'CableAge' begins after page 70

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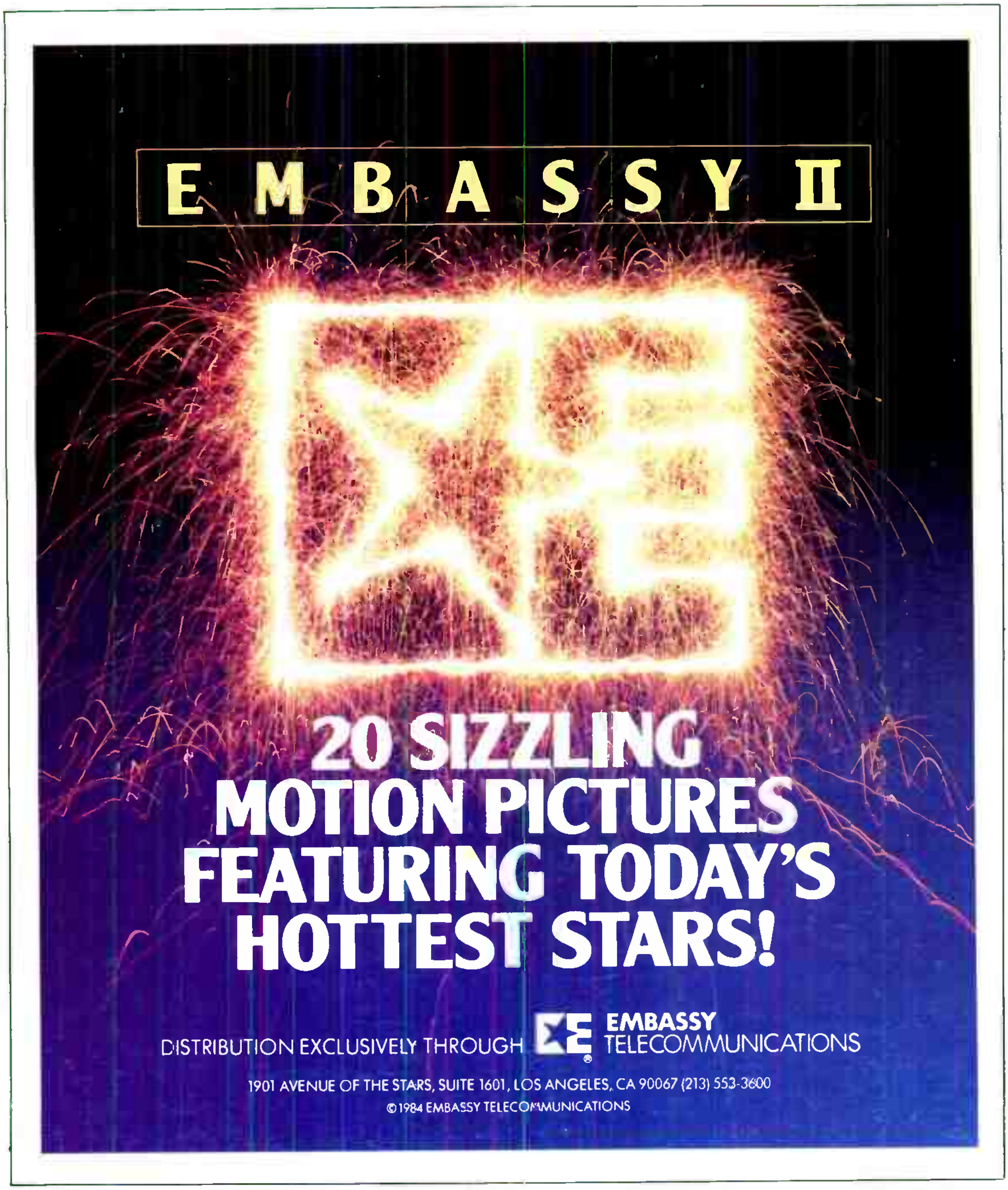

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Volume XXXII, No. 14 *January 21, 1985*

