

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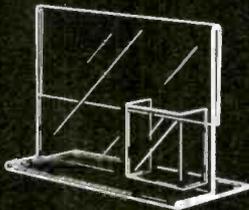
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Pacific West Marketing offers innovative and highly creative products & services for the promotional industry.

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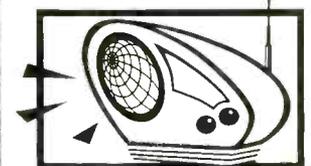
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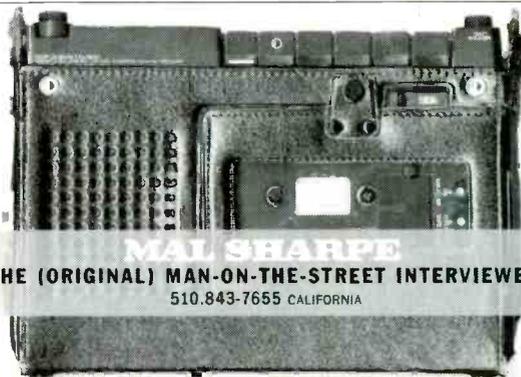
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THE NEW YORK TIMES

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Ideal for graphic designer. Opportunity/possibility to trade work for rent reduction.

Call 212-242-6993

Reach your ad community in
ADWEEK CLASSIFIED

EMPLOYMENT

RESEARCH MANAGER

National sports league is searching for **Research Manager** to support advertising, sponsorship & promotions departments, franchise/member relations, and long-range strategic planning.

Requirements:

- Strong knowledge of quantitative methodologies, including custom and syndicated market research
- Knowledge of qualitative research and trend analysis
- Experience managing research budget and supervising research suppliers
- Minimum 3-5 years of experience
- Strong writing and presentation skills
- Able to work independently

Sports marketing experience a plus, but not required.
Salary commensurate with qualifications and experience.

Please fax resume and salary requirements to:

Vice President Advertising
212-907-9281

ADVERTISING SALES EXECUTIVE

The new media division of a leading publishing/broadcasting corporation is seeking a knowledgeable and energetic individual to join our sales force to generate advertising for several websites.

If you possess:

- self-motivation, ability to work independently, a willingness to travel
- strong presentation skills, and
- 3-5 years of print, broadcast or new media experience,

then fax resume and salary requirements to (212) 462-6933 for consideration. Only serious candidates need apply.

Classified Advertising Call M. Morris at 1-800-7-ADWEEK

EMPLOYMENT



AT LUCENT, we're taking technology over the top. We're the company that invented the transistor. Developed the dial tone. The cell phone. The laser. The communications satellite. And we're the company that will define the business of technology in the 21st century. Join us in the future that will be as exciting as our past.

ADVERTISING MANAGER

In this growth position, you will direct the development and execution of major global advertising campaigns in support of corporate and service provider business plans and goals. Key responsibilities include strategic analysis, print and television production, media placement, as well as interfacing with key decision makers.

The ideal candidate will have a Liberal Arts BA along with 7+ years of advertising agency account management experience. Knowledge of interactive media and direct marketing a plus. Computer skills a must.

From performance-based compensation to stock purchase plans, Lucent offers one of the most comprehensive benefits programs in the industry. Define your own future. Apply today. Send/email your resume and salary requirements, to:

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George Road, Warren,
NJ 07059. Email:
lkirby1@lucent.com
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www.paladinstaff.com

RATES for Employment and Offers & Opportunities

MINIMUM: 1 Column x 1 inch for 1 week: \$170.00, 1/2 inch increments: \$85.00 week. Rates apply to **EAST** edition. **Special offers:** Run 2 consecutive weeks, take 15% off second insertion. Frequency, regional-combination, and national discounts available. Charge for ADWEEK box number: \$35.00 per insertion. Replies mailed daily to advertisers. Readers responding to any ads with box numbers are advised not to send samples unless they are duplicates or need not be returned. We are not responsible for recovery of samples.

1-800-7-ADWEEK Classified Manager: M. Morris

Classified Asst: Michele Golden

The identity of box number advertisers cannot be revealed. If ADWEEK must typeset ad, charge is \$25.00. **Deadline for all ads in ADWEEK EAST is Wednesday, 4:30 p.m.** If classified is filled prior to closing, ads will be held for the next issue. **Classified is commissionable when ad agencies place ads for clients. No proofs can be shown.** Charge your ad to American Express, Mastercard or Visa, **ADWEEK CLASSIFIED, 1515 Broadway, 12th fl. New York, NY 10036.** 1-800-723-9335 Fax: 212-536-5315.

HELP WANTED

THE REPORTER

MARKETING & PROMOTION DIRECTOR

Leading Daily Entertainment Trade Publication is looking for a strong, dynamic individual to head it's marketing and promotion efforts. Fantastic opportunity for the right person. Candidate will oversee the development and creation of all promotion and collateral materials for ad sales in the Daily, Special Issues, and Website. Position also oversees tradeshow, seminars, events and publicity. 5 yrs. marketing & promotions experience a must, publishing experience preferred. proven track record working in a fast paced, deadline driven environment. Please send cover letter, salary requirements, and resume to: Attn: CSMP, 5055 Wilshire Blvd., LA, CA 90036 or fax to: 323-931-0096. EOE.

Neiman Marcus Print Production Manager

Responsible for color separations and printing of upscale fashion and gift catalogs. Must have excellent eye for color and detail, a high level of organizational and communication skills. Understanding of the creative, production and business aspects of web catalog production necessary; schedule and budget development skills a plus. Travel required for press checks. Three to five years experience required.

Mail or fax resume to:
NM Direct

Human Resources
Attn: Kelly McLendon
111 Customer Way
Irving, TX 75039
Fax (972) 401-6827
email:

kelly_mclendon@neimanmarcus.com

Major NYC Shop Needs Two Account Executives For The 21st Century

Our Client needs Two AE's (You may currently be a strong Junior AE). Naturally we expect you to understand the basics i.e. Mechanicals, Media, Research, etc.

ACCOUNT EXECUTIVE

Good retail feel for chain grocery drug and superstore needs. Able to interact with retail executives for product promotion etc. 20% travel \$40-45,000.

ACCOUNT EXECUTIVE

Package goods experience with multi brand consumer company. You will interact with retail execs but the basic package goods background is key \$40-45,000.

Lee Rudnick/Hyla Solganick
DBI Media, Executive Search

Ph: 212-338-0808

Fax: 212-338-0632

Email: dbimedia@mindspring.com
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Vintage Resources is now the leader in placing Direct Mktg & Adv pro's in the tri-state area. We focus on your indiv talents. We reward your efforts w/superb career optys & negotiate the best compensation pkges. Just some of this week's optys.

Group Acct Dir.....to \$200K
Account Dir.....to \$150K
Account Supv.....to \$90K
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Media Supv.....to \$80K
Media Planner.....to \$50K
Please send resume w/sal history to
Vintage Resources, 11 E. 44th St.,
Ste. 708, NY, NY 10017 or fax
(212) 490-9277

ART DIRECTOR

Award-winning South Florida agency seeks Art Director with minimum five years experience (heavy print).

GRAPHIC DESIGNER

Strong conceptual Graphic Designer experienced in print, collateral, execution of projects through completion. Proficiency in Quark, Illustrator & Photoshop a must.

Send resumes and 3 non-returnable samples to:

Wilesmith & DelGigante
105 So. Narcissus Ave., Ste. 402
West Palm Beach, FL 33401

Are you a highly motivated and energetic self-starter with an interest in sports and/or entertainment?

Miller Publishing (Sports & Music Groups) is seeking an organized, efficient, and detail-oriented individual to provide research support for the national advertising and marketing staffs. Candidate must have working experience with syndicated research studies such as MRI, J.D. Power, and MMR. Experience with using IMS, MEMRI or similar media analysis programs is required. Must possess computer proficiency of Word, Excel and Powerpoint. Previous experience at a publication or ad agency preferred.

Please send/fax your resume to:

FAX: (212) 448-7400

Attn: Belle Fu

ADWEEK Classified, Box 4082

1515 Broadway, 12th fl., New York, NY 10036

CREATIVE MANAGER

Better Homes and Gardens Special Interest Publications seeks a creative promotion design professional with strong graphic and production expertise. Reporting to the Marketing Director responsibilities include the design, content and production of sales promotion and collateral materials, working with outside vendors on pricing, delivery; development of added-value programs. Some copywriting required. A college degree in art/graphic design. Must have a minimum of 3 years in a magazine marketing/promotions department. Able to manage tight deadlines. MAC: Quark, Photoshop and Illustrator necessary. Excellent written and verbal communication. Portfolio will be required prior to an interview. Send salary history with resume and cover letter to:

Meredith Corporation
Human Resources, Dept. CS

125 Park Avenue

New York, NY 10017

FAX (212) 551-6919

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Meredith
CORPORATION

We are one of the leading executive search firms specializing in the recruitment of advertising industry professionals. Our clients: ad agencies of all sizes, corporations and industry vendors, have exciting career enhancing opportunities. The following is a limited sample of our current search assignments.

