recently contracted with the National Basketball Association in a multiyear deal including regular-season and playoff games. TBS will ramp up its NASCAR racing coverage, a ratings winner among men 18-49. It also will cover more golf, including the PGA Championship, and will air more figure skating.

TBS has contracted for several original feature productions, including a documentary in 1998 commemorating the 30th anniversary of the assassinations of Robert Kennedy and Martin Luther King Jr. TBS will continue airing a longtime staple, Atlanta Braves games, although it will air 90 games next season as opposed to the typical 125-game slate, Burke says.

Aside from its special programs, TBS ratings are relatively consistent. During third quarter 1997, it was third in prime time with a 2.0 Nielsen rating, up 11% from 1.8 for the same period last year.

TBS’s delivery of adults 18-49 also increased 23% in the third quarter over last year. The Braves games posted an 11% increase in ratings in the third quarter compared with 1996, and the team remains baseball’s highest-rated franchise on basic cable, Turner says.

But TBS’s prime time ratings suffered a steep drop earlier this fall—down some 25% from the year before. TBS’s prime rating for October 1997 was 1.4, compared with 1.9 for October 1996. Likewise, it earned a 1.5 in prime time for November 1997 compared with 1.9 in November 1996.

Based on upcoming programming and consistent ratings for many of its core shows, Burke is bullish on operators’ ability to sell advertising on TBS.

“Cable operators tell us that the most asked question they hear from clients is when can they advertise on TBS,” Burke says. “We’ll be giving operators local avails in the most watched network on cable. This is not like adding a niche network.”

With less than four weeks to go before its deadline, Turner has to link deals for some 30 million subscribers and convince operators that they can offset the cash outlay in subscriber fees with ad sales.

Marcus, for one, is optimistic about the deal. “Turner as a company is a master programmer, and I would guess [operators] are going to get value for our license fees,” he says. “But the jury is out on whether we’ll be able to sell the kinds of advertising that Turner says we will. Hopefully we can.”

Making billing the bottom line

CSG has propelled itself to the top of an unsexy yet profitable business

By Price Colman

The telecommunications services of the future, and increasingly the present, may be wildly different in what they offer, but they have a fundamental element in common: subscriber bills.

Third-party billing services that increasingly handle the chore are like the folks who keep the trains running: absolutely indispensable but unsung, often obscure and definitely not sexy.

CSG Systems International doesn’t care whether its appropriately nicknamed “backshop” business is sexy. The company knows it’s providing a pivotal gear in the telecommunications money machine. It also knows that that money machine is poised to shift into overdrive.

During the past year, CSG roared into the lead in the cable television billing race. A 15-year, $1.8 billion contract with Tele-Communications Inc. was the main contributor. It increased CSG’s TCI customers from 4 million to 13 million, boosting CSG’s base (total number of billed homes) by nearly 50%. But the company is not solely beholden to TCI for where it is today. Consider CSG’s third-quarter results, which reflect only a hint of the impact from the TCI contract: net income up a whopping 1,003%, to $10.5 million, on revenue of $43.3 million, up 22.5%.

CSG’s heady growth is largely a function of rapid changes in telecommunications. There’s more competition than ever before as cable companies, DBS providers and Baby Bells try to carve a chunk out of each other’s traditional territories. It’s no longer enough to provide a single service; all major players are jockeying to offer one-stop shopping for video, voice and data services, since those who are first to market often gain a strategic advantage.

That has translated into a boom for billing companies such as CSG.

“Convergence and the advent of DBS—that’s what generated all the activity in the billing world,” says Jack Pogge, president of CSG.

‘Convergence and the advent of DBS—that’s what generated all the activity in the billing world,’ says Jack Pogge, president of CSG.