SATELLITE UPDATE

WASHINGTON OUTLOOK

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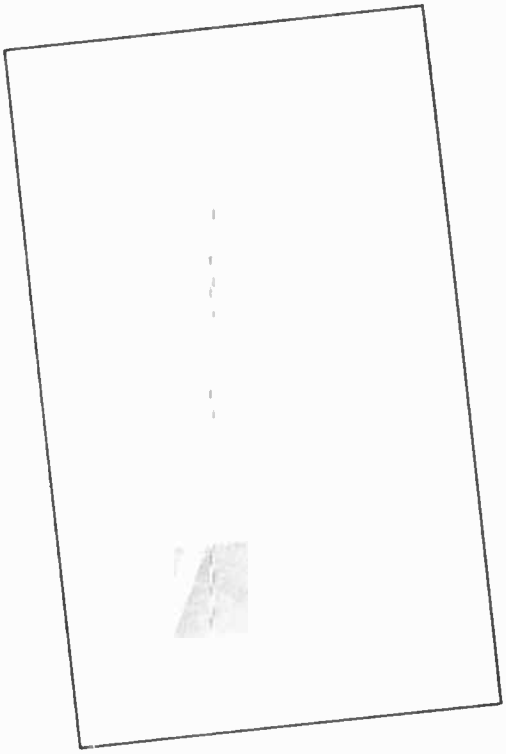

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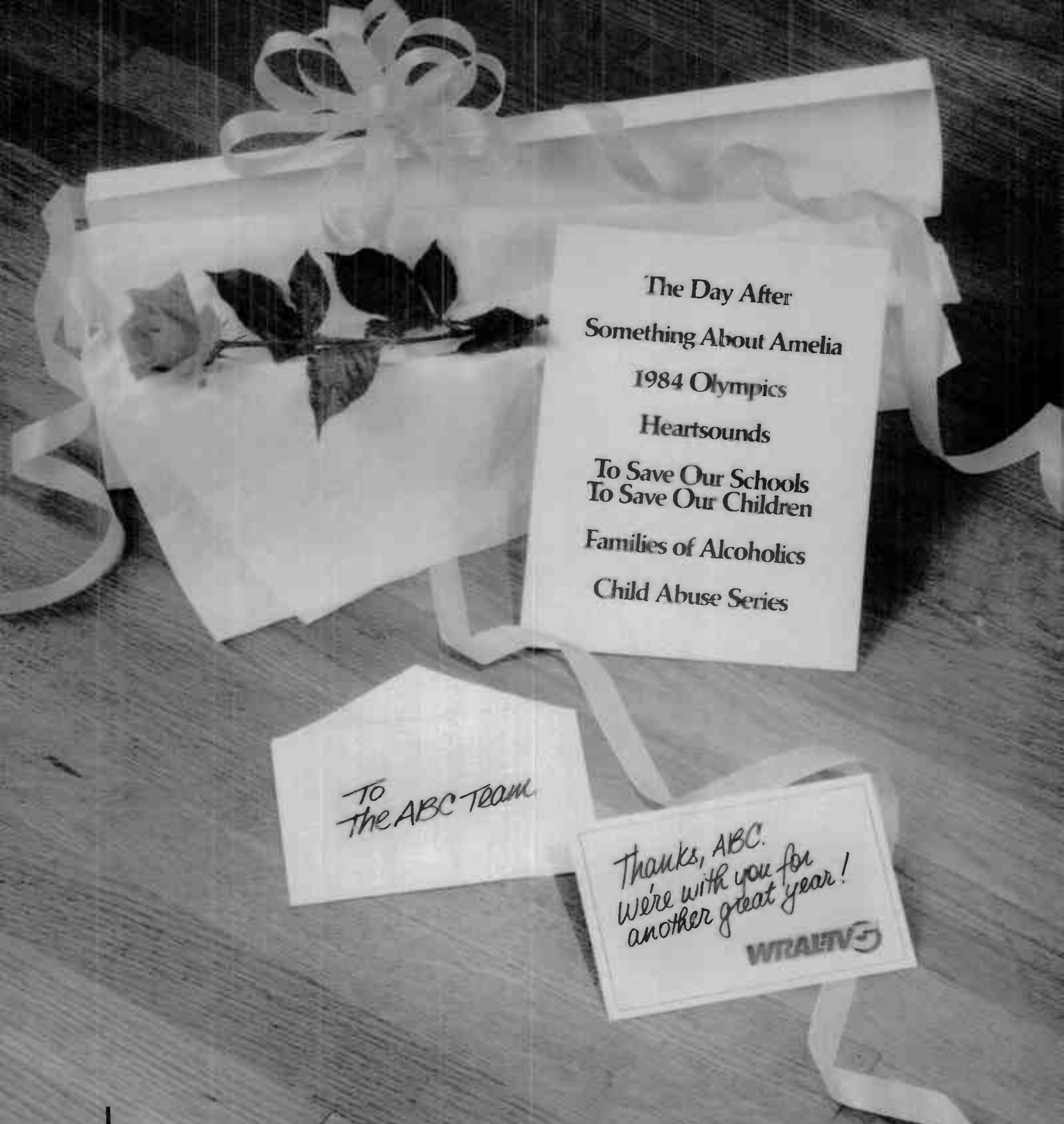