MEDIA

Grp Media Dir/Media Dir/Mgr. \$85-\$175K

NYC-Knowl DR, develop/lead planning team.

SFO-Corp oppty. All media DR exp. Relo pd.

Planners/Planning Sups/AMDs \$32-\$130K

Retail, fast food, telecom, pkgd gds, hitech, toys, auto or interactive experience.

Nat'l Broadcast Sups/Group Heads \$60-\$85K

PRODUCTION/TRAFFIC

Dir Production \$125K

Direct Mail plus supervisory exp required.

Traffic Sup \$65K

Ad. collateral, and supervisory exp required.

ACCOUNT MANAGEMENT/CORP

Mgmt Sup - Retail/fashion to \$90K

Adv Mgr - NYC consulting firm to \$75K

Acct Sups - pkgd gds, retail, pharm to \$65K

Ad agencies, sales promo and interactive shops.

Acct Execs - hi-fashion, publishg to \$45K

ACCOUNT PLANNING/MARKET RESEARCH

Acct Planning Dir-Interactive to \$150K

Resh Dirs/Mgrs-CT, NY, NJ corps \$45-\$100K

Sr/Acct Planners-NY, SF \$40-\$130K

Moderators \$0PEN

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FORUM

342 Madison Ave., New York, NY 10017

212-687-4050 or Fax 212-661-2789

Email: info@forumper.com

ART DIRECTOR

Dynamic magazine insert company in Manhattan is searching for a responsible person to create, design and oversee the production of our ad pages. Must have strong organizational skills and be able to negotiate with vendors. Heavy client contact and sharp eye for detail. Knowledge of Quark necessary-Illustrator and Photoshop a plus. Team player with enthusiasm for learning and growth potential are key.

FAX resume with salary requirements to:

M. Hanscome (203) 319-0699

Marketing Copywriter & Account Coordinator Washington, DC Metro Area

JDG, Inc., a strategic marketing firm seeks a creative copywriter experienced in high-tech business to business promotional writing. Strong oral presentation skills also required for presenting our award-winning work to high profile clients. Fax resume with salary requirements and 5 copywriting samples to 703-533-0554 or email at info@jdgdesign.com

J D G, Inc.

HELP WANTED



Candie's Inc., one of the fastest growing companies in the fashion industry, is currently seeking exceptionally talented individuals to join its in-house advertising agency. The agency services two rapidly growing brands, Candie's and Bongo, with all aspects of marketing needs in the apparel, footwear and fragrance categories. All positions are based in the company's new Manhattan advertising and design center.

ART DIRECTORS

Qualified candidates will possess a minimum of three years agency experience. Must be strong conceptual thinkers and able to develop and pitch ideas to clients. Must have excellent Quark, Illustrator and Photo Shop skills as well as a solid background in print and video production.

ACCOUNT MANAGEMENT

Qualified candidates must possess a minimum of three years agency experience, preferably in the fashion, retail or beauty categories. Must have strong background in strategic planning and brand management. Must be able to effectively present and sell ideas, be deadline oriented, and possess excellent organizational and communication skills.

PRODUCTION COORDINATOR

Responsible for assisting studio manager with all aspects of production including trafficking projects, estimating, managing interaction with outside production resources, preparing artwork for production and going on press checks. Working knowledge of PhotoShop and Quark is required.

Salaries for all positions will be commensurate with experience. Interested candidates should fax resume and salary history, indicating position of interest, to

914 694-8608.

Resumes may also be mailed to

Candie's at 2975 Westchester Avenue, Purchase, New York 10577

**CONTINUITY MANAGER/
COMMERCIAL OPERATIONS**

New York City Location

USA Networks, a highly acclaimed broadcast entertainment conglomerate, featuring the successful USA Network and the Sci-Fi Channel, seeks a highly motivated individual to work in our busy Commercial Operations Dept in New York City.

The successful candidate will supervise a staff in the solicitation of commercial materials from ad agencies, assign copy rotation to advertising sales schedules, interface with Ad Sales Dept and maintain copy files. In addition, you'll be responsible for overseeing special copy-related projects as directed by dept upper management.

To qualify, you'll need 1-2 years broadcasting/cable/ad agency exp including at least 1 year in a supervisory capacity. Excellent communication skills are a must as you'll be interfacing with clients and senior management. The ability and willingness to work overtime is reqd. Must be proficient with Windows 95.

We offer a salary in the mid \$30s commensurate w/exp and comprehensive benefit packages. Please send/fax resume & cover letter with salary requirements (only resumes with salary requirements will be considered) to: **USA Networks, HR Dept-CM, 1230 Avenue of the Americas, New York, NY 10020. Fax: 212-413-6524.** (No phone calls please). An EOE M/F/D/V.



**MANAGER,
PUBLIC
RELATIONS**

As a global provider of consumer and business services, Cendant's well-known brands such as ERA, Century 21, Coldwell Banker, Ramada, and Howard Johnson, impact the lives of millions of consumers each day. In today's fast-moving business arena, Cendant sets the pace with an overall mission to create innovative ways of delivering value to our customers and business partners... and our impressive growth in recent years supports this. Here, we have crafted a culture centered on achievement—affording super-motivated, fast-thinking & entrepreneurial people the opportunity to excel in a variety of wide-reaching business roles. We invite candidates eager to embrace new and exciting challenges to join our dynamic team.

In this vital and visible role managing the PR/external communications function for Century 21 Real Estate Corporation, it will be your responsibility to tap all resources to implement PR programs and publicity for promotional events on both national and regional levels. With a "client" base made up of Century 21 management, brokers and the public, your responsibilities will be broad-scooped to include assisting brokers on PR and crisis management, advising executives on PR positioning, developing white papers for media events and inquiries as well as overseeing activities of departmental staff, external PR agency and relationships with charitable organizations. Budgetary responsibility is also involved.

The selected candidate will possess a Bachelor's degree in Marketing, Public Relations, Communications or a related field together with 2 or more years management experience in a large corporate or agency environment. A proven track record of media placements, background managing an outside agency and excellent presentation and communication skills are key. Candidates must be proactive and energetic able to work on many projects effectively under tight deadlines.

We provide competitive compensation, excellent benefits and an exciting, results-oriented environment that inspires top achievement. Please MAIL/FAX resume to: **CENDANT, HR Dept. PR/MAT, 6 Sylvan Way, Parsippany, NJ 07054-0656. Fax: (973) 496-5966, e-mail: jobs@hfsinc.com.** No phone calls please. An equal opportunity employer.



www.cendant.com

BUSINESS MANAGER

Medium sized full service Ad Agency is looking for a Business Manager who seeks hands-on involvement in the production process within the Broadcast Department. Shed the image of being considered a clerk! You will be part of the the creative team. If a fast paced environment suits your personality and you have production or agency experience,

please send a cover letter, resume and salary requirements to:

**Christine Martin
Director of HR**

**110 5th Avenue, NYC, NY 10011
or e-mail us @jobs@jmcp.com**

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Hands-on individual needed to mge all financial and circulation activities for small bi-monthly magazine in Portland, ME. Must have strong analytical & negotiating skills. Magazine experience required.

Fax resume to 207-775-3744

HELP WANTED

WE'RE AT A LOSS FOR WORDS.

Is it us, or have great print writers become as scarce as web designers without pierced tongues? We're the New York headquarters of a leading technology agency (1998 B-B Agency of the Year, for the skeptical among you) and while we're known for aching hip online work, we're just as big on Print. So if you're an experienced copywriter with an awesome book and conceptual chops, send your resume and five non-returnable samples to the address or fax number below. Or email us directly at rethridge@geginc.com. We know you're out there somewhere.

GRECO ETHRIDGE GROUP

126 Fifth Avenue • New York, NY 10011 • Fax: 212.633.9133

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Here's your shot at getting all that great work produced. Join the award-winning creative team at one of New Jersey's leading, creatively-driven ad agencies. You will have the opportunity to work on consumer and business-to-business print, broadcast, DM, interactive and collateral. Candidates must have 3+ years ad agency experience, plus a great book (even if half the stuff never got produced).

Fax resume with salary requirement to

Attn: President/Creative Director

KEYES MARTIN

100 Eagle Rock Ave.

East Hanover, NJ 07936

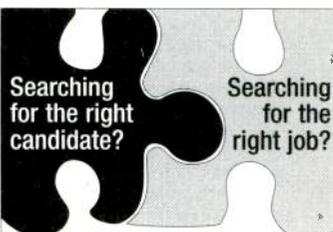
Fax: 973-739-1830

Email: sadams@keyesmartin.com

www.keyesmartin.com

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ACCOUNT EXECUTIVE

Baker Associates, Inc., an international consumer design firm involved with branding, package and P.O.S. design, and category marketing is seeking an account executive for our Morristown, NJ office. The position involves daily contact with an established, blue-chip account.

Candidates must have excellent communication and organizational skills, and experience in the design/production industry.

Send résumé to:

S. W. Baker Associates, Inc.

attn: J. Reishus

545 Indian Mound

Wayzata, MN 55391

e-mail: jreishus@bakerasassociates.com

CLIENT SERVICE EXECUTIVE

Expanding computer software company specializing in the advertising industry is seeking a self-motivated, media planning/research professional for our Chicago and New York offices. The successful candidate will provide proactive customer service support/sales to our client base of ad agencies, publishers, and advertisers.

Please fax your resume to:

Fax: 212-725-5428

or e-mail: susan@telmar.com

ADVERTISING AE

Mid LI Ad agency looking for AE to handle existing business.

Ideal candidate should have 1-4 years experience, background in financial and/or internet marketing a plus.

Salary range \$35-45K. Email resume to: CTANY@aol.com or fax (516) 794-2551.

ASSOC MEDIA DIRECTOR

Global ad agency seeks individual with 2yrs max experience as Associate Director. Consumer Products/Technology/Services bkgd. Nat'l TV & Print exp. Fax resume to: Sharon, 212-271-3922

- 1) YOU DON'T SUCK.
- 2) YOU HAVE TALENT.
- 3) YOU DON'T SUCK.

If you meet these three points in our criteria, we'd like to meet you. We're looking for a copywriter. We're a downtown agency with entertainment based accounts and we're growing.

If you're junior enough not to be jaded and senior enough to work on your own, we'd like to meet you.

Please fax non-returnable samples and cover letter to:

(212) 242-7008 Attn: Adweek/Copy

PRODUCTION MANAGER

Burned out by the big city?
Try a smaller one.

We're Hartford based. We work out of a Victorian Brownstone with a park view. And we're growing. We need a Production Manager with 7+ years experience to oversee all aspects of production and traffic. You'll work with a close-knit group of 30 people in a fun, very creative environment. Send resume to:

O'Neal & Prella
95 Elm Street, P.O. Box 1139
Hartford, Ct. 06143

Att: Production

e.o.e.

MEDIA PLANNER/ BUYER

NEVER COMMUTE AGAIN!!

HOT, Award-Winning, Expanding Long Island Agency seeks motivated media professional with 1+ years experience. Report directly to VP of Media. Learn all aspects of media, including new media and international. Excellent computer, organizational and communication skills required.

Resume, letter & salary history to:

dgp@thehalogroup.net

or Fax to 516-543-2540

ACD & AD ASAP!

See www.mtinc.com for more info.

media logic

**ADVERTISING SALES EXECUTIVE**

Leading advertising sales organization seeks a creative, dynamic, goal-oriented salesperson for their New York office.

Media sales experience a plus with an emphasis on growing existing account base. Must possess excellent written and verbal communications skills. A successful sales history and ability to handle numerous ongoing projects are necessary.

Excellent salary, benefits and incentive potential. EEOC.

Fax resume in confidence to:

212-286-9004

or send to:

ADWEEK Classified, Box 4044

1515 Broadway, 12th fl.

New York, NY 10036

CREATIVE DIRECTOR

David's Bridal, the nation's leading bridal fashion retailer, with over 80 stores in 29 states, is searching for a success driven, seasoned Creative Director with 5-10 years experience in upscale consumer product catalogue art direction, design, and execution to assist us with our aggressive growth plans. We're looking for the best and the brightest. If your work is on the cutting edge, preferably in fashion or accessories, you are someone we would like to meet. We're looking for concept through photoshoot with some TV and radio production experience, as well. If you've done it all, please fax your resume to 610-896-3161, e-mail careers@davidbridal.net, or mail to N. Insdorf at 27 W. Athens Ave., Ardmore, PA 19003.

DAVID'S BRIDAL

PUBLIC RELATIONS/ MARKETING

Rapidly-growing historic site/museum in Greenwich, CT. seeks p/t public relations/marketing officer to manage media and community relations, cultivate feature writers, develop state/national site identity, publicize programs, maintain web site and coordinate publications.

Fax resume to D. Mecky at 203-861-9720 or e-mail to dmecky@HSTG.org.

HELP WANTED

MEDIA PLANNER/BUYER

Turner Broadcasting System's in-house media department is seeking a media planner/buyer with a minimum of 3 years agency experience. Applicant should possess strong negotiation, communication and analytical skills with a working knowledge of print, broadcast and out-of-home media. This position offers the opportunity to work directly with the clients from the marketing departments at each division within Turner. We also offer an excellent benefits package including home-game tickets to Atlanta's favorite sporting events...Braves, Hawks and Thrashers. EOE.

Please mail or fax resume to: VP of Media Services, **RET Media**
P.O. Box 105366, Atlanta GA 30348-5366 Fax (404) 878-7028.



A Time Warner Company

PROMOTION COPYWRITER

The New York Times is currently seeking a promotion copywriter who can create a broad range of lively, persuasive materials in support of advertising, circulation and other departments of The New York Times as well as other divisions of the Company.

Candidate must be creative, high-energy team player, with demonstrated ability to successfully juggle many different projects such as ads, sales sheets, brochures, signs, radio spots, press releases, presentations, contests, letters, and internal and external publications, often under tight deadlines. Ability to appeal to diverse audiences (advertisers, readers, employees) important. Position reports to Creative Director, Promotion.

Five to ten years professional copywriting experience required. Magazine, newspaper or advertising agency background helpful. Bachelor's degree preferred.

In addition to an excellent salary and benefits package, the chosen candidate will find an environment committed to diversity, challenge and growth. For consideration, please forward your resume to:

The New York Times

229 West 43rd Street, New York, NY 10036
ATTN: Human Resources/Promotion Copywriter

FAX: (212) 556-4011

The New York Times is an equal opportunity employer.

MARKETING

The Leo Burnett Company, one of the largest advertising agencies in the world, currently has Assistant Account Executive positions available at field offices in **Purchase, NY; Naperville, IL; Irving, TX; Atlanta, GA; and Thousand Oaks, CA.** We're looking for candidates with one to three years of marketing experience; passion for the automobile industry is a plus. We're interested in hiring self-starters who thrive in a fast-paced environment. Our Assistant Account Executives must be able to analyze the client's business, generate ideas, motivate a team and build relationships. Bachelor's degree and proficiency in Excel, MS Word and PowerPoint required. We offer an excellent compensation/benefits package and a generous profit sharing plan.

If interested in applying, please forward a cover letter (indicating location preference) and resume by May 10th to **Leo Burnett Company**, Attn: Brad Karsh, Marketing Recruitment Director, 35 W. Wacker Drive, 26th Floor, Suite A, Chicago, IL 60601, FAX: 312-220-6532.

EOE M/F/D/V

REUTERS**MEDIA TECHNOLOGY/MEDIA SUPPORT**

Help Reuters continue to build the Advalue Network service for New York agency, rep and station community. As a Customer Support Executive, you will service multiple client accounts, train users, create documentation, and trouble shoot. Knowledge of DDS or other large agency/rep systems a +. Must be computer literate.

Send or fax your resume with salary history to:
Attn: Paul Levy

Reuter's Marketing Information
1700 Broadway, 40th Floor, New York, NY 10019
FAX: 212-603-3867

**SALES/MARKETING
SENIOR ACCOUNT EXECUTIVE**

Scarborough Research, industry leader in providing media research information, seeks experienced professional for its Advertiser and Major Advertising Sales group. Responsible for sales, renewals, and service. Must have knowledge of media research and its sales applications. 7+ years of progressive sales/research experience in media/advertising agency field. Degree in marketing or research preferred. Competitive benefits package. Location at our Manhattan headquarters office.