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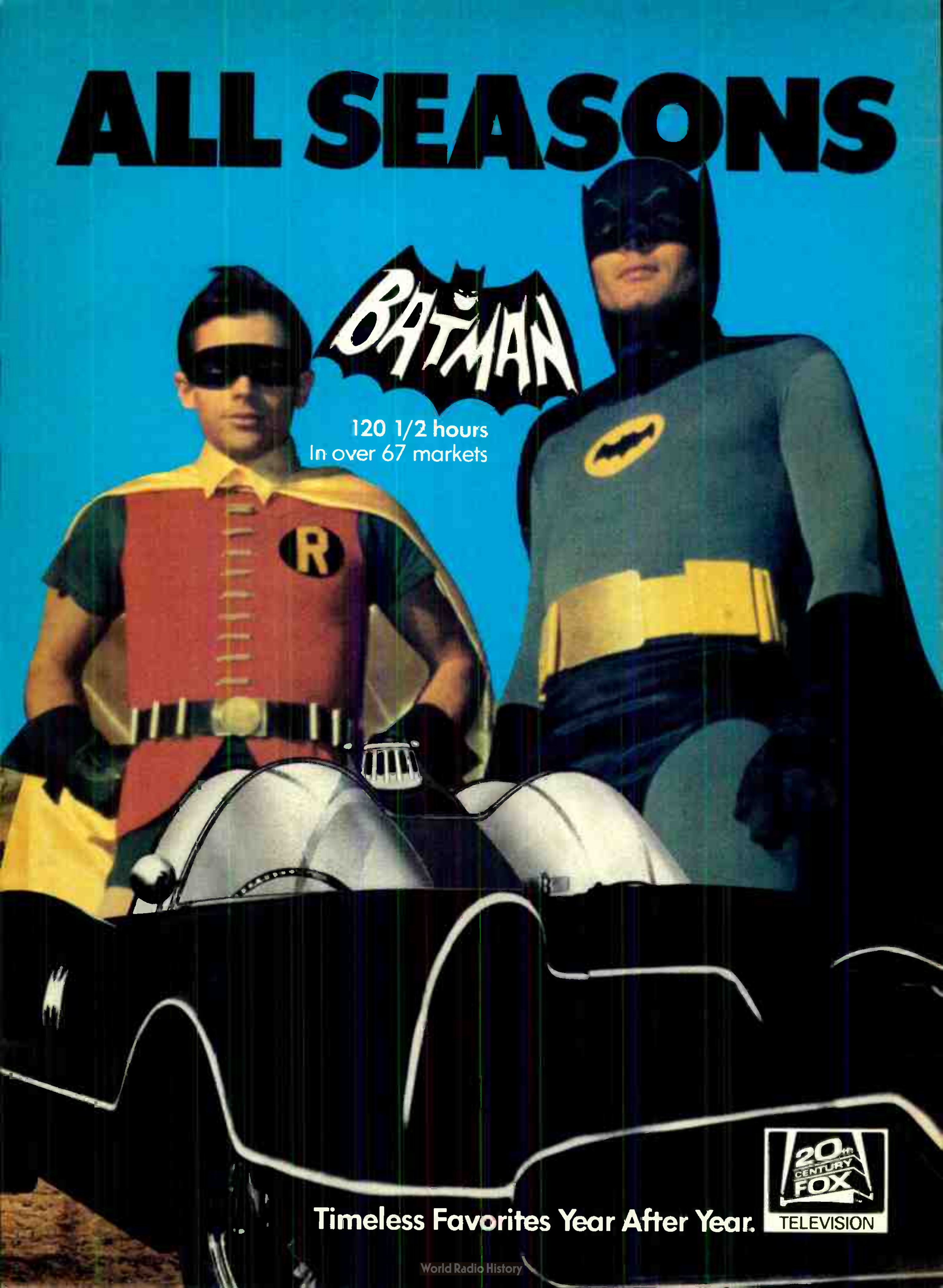
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Publisher's Letter

Television/Radio Age, January 21, 1985

Liveliest broadcast industry associations are those that showcase programming

There used to be a "one liner" in this business that when two broadcasters met on the street, they formed an industry association. Believe it or not, there are 38 different associations of all sizes and objectives in the broadcast industry. The liveliest of these are associations where there is showcasing and sales of programming—the Association of Independent Television Stations (INTV) and the National Association of Television Program Executives (NATPE).