Fax cover letter, resume with salary requirements to
Scarborough Research - HR Dept - CL
212-789-3679

ADVERTISING SPACE SALES

ADWEEK DIRECTORIES has an exciting entry-level inside sales opportunity for you to sell advertising in our directories serving the advertising, marketing, traditional media, and new media industries. You must love to cold-call, be able to bring in lots of new business, deliver great customer service, and have the intelligence and imagination to work on ad programs for some of the largest and most innovative companies in the business. This is a telephone sales position, but "boiler-room" telephone reps need not apply; you must be comfortable with the smart, customer-focussed, consultative sales approach. Here's a chance to make your mark with some terrific proven products. Competitive salary, excellent commission package and benefits.

Fax resume, cover letter, and salary history to:

Harold Itzkowitz 212-536-5315

Resumes without cover letters will not be considered.

EOE

**SENIOR SALES
EXECUTIVE OPPORTUNITY**

Leading trade magazine company has a top NY based sales position open for a dynamic, energetic self-starter. 4 years + selling experience; an understanding of consumer media desired (i.e. magazines, tv, radio, new media). Creative thinker, great presenter, hard worker and proven go-getter all required. Some travel required. Good compensation & benefits package for right person.

Fax resume & sal. history to:

Sonja at (212) 536-5353

**GOOD \$ FOR GREAT
DIRECT MAIL CREATIVE**

If you can write a direct mail letter that beats our normal response rate, you will be rewarded handsomely. Send resume and 2 writing samples to:

The Bean Agency
Fax: (206) 386-5630
E-mail: beanagcy@aa.net

AD/DESIGNER

5-10 yrs. exp. for full time freelance, leading to permanent. Fast-pace promotion, POS, collateral and print adv. agy. Must be able to handle multiple projects, be resp. from concept to mechs. Quark, Illustrator and Photoshop a must.

Email resume & salary to Jack at
lmb@snet.net
or fax to 203-634-8725

HELP WANTED



Come join the fastest growing Internet service provider in the market today.

Prodigy Communications Corporation is a leading nationwide Internet service that provides fast and reliable Internet access and related value-added services.

We currently have openings for several creative, results-oriented direct marketers.

Responsibilities:

Develop and implement marketing programs using a variety of online and off-line tools; direct mail, partnerships, advertising and telemarketing. Work closely with cross-functional groups including: advertising, customer service, development, reporting, analysis and data to plan and implement product enhancements, promotions and functionality that will motivate new customers and retain our membership base.

Requirements:

Successful applicants will be dynamic, innovative individuals with extensive experience in consumer marketing (including some web-based marketing). Strong project management skills a must, along with effective communication, presentation, and leadership skills. BA or BS degree in Business, Marketing or related field, plus 5-8 years of marketing experience. MBA preferred.



Prodigy Communications Corporation has a very competitive Compensation and Benefits Program. Please fax your resume, cover letter and salary requirements to: (914) 448-3467 or E-mail us at: human_resources@prodigy.net 44 South Broadway, White Plains, NY 10601 Prodigy is an Equal Opportunity Employer M/F/D/V.

ATTN: FREELANCERS

ADWEEK can offer you the exposure you need in our **Services & Resources** section. If you need to get your service out to the people who matter, you need to advertise now. Call for info 1-800-7-ADWEEK.

MARKETING COMMUNICATIONS MANAGER

Salary up to \$50,000 (commensurate with experience)
Manage marketing and communications functions for newly formed in-house ad agency of well-known daily sports media company based in Manhattan. Ability to handle multiple projects, impeccable organizational skills and flexibility to expand role as needed are critical to succeed and advance in this fast-paced environment.

- Execute and assist in development of efficient, impactful media advertising campaigns via thorough knowledge of local and national print, broadcast, cable and new media marketplace.
- Ability to organize and develop a system to effectively order, traffic, match, track and record advertising schedules and production materials for multiple campaigns.
- Develop, execute, analyze direct marketing plans, coordinate strategic alliances, assist in implementation of national promotions and manage marketing assistant.

Forward cover letter and resume to Director of Advertising, DRF, 315 Hudson Street, 9th Floor, New York, NY 10013. Fax: 212-366-7773. EOE

NATIONAL EVENT DIRECTOR

US CONCEPTS, INC., the premier on-premise event marketing agency, seeks a self-starter who thrives in an entrepreneurial environment for our Wine & Spirits Promotions division. Situated out of our NYC office, you will oversee the field event managers nation wide.

Candidate will have sales background with event development & execution experience. Responsibilities include training, developing, coaching & counseling staff in execution and management techniques; and partner with our client to provide guidance and leadership. Excellent interpersonal, communication and presentation skills, along with strong leadership and organizational skills and solid business skills are required. Travel is a must.

For immediate consideration, please mail/fax resumes to: US CONCEPTS INC, Attn: HR-NEM, 16 West 22nd St, NY, NY 10010; Fax: (212) 206-0628. EOE M/F/D/V.

MARKETING DIRECTOR REDBOOK

Redbook is seeking a magazine marketing professional to work closely with its Publisher and ad sales staff to develop magazine's overall strategic direction and implement marketing plans. This position will create and execute all marketing/promotional materials and programs including sales presentations, sales collateral material, direct mail programs, retail and in-market merchandising programs, custom added-value programs and special events. Position supervises the promotion, creative services, merchandising and research staff.

Successful candidate must have marketing experience at a women's magazine and also experience in managing a staff. In depth experience in the beauty category a plus. We are an equal opportunity employer dedicated to promoting a culturally diverse work environment. Please mail or fax resume, cover letter and salary history to:

Director, Staffing
REDBOOK
Hearst Magazines
224 West 57th Street
NY, NY 10019
Fax: 212-262-2680

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NEW MEDIA

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Call Mrs Miller for more info

212-286-0584
Fax 212-818-0216

MARKETING COORDINATOR

Expanding Children's Entertainment Company seeks a bright energetic individual for their Licensing Home Video Division. Responsibilities include: product development, marketing campaigns, advertising, cross-promotions and publicity events. Experience in Home Video a must. Great opportunity!

Fax HR 212-741-9493

SALES OPPORTUNITIES

Cahners publishes 128 business magazines and provides 18 business communities with online services, custom publishing, directories, research and direct mail lists. We are currently accepting resumes for current and future openings in the following categories on Broadcasting & Cable, a leading business-to-business publication of the television & cable industry.

Classified/ Telemarketing Sales Manager

This is a terrific growth opportunity for a seasoned telephone sales representative. We seek a dynamic individual with proven track record to manage a small sales team and approx. 2m of business. Excellent customer service and organizational skills required. Ideal candidate should possess outstanding verbal and written communication skills. 3+ years ad sales experience preferred. Knowledge of business-to-business publishing television and new media a plus.

Advertising Sales Coordinator

We seek an energetic, organized self-starter who will provide sales and administrative support to advertising sales team. Ideal candidate should have excellent communication skills, thrive in a fast-paced deadline driven environment and be detail-oriented. Previous experience in sales or publishing a plus. Excellent growth opportunity.

We offer a competitive salary and comprehensive benefits package. For consideration, please send/fax/e-mail your resume to: Cahners Business Information, Human Resources Dept., 245 W. 17th St., New York, NY 10011. Fax: (212) 463-6628 or E-Mail: bpflaumer@cahners.com Visit our Web site at www.cahners.com. As an equal opportunity employer, Cahners provides a work environment free from all forms of discrimination. This commitment to a diverse workforce is the source of our strength.



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Call M. Morris
Classified Sales Manager
1-800-7-ADWEEK

HELP WANTED

SALES OPPORTUNITIES

ARE YOU HUNGRY FOR A CHANGE?

If you have proven success in advertising sales, but desire the excitement & growth that come with working for a leading cable network, consider a career with Food Network. The following opportunities are immediately available in our Advertising Sales Department:

ACCOUNT EXECUTIVE You will play an integral role on a growing team as you represent Food Network to advertisers & agencies in New York and the Eastern USA. You need to possess: 5+ years of proven success in media; solid understanding of the cable marketplace as well as the total television marketplace; BS/BA; ability to build strong business relationships; strong presentation skills. **Response Code: AE.**

SALES PLANNER Responsibilities include: creating proposals for both up-front and scatter markets for Account Executives; account stewardship & maintenance. The ideal candidate will possess: 2+ years of advertising experience including planning and/or buying; BS/BA; strong skills in analysis & organization; high level of attention to detail. **Response Code: SP.**

We offer competitive salaries with comprehensive benefits. For immediate consideration, send resume with salary requirements, indicating position desired, to:

Food Network, HR Dept, Response Code of Interest

1177 Avenue of the Americas

New York, NY 10036

Fax: 212-398-0850

E-mail: humanresources@foodtv.com

Visit us at www.foodtv.com EOE



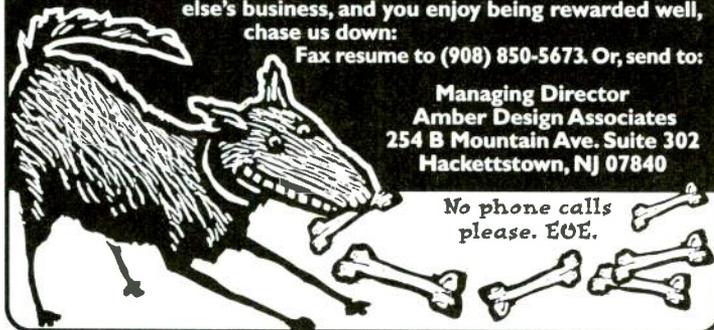
**Have Lots of Bones.
Need Show Dog.**

We like rewarding top performers. Perform like a new business champion for us, and you could be tail-deep in a field of bones. You must be ambitious, independent, self-motivated, experienced in the ring, excited about cold calling, and creative about building client business.

If you can fetch and retrieve new business like nobody else's business, and you enjoy being rewarded well, chase us down:

Fax resume to (908) 850-5673. Or, send to:

**Managing Director
Amber Design Associates
254 B Mountain Ave. Suite 302
Hackettstown, NJ 07840**



No phone calls please. EOE.

**INTREPID ENTREPRENEURIAL
ACCOUNT PERSON SOUGHT**

You are a self-starter with three to five years of experience in interactive advertising and direct marketing. You love keeping things organized, while running the day-to-day activities on several pieces of business simultaneously. You will report to the CEO of a fast-paced interactive agency start-up. (That means you are used to multiple chefs in the kitchen and you can take the heat!) Among many other things you have a great sense of humor, are highly responsible, motivated by challenges, and pro-active with regard to client contact. You like the idea of being part of a small team, and are great at juggling multiple priorities. Your goal - to do great work, make clients very happy, be an integral part of a successful start-up, and learn more than you ever thought possible! We offer you a competitive salary, generous options and an unparalleled experience in the world of entrepreneurial success!

Please email resume, cover letter and URLs to info@agileindustries.com

using the phrase Account Person in the subject line (it just helps us to be more organized about replying).

No phone calls or faxes, please.

WEB FOLKS WANTED

•DESIGNERS•WRITERS

•PROGRAMMERS•ACCOUNT MANAGERS

One of the region's fastest growing ad shops needs to bulk up its interactive staff in Garden City, Long Island. Yeah, yeah, we know--Long Island. But it's not crowded, dirty, smelly, or scary. Mostly. And there are actually trees here on most of our streets--which can be seen from any window in our bright, cheery office and there are no alternate day parking rules.

But what we do have is a metric ton or so of opportunities for WWW professionals to help us help a rapidly expanding client list that includes some great, great companies doing very cool stuff.

Look, it's not so bad. The garbage barge is history. Amy F. will be out by Mother's Day. And it's almost beach volleyball season. Get busy and send a letter, a resume, whatever to: Michael Welch at

mwelch@wngadv.com
or fax to (516) 741-3966
www.wngadv.com

**SPECIALTY TOY CO
SALES MANAGER**

A NYC based emerging toy company/brand with uniqueness, prestige and lots of potential needs person to drive growth in the independent toy stores and other specialty outlets. Position includes developing and implementing plan to drive new customers through direct solicitation and working effectively with independent sales reps. Communication skills, ability to work cohesively among the team in place and ability to deliver results will be keys to success.

Fax resume to:
HR 212-741-9493

Classified Advertising
1-800-7-ADWEEK

**ALL
POSITIONS
OPEN**

Especially for those who want to be in the No. 1 position at this fast-growing, award-winning Morris County, NJ agency. Now seeking top-level individuals with consumer and b-to-b exp. in Account Services, Creative, Production, Marketing and Media. If you're open to a rewarding and challenging position, we are waiting to hear from you. Please reply in confidence to:

email to:
sspada@earthlink.net

COPYWRITER

Write your own success story with Twinlab, a recognized leader in the manufacture of vitamins, minerals, herbs, herbal teas and sports nutrition. Your flair for great copy and nutritional knowledge will pay dividends as you enhance and elevate the key aspects of our products, both big and small. As an integral member of the Creative Services team, you will work closely with graphic designers for all brand & corporate literature, brochures, P.O.P., package copy, etc. Your story can have a happy ending with a very competitive salary commensurate with exp, full benefits & generous 401k. Send/fax resume with salary history & reqmts to Att: Office Mgr. Copy 516-630-3490, Twinlab, 150 Motor Pkwy, Suite 210, Hauppauge, NY 11788.

TWINLAB EOE

PRODUCTION ARTIST

DC COMICS, a division of Warner Bros., is seeking a Production Artist to produce digital pre-press mechanicals from concept to final mechanicals for Licensing style guide publications, custom art projects and multi-media presentations.

The ideal candidate will have a minimum of 2 years' experience in an electronic production environment and computer literacy in Director, Photoshop, Quark and Illustrator. Working knowledge and experience streamlining, cleaning high-resolution art, creating page layouts and templates, and setting up print-ready files required. Attention to detail and the ability to work on a team are essential.

Send your resume and cover letter, along with salary history, to: Warner Bros., Box LPA-2, 1325 6th Avenue, New York, NY 10019. Warner Bros. is an EOE.



A TIME-WARNER
ENTERTAINMENT COMPANY

**REACH YOUR AD COMMUNITY
WITH ADWEEK MAGAZINES**

CALL 1-800-7-ADWEEK

CULTURE TRENDS

MTV's BUZZWORTHY

BUZZWORTHY songs are usually by new, up-and-coming artists who MTV believes have special potential. Of the videos MTV designated as BUZZWORTHY, the vast majority have been certified gold or platinum.

Week of 4/19/99

Artist/Group: **Kid Rock**
Song/Video: **"Bawitdaba"**
Director: **David Meyers**

The man who would be Kid Rock grew up Bob Ritchie in a predominantly white suburb of Detroit, where he absorbed the rock 'n' roll that sprang forth from the FM radio as well as the bad-ass beats emerging from the urban underground. His music reflects his influence: Bolstered by the hard rhythms and guitar slam of his Twisted Brown Trucker band, Kid Rock kicks his lyrical jams over an innovative blend of classic breakbeats and Lynyrd Skynyrd rock 'n' roll. (Pretty fly for a white guy!)

Artist/Group: **Baz Luhrmann**
Song/Video: **"Everybody's Free"**
Director: **Bill Barminski**

Australian film director Baz Luhrmann's single "Everybody's Free (To Wear Sunscreen)" is heating up the country. The song, featuring the spoken word "Sunscreen Speech" originally written by *Chicago Tribune* columnist Mary Schmich as a mock graduation address, was turned into a song by Luhrmann for inclusion on the full-length CD "Something For Everybody." The record celebrates a decade of innovative film, theater and opera productions created by using remixed songs from Luhrmann's passed soundtracks, such as "Romeo & Juliet," "Romeo & Juliet 2" and "Strictly Ballroom," among others.

©1999 MTV

The Hollywood Reporter's Box Office

For weekend ending April 18, 1999

This Week	Last Week	Picture	3-Day Weekend Gross	Days In Release	Total Gross Sale
1	New	Life	20,414,775	3	20,414,775
2	1	The Matrix	17,941,314	19	98,946,842
3	2	Never Been Kissed	8,411,489	10	22,911,743
4	5	Analyze This	3,925,813	45	91,149,603
5	3	10 Things I Hate About You	3,733,562	19	25,136,802
6	4	The Out-of-Towners	3,114,792	17	20,503,962
7	6	Go	3,018,312	10	9,359,328
8	7	Forces of Nature	2,464,522	31	45,786,811
9	15	Cookie's Fortune	1,801,083	17	3,363,030
10	11	Shakespeare in Love	1,750,254	129	89,856,022
11	13	Life is Beautiful	1,636,781	178	50,013,888
12	8	Twin Dragons	1,395,126	10	4,893,374
13	9	Doug's 1st Movie	1,359,867	24	15,735,750
14	12	EDtv	1,023,975	24	20,505,385
15	New	Goodbye Lover	1,011,175	3	1,011,175
16	14	Baby Geniuses	920,555	38	22,714,360
17	18	October Sky	578,160	59	28,471,440
18	20	Saving Private Ryan	558,862	269	214,276,095
19	10	Foolish	549,363	10	3,207,109
20	16	True Crime	434,957	31	15,846,698
21	27	A Walk on the Moon	370,018	24	1,092,088
22	24	T-Rex: Back to the Cretaceous	331,749	178	11,628,559
23	22	A Bug's Life	315,084	150	162,343,733
24	19	The King and I	280,242	31	10,700,462
25	17	The Mod Squad	261,451	24	12,762,210
26	23	The Prince of Egypt	256,411	122	100,595,017
27	21	Cruel Intentions	253,590	45	36,723,940
28	25	Message in a Bottle	250,665	66	52,282,208
29	30	Everest	239,468	409	63,377,087
30	29	Blast From the Past	190,635	66	26,010,216
31	26	Patch Adams	185,515	115	134,521,030
32	31	Lock, Stock/Barrels	173,195	45	2,898,127
33	34	Elizabeth	168,904	164	29,647,689
34	28	The Rage: Carrie 2	159,197	38	17,128,021
35	32	The Other Sister	147,888	52	26,557,588