A few years ago, the INTV meetings were small but productive, dealing primarily with problems of independent operations. Three years ago, the association decided to invite the syndicators in since the syndicators were doing screenings coincidentally with the INTV meetings. The inclusion of the syndicators on an official basis gave the INTV additional revenue which it could use in broadening its operations in areas such as research, sales, and its activity on Capitol Hill. The arrangement with the distributors was a realistic one since the majority of syndication sales are made to independents. As a matter of fact, according to a recent study by TV/RADIO AGE, 62 per cent of syndication sales are made to the independents. Syndication sales in the U.S. in 1984, according to TV/RADIO AGE, totaled $1.3 billion. This amounts to $800 million of syndicated product sold to the independents. You can readily see that the independents have considerable muscle in the programming area.

NATPE, INTV closeness leaves little breathing space

A problem that evolves out of the situation is that NATPE and INTV hold their meetings very close to each other. By doing so, they do not give the distributors any kind of a breather. The INTV kicked off its convention in Los Angeles at the Century Plaza, Saturday, January 5, and went through to the following Tuesday. One day intervened, and the NATPE Convention started at the Moscone Center in San Francisco, Thursday, January 10 and went through to the following Monday, January 14. Both associations had the biggest conventions in their history. There have been several suggestions to solve the problems of the proximity of the two meetings. One of these was to run the meetings back to back in the same city with a day in between.

Bob Jacquemin, executive vice president, Paramount Television, has come forward with a realistic proposal. He maintains that as the syndicators and broadcasters are working closer and closer together, particularly on co-production deals, that the INTV meet with the distributors in June, offering product that would be available 18 months later. It would also give both time to work out co-production arrangements with the syndicators. (Paramount currently has five shows in syndication that are the result of co-production deals with broadcasters.)

June meeting for INTV could solve some problems

In other words, INTV would meet this June, for example, and discuss product that would be offered for the fall of 1986. The mechanics could be worked out and possibly, if viable, could evolve into the annual meetings of INTV being scheduled on a regular basis in June of each year. The INTV board has pointed out that, in any event, it does not want to lose its identity. It has also emphasized that INTV is a different organization than NATPE, with different objectives, working on several fronts. (For more on this, see *Programming*, page 46).

Next year, the NATPE and INTV conventions are a week apart, both scheduled in January (INTV scheduled for January 4–8 and NATPE scheduled for January 17–22).

As an example of how the industry has grown, the initial meeting of NATPE in 1960 that I covered was attended by 80 persons. This past convention attracted at least 6,000 persons. Five years ago, there were 80 independents on the air; today, there are 216. Another 25 to 30 are expected to be on the air during 1985.

Sol. Paul

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NTI

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Letters

Local radio sales

Your article on local radio sales in the December 10 issue (*Radio stations, citing spot's growth limitations, put emphasis on developing new local business*) was very informative and well done.

As Frank Oxarart's comment in the article states, we at Group W feel that there is nothing as important in the next several years as the effective training and development of local sales personnel. Each of our stations are increasing their local sales staffs, and we are now looking at additional ways to develop the creative tools to help local accounts make their radio advertising work better for them.

Keep up the good work.

RICHARD H. HARRIS
President, Radio Group
Westinghouse Broadcasting
and Cable, New York

I am writing to comment on the radio sales article which appeared in your December 10 issue.

We at United Broadcasting Company have had a keen interest in local sales being the heart of our sales efforts for a number of years. In fact, it has only been within the last three years that we have attempted to improve our national sales situation. I found many years ago that local sales, in addition to being more dependable and having greater continuity, are also the life blood of our stations.

By putting emphasis on local sales, we improve morale of our sales staff as well as improving the acceptability and positioning in each of our station's community and license. Needless to say, national sales is a large consideration in our business, but at United we have always considered it secondary to local sales.

GERALD J. HROBLAK
President,
United Broadcasting Co.,
Bethesda, Md.