© 1999 The Hollywood Reporter

Why are men so reluctant to talk about prostate cancer? Much like breast cancer in the 1970's, it's still not considered a subject for 'polite' conversation. As women, we've seen the benefits from lifting this wall of silence. Now it's time men took a page from our book.

Prostate cancer is a leading killer of men over 50. This year alone some 180,000 men will be diagnosed with the disease. Many thousands more have the disease and don't know it.

ARE WOMEN BETTER EQUIPPED TO DEAL WITH PROSTATE CANCER THAN MEN?

So the Cancer Research Institute and the American Cancer Society have joined together to form *The Prostate Cancer Initiative*. It's a national program designed to increase awareness among men (and women), provide patient care and fund the latest clinical research into harnessing the power of the body's immune system to fight the disease.

To learn more about prostate cancer, call the American Cancer Society at 1-800-ACS-2345, or write to *The Prostate Cancer Initiative*, care of Cancer Research Institute, 681 Fifth Avenue, New York, NY 10022.



CULTURE TRENDS

MTV Around the World

Week of 4/19/99

MTV Europe

Artist	Title
1. Britney Spears	Baby One More Time
2. 2Pac	Changes
3. Cher	Strong Enough
4. Vengaboys	Boom Boom Boom
5. Mr Oizo	Flat Beat

MTV Latin America (North Feed)

Artist	Title
1. Sugar Ray	Every Morning
2. Cardigans	Erase/Rewind
3. Control Machete	Si Senior
4. Offspring	Pretty Fly
5. The Cranberries	Promises

MTV Brazil

Artist	Title
1. 'N Sync	Tearing up My Heart
2. Backstreet Boys	As Long As You Love Me
3. Shank	Saideira
4. A.Morissette	Uninvited
5. Nativus	Liberdade Para Dentro

MTV Russia

Artist	Title
1. Eagle Eye Cherry	Permanent Tears
2. Propellerheads	Crash
3. KORN	Freak On A Leash
4. The Cranberries	Promises
5. Prodigy	Serial Thrilla

Billboard's Top 15 Singles

Compiled from a national sample of top 40 radio airplay monitored by Broadcast Data Systems, top 40 radio playlists, and retail and rack singles sales collected, compiled, and provided by SoundScan.

This Week	Last Week	Peak Pos.	Wks on Chart	Title	Artist
1	1	1	9	No Scrubs	TLC
2	2	1	18	Believe	Cher
3	4	3	6	What's It Gonna Be?!	Busta Rhymes/Janet
4	3	3	15	Every Morning	Sugar Ray
5	5	2	17	Heartbreak Hotel	W.Houston/F.Evans/K.Price
6	6	5	11	Kiss Me	Sixpence None The Richer
7	7	4	11	I Still Believe	Mariah Carey
8	8	1	20	Angel Of Mine	Monica
9	16	9	9	C'est La Vie	B*Witched
10	10	10	8	Stay The Same	Joey McIntyre
11	11	5	12	All I Have To Give	Backstreet Boys
12	9	9	11	All Night Long	F.Evans/Puff Daddy
13	15	13	6	If You (Lovin' Me)	Silk
14	12	12	4	When I Close My Eyes	Shanice
15	15	8	30	Slide	Goo Goo Dolls

©1999 Billboard/SoundScan, Inc./Broadcast Data Systems

Billboard's Heatseekers Albums

Best selling titles by new artists who have not appeared on the top of Billboard's album charts. Provided by SoundScan.

This Week	Last Week	Wks on Chart	Artist	Title
1	NEW		Bootleg	Death Before Dishonesty
2	1	13	Sixpence None...	Sixpence None The Richer
3	3	6	Lit	A Place In The Sun
4	2	4	Beth Orton	Central Reservation
5	5	2	Cassandra Wilson	Traveling Miles
6	10	2	Pope John Paul II	Abba Pater
7	8	12	Les Nubians	Princesses Nubiennes
8	6	51	Elvis Crespo	Suavemente
9	9	23	Sara Evans	No Place That Fa
10	4	8	Los Tri-o	Nuestro Amor
11	11	28	Lee Ann Womack	Some Things I Know
12	12	38	Trin-i-tee	Trin-i-tee
13	13	32	The Flys	Holiday Man
14	15	23	Divine	Fairy Tales
15	20	34	The Wilkinsons	Nothing But Love

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demographics, identifies new trends and opportunities, profiles the movers and shakers, scrutinizes the latest laws and regulations...and much more.

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MEDIaweek

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Magazines

BY LISA GRANATSTEIN

Pruning Primedia

Diversified publisher to trim non-key properties

Over the past decade, Primedia chairman/CEO William Reilly has built a \$1.5 billion media empire block-by-block, amassing a varied portfolio of publications unified by a strategy he fondly calls "targeted media." Primedia has grown rapidly by acquiring top properties in a wide range of niches, becoming the country's largest special-interest consumer magazine publisher. The company's diverse holdings include 100 consumer titles (*Automobile* and *Seventeen* among them), 100 business-to-business and professional magazines, 47 trade shows, 177 Web sites, databases and TV-based education products.

Primedia's crazy quilt of properties and high debt load (\$2.1 billion in the first quarter) have caused the company problems on Wall Street, where its stock price has lagged until recently. The New York-based company has been on an M&A feeding frenzy, ringing up \$600 million worth of acquisitions last year alone, including \$200 million for Cowles Media's special-interest and business titles.

Beginning last fall, Reilly began moving to streamline the company. Primedia restructured its magazine divisions, splitting consumer publications into consumer and special-interest units. The Intertec trade/technical division was folded into the B-to-B group.

Last week, Primedia put up for sale its supplemental education group, which includes *Weekly Reader*, *Facts on File* and *American Guidance Service*. The supplemental education group generated about \$115 million in revenue last year, according to a company spokesman. Primedia has retained Morgan Stanley to handle the sale, which is expected

to fetch as much as \$500 million.

Also on the block are the recently acquired Cowles titles *Vegetarian Times* and *Better Nutrition*. That offering is being overseen by Veronis, Suhler.

Reilly hopes that selling off the non-strategic properties will help reduce Primedia's debt and expand the recent rally in the company's stock price. (Kohlberg Kravis Roberts controls about 83 percent of the shares, with the rest split between management and the public.)

Primedia is holding on to Channel One Network, which is beamed into 12,000

classrooms, and Primedia Workplace Learning, a training unit. Both operations fall under Reilly's definition of targeted media.

"We want to focus the company more strictly on targeted media because it has a terrific growth rate on its own and also lends itself most easily to online and Internet applications," the CEO says.

The planned sale of the supplemental education group is a good move, says Trace Urdan, a media analyst at BT Alex Brown. "Primedia will have a more straightforward story

to tell," Urdan says. "There will be fewer moving pieces and parts to it, and that makes it more appealing from a market standpoint."

Primedia's stock price jumped up from \$11 earlier this month to \$17.125 as of April 22, primarily on reports that the company plans to step up its Internet activity in a big way. Primedia plans to set up two Internet divisions—one serving consumers and the other B-to-B. Analysts have said that with its broad content holdings, Primedia has the potential to become another ZDNet, Ziff-Davis' giant Web venture. Last week, Primedia said it plans to invest more than \$30 million in its online operations and to seek out top-flight executives to run them.

Time Adopts Family Life

Parenting's new child

In a bid to expand and strengthen its core readership, the Parenting Group unit of Time Inc. last week agreed to buy *Family Life* from Hachette Filipacchi Magazines. *Family Life* will join *Healthy Pregnancy*, *BabyTalk* and *Parenting*, as well as a number of annuals and guides geared to parents, in the Parenting Group. The division also does custom publishing and operates First Moments, a sampling and distribution company acquired last fall.

President/CEO John Hartig, who has nurtured the Parenting Group's recent growth spurt, says he called Hachette senior vp/COO John Fennell just last month about *Family Life*. "What I said to [Hachette] was this magazine is a natural extension of what we're doing," Hartig says. "We bring people into the Parenting Group with *Healthy Pregnancy* for the first trimester, then move them into *BabyTalk* when the child is born, and then into *Parenting*. Now we'll be able to graduate [readers] from those toddler years right into *Family Life*, whose core is parents with kids ages 6 to 12." Terms of the deal were not disclosed.

Wenner Media launched *Family Life* in August 1993. A year and a half later, Wenner sold the title to Hachette for an estimated \$5 million. *Family Life* had been president/CEO David Pecker's baby; with Pecker's recent



Eye on the target: CEO Reilly wants to grow in niches and on the Net.

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Magazines

departure to run American Media, Hachette execs were willing to entertain offers.

Last year, *Family Life* increased its frequency from 8 to 10 issues per year and boosted its circ rate base from 400,000 to 500,000. While its total paid circ grew 6.7 percent to 438,662 in the second half of '98, single-copy sales tumbled a whopping 43.1 percent, to 11,520. Through May this year, the book's ad pages were off 1.9 percent, to 202.

Hartig says that with *FL* now buttressed by the Parenting Group and Time Inc.'s circulation clout, he can see the title eventually surpassing Buena Vista Magazines' 1 million-circ *FamilyFun*.

60 SECONDS WITH...

Myrna Blyth

Senior VP/Publishing Director/Editor in Chief, *Ladies' Home Journal* and *More*



Q. What's new at *More*? **A.** *More* is doing very well—we're getting terrific reaction from the readers and advertisers. We're raising the rate base from 400,000 to 500,000 with the July/August issue. People are really

responding to it—in fact, competitors are responding to it. **Q.** Do you think *Condé Nast* looked at *More* as a litmus test in its decision to launch its own project for women over 40, the *outsert* *Persona*, this fall? **A.** I'm sure they did react to [*More*]. God knows, the market is right. It's getting bigger every second. **Q.** Would the market have been right five years ago? **A.** No. As somebody once said, "Demographics are destiny." The oldest baby boomers are in their early 50s, and the youngest wave is [approaching] 40. If anything, the great decade for *More* will be the next 10 to 12 years. By 2012, women between 45 and 64 will be the largest segment of the population and the richest, and that's an incredible demographic. **Q.** Why did you select Elizabeth Dole as *Ladies' Home Journal's* "One Smart Lady" this year? **A.** She's had a marvelous record of achievement, and any woman seriously exploring running for president is worthy of our award. I think she has a really good shot, at least to be on the Republican ticket. Being the president or vice president is the last glass ceiling for women, and a woman will break through during the next decade.

Mediaweek Magazine Monitor

Weeklies

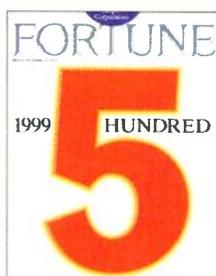
April 26, 1999

The *New Yorker's* first cover-to-cover look at the world of finance, last week's *Money* Issue, had impact on bottom lines far afield from *TNY* publisher Condé Nast. Many Wall Streeters attributed last Monday's 35 percent swoon in Internet stock prices to a piece in the issue quoting influential Net analyst Mary Meeker's prediction of a correction in the market this year. For CN, the themed double-issue on wealth and work rang up almost 100 ad pages, including two big special ad sections led by American Express and Fodor's Travel Publications.



	Issue Date	Current Pages	Issue Date Last Year	Pages Last Year	Percent Change	YTD Pages	YTD Last Year	Percent Change
NEWS/BUSINESS								
BusinessWeek	26-Apr	79.40	27-Apr	71.40	11.20%	1,203.26	1104.11	8.98%
Economist, The	17-Apr	97.00	18-Apr	41.88	131.61%	953.89	881.50	8.21%
Newsweek	26-Apr	57.69	27-Apr	51.63	11.74%	753.40	690.48	9.11%
People ^X	26-Apr	59.83	27-Apr	81.94	-26.98%	1,222.40	1181.94	3.42%
Sports Illustrated	26-Apr	48.52	27-Apr	56.90	-14.73%	847.47	876.07	-3.26%
Time ^E	26-Apr	55.50	27-Apr	53.16	4.40%	873.03	797.09	9.53%
U.S. News & World Report	26-Apr	43.56	27-Apr	37.71	15.51%	626.22	601.64	4.09%
Category Total		441.50		394.62	11.88%	6,479.67	6,132.83	5.66%
ENTERTAINMENT/LEISURE								
AutoWeek	26-Apr	40.46	27-Apr	44.79	-9.67%	490.18	491.36	-0.24%
Entertainment Weekly ^X	23-Apr	20.00	24-Apr	40.19	-50.24%	544.53	482.82	12.78%
Golf World	23-Apr	26.17	24-Apr	35.88	-27.06%	440.78	518.18	-14.94%
New York	DID NOT REPORT							
New Yorker, The ^{DBL(2)}	26-Apr	98.87	20-Apr	49.38	100.22%	572.73	544.43	5.20%
Sporting News	26-Apr	26.33	27-Apr	15.66	68.14%	291.05	274.56	6.01%
Time Out New York	21-Apr	77.30	21-Apr	54.75	41.19%	1,002.45	868.55	15.42%
TV Guide	24-Apr	56.18	25-Apr	73.93	-24.01%	1,138.09	1,044.94	8.91%
Category Total		345.31		314.58	9.77%	4,479.81	4,224.84	6.04%
SUNDAY MAGAZINES								
Parade	25-Apr	10.75	26-Apr	13.29	-19.11%	202.39	209.59	-3.44%
USA Weekend	26-Apr	17.52	26-Apr	13.81	26.9%	220.34	206.99	6.40%
Category Total		28.27		27.10	4.32%	422.73	416.58	1.48%
TOTALS		815.08		736.3	10.7%	11,382.21	10,774.25	5.64%

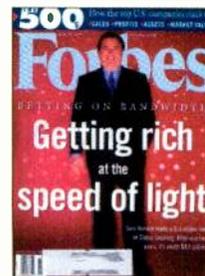
X=ONE MORE ISSUE IN 1998; E=ESTIMATED PAGE COUNTS; DBL(2)=DOUBLE ISSUE '99 VS. SINGLE '98



Biweeklies

April 26, 1999

While *Fortune's* annual Fortune 500 issue was down almost 19 pages from 1998 (-5.79%), it still helped the Time Inc. title maintain its wide YTD performance lead (+14.43%) over rival *Forbes* (-8.59%). With a new editor, publisher and ad director since last summer, *Forbes* is trying to get back on track.



	Issue Date	Current Pages	Issue Date Last Year	Pages Last Year	Percent Change	YTD Pages	YTD Last Year	Percent Change
BUSINESS/ENTERTAINMENT								
ESPN The Magazine#5	19-Apr	61.37	20-Apr	45	36.38%	446.83	197.5	126.24%
Forbes	19-Apr	256.20	20-Apr	311.66	-17.80%	1,146.40	1,254.16	-8.59%
Fortune	26-Apr	299.93	27-Apr	318.35	-5.79%	1,311.68	1,146.25	14.43%
National Review	3-May	19.92	2-May	20.92	-4.78%	171.14	174.35	-1.84%
Rolling Stone	29-Apr	57.37	30-Apr	51.92	10.50%	552.69	472.26	17.03%
TOTALS		694.79		747.85	-7.11%	3,628.74	3,244.52	11.84%

#=LAUNCH ISSUE WAS 3/23/98; 5=FIVE MORE ISSUES IN 1999

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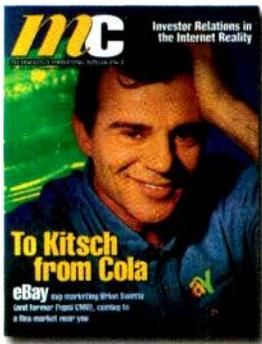
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Media Person

BY LEWIS GROSSBERGER



Cothamite@aol.com

Hype Hype Hooray

IT'S BEEN ON THE COVER OF *TIME* AND *PREMIERE* AND *Wired*. It got double-segment treatment on *60 Minutes*.

There are 69,487,893 Web sites devoted to its glories. The

hype is threatening to engulf every corner of the universe. But you've paid no attention to any of it because you know that when it comes to the biggest movie of the millennium, *Star Wars Episode 1—The Phantom Menace*, only Media Person can bring you the ultimate behind-and-in-front-of-the-scenes guide. Yes, MP will devote his next 10 columns to this stupendous epic and its godlike creator, George Lucas. Our first installment gets under way with

MP's exclusive recap of the *Phantom Menace* story—the first time anywhere that it has been summarized in all its fascinating complexity...

A long time ago in a galaxy not as far away as it used to be, the galactic republic stands on the precipice of war. The Interplanetary Tyrannical Governance and Boxing Association, under its aggressive leader, Uk Uk Manoogian (a digital character resembling a cross between a ring-tailed lemur and Don King, with the voice of Julie Kavner), has dispatched two Jedi

Knights and a Jedi Pawn to quell a rebellion on the bachelor planet Asthmatine, where lethal dustballs the size of wookies blow across the drab landscape, making women cough till they weep for mercy.

But the three become stranded when their rocket sport-utility vehicle breaks down. A sneak attack by a herd of fierce gnurkflibbets (a creature resembling a rabid wolverine crossed with Sam Donaldson's hair) kills two of the Jedi, leaving only the heroic Qui-Jin Tonic (played by an actual actor, Liam Neeson), who will turn out in Episode 3, following a sex-change operation, to be the grandmother of Princess Leia. (You all remember Princess Leia, who is alive and well in Beverly Hills, Calif., where she works as a movie

script doctor and author of quirky memoirs.) Anyway, Qui-Jin is rescued by Anorak Skywalker, a talented but raw 4-year-old farmboy played by the 9-year-old superstar-elect Jake Lloyd. (Anorak will grow up to be Darth Vader, the father of Luke Skywalker, as well as a second cousin on his mother's side to Jabba the Hutt and godfather to Yoda's daughter Shirley by his second wife, a large centipede named Yasmine...but you don't really have to

Young Anorak...is attacked by Darth Mall and his dreaded

Snide Army, composed entirely of Condé Nast editors.

know about her till *Episode 16—Raiders of the Lost Luggage*.)

Qui-Jin immediately senses in Anorak the mysterious force called The Force, mainly because of the big red F blinking on and off in the middle of the boy's forehead. But before he can recruit him for the Junior Jedis, the two are ambushed by a vicious gang of flichtzeppels—renegade HMO administrators who look like a cross between a deranged manatee and Alan Greenspan. Jumping onto Anorak's jet skateboard, the two take off on a hair-raising, thrill-a-second chase, with the flichtzeppels pursuing in their kayak rockets and everyone zipping at sickening velocity around incredibly realistic-looking lawn furniture designed by the

geniuses at Industrial Light & Magic.

Now things get a bit complicated, so you really have to concentrate to follow this.

Feeling that Anorak represents the best hope of mankind's (as well as alienkind's) future, Qui-Jin talks him into turning down a lacrosse scholarship from Johns Hopkins and takes him to the fantastically decorated trend planet of Ralphencalvin to meet the handsomely dressed Jedi High Council. The boy's appearance throws the meeting into an uproar. The ambitious Darth Mall, the tattooed, nose-ringed Dark Lord of Snit (played by a digitally recreated Basil Rathbone), sees the boy as a rival and vows to someday kill him. The beautiful Queen Armani (Natalie Portman), high priestess of the garbage planet Yuck-Ewww-Feh, is smitten and declares she will someday marry Anorak, even though she fears they may be related. This enrages Emperor in Waiting Palpitate Popoo (Homer Simpson), who himself loves Queen Armani and hopes someday to tie her up and fondle her shoes, as he has long ago given in to the fetishistic side of The Force.

After a riotous debate, including a three-year filibuster by the telecom droid 777-FILM (who in Episode 9 turns out to be the illegitimate son of R2D2 and C3PO), the council decides to apprentice Anorak to the bored Jedi dean of students Obi Wan Kenobi (Dame Judi Dench), who is hanging around

from Episodes 4-6, still waiting to get paid for mentoring Luke Skywalker three films ago.

Young Anorak completes his lessons just in time. He is attacked by Darth Mall and his dreaded Snide Army, composed entirely of Condé Nast editors. Darth uses not only his double-edged light saber but his laser Swiss Army knife. Poor Anorak, armed only with a boom-box pistol, is losing until, at the last minute, Queen Armani shows up and shouts, "Use The Force, Anorak." Unfortunately, she lisps and Anorak replies, "The fourth what?" The climax, which is rather sad, cannot be given away under the agreement Media Person signed with Lucasfilm to get the rights to this plot recap, but don't worry. It's every bit as good as you deserve. ■

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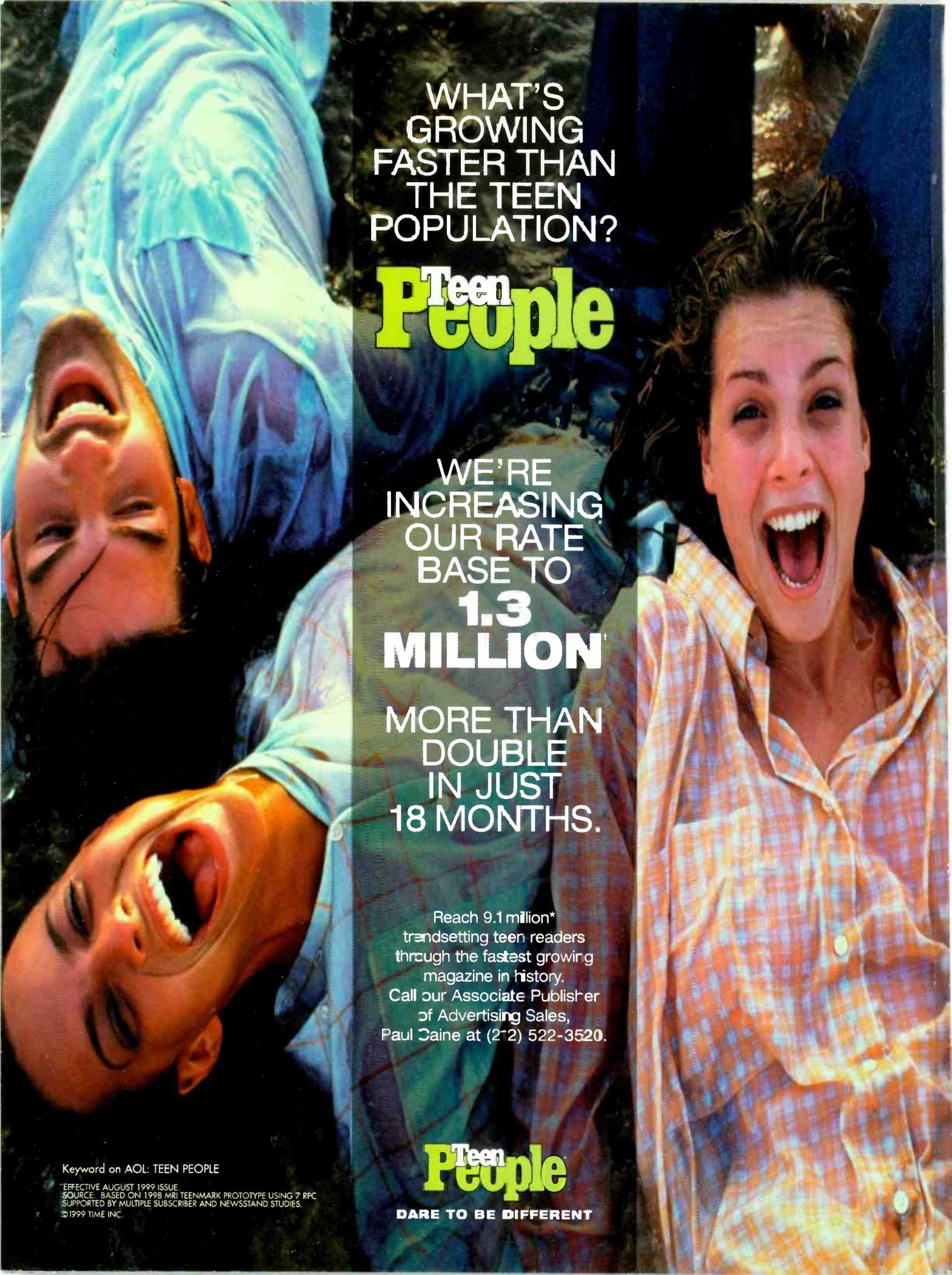
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Teen
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DARE TO BE DIFFERENT