Hispanic market

I've read through your *Hispanic Market* issue and find that you haven't tried to evade the sensitive issues that continue to afflict the market and its media.

As always in the past, there's a certain group of agencies that finds it convenient to turn a blind eye to the existence of special markets of whatever size. Special markets are just a nuisance as far as they are concerned. Years ago, Leo Burnett had a kind of Dr. Strangelove on staff to prove to us (KCOR) in San Antonio that the Mexican-American market just didn't exist.

Things are slightly different now but a lot of agencies continue to make a big deal out of minor items like the language variations that can be discerned between Spanish usages in Mexico and Central America and the Caribbean. Thank heaven the agencies didn't understand that in Italy every town has its own dialect or they'd have thrown it into our faces when "WOV Italian" was a must buy in New York. But, of course, all Italians understand standard Italian. Same with Hispanics.

ARNOLD HARTLEY
Key Broadcast Management,
Garden City, N.Y.

Sidelights

Changing of the guard

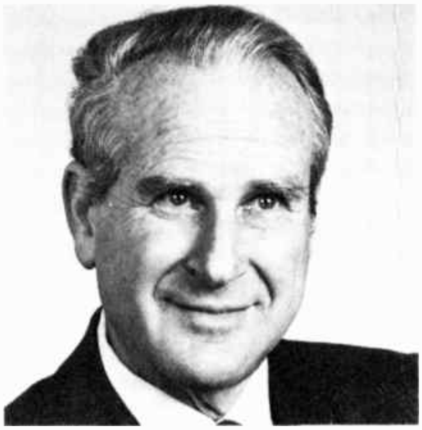
On January 1, George Koehler, a very young and vigorous 63, stepped down as president of Gateway Communications, owner of three CBS affiliates, one ABC affiliate and with purchase of an NBC affiliate, WJKS-TV Jacksonville, pending FCC approval.

His successor in the job, was Gateway's former executive vice president, Lewis Klein, who reminisces about his relationship with his predecessor.

"George and I go back about 35 years. We met on November 15, 1950, when he hired me as an assistant cameraman. In those days the cameraman sat on a platform with a mounted camera. The assistant pushed the platform."

George Koehler stepped down as president of Gateway Communications, after nearly 40 years in the broadcasting business.

Klein calls his relationship with Koehler special, unique, one of great mutual respect.



Lewis Klein assumed the presidency of Gateway Communications, after working with his mentor, predecessor and friend, George Koehler, for nearly 35 years.

"He was always my boss, but he never made me feel that I had to agree with him, or I wouldn't be here. We were always very honest with each other. We would discuss each issue thoroughly then he would make the decision. But we have worked together for so long, that we rarely disagreed. We had similar philosophies when working for Triangle and later, in 1972, when we formed Gateway, with George as president and me as executive vice president.

"Both George and I," Klein continues, "started literally at the bottom of the business. We both were graduated from the University of Pennsylvania, at different times. George went from college into the Air Force where he piloted B-17s during World War II.

"When he came back to the States I think he was influenced by the fact that as a married veteran he had to start in what was a real entry level job, as a special events reporter.

"Both of us had to work our way up, through a myriad of jobs. I think this gives us a special empathy for our colleagues at the station. We know the problems they face in their assignments. We know, and have a feeling for, the expertise it takes to do the job."

Other parallels in the careers of Koehler and Klein: Both have been honored by the TV/Radio Ad Club of Philadelphia and by the Broadcast Pioneers. Klein is also a past president of NATPE.

Koehler, Klein emphasizes, will continue as vice chairman of the board of Gateway, and will counsel Klein, as the latter continues to look for additional stations, and implements the strong convictions both have forged about local programming and news operations.

"There's an innate confidence that you develop," Klein concludes, "when you have done all the jobs, in the control room in the studio, and in most of the departments."

Klein does not intend to replace himself with another executive vice president. "I'll do it myself," Klein says. But if he should need advice, he won't hesitate to call on the man who hired him a little less than 35 years ago.

Lifestyle decision

Outside of continuing as a consultant to Viacom's Radio Division, "which should keep me reasonably busy," Norm Feuer, who has stepped down as president of the division, says he "just plans to relax and take it easy" in his new San Diego digs. "It was a lifestyle decision," he explains. "I like the warm weather down here."

Feuer also likes to fish, so he towed his boat back across the continent for the third time. It's a power sports fisherman that he reports has already logged "about 10,000 miles on land, against only maybe 300 nautical miles on the water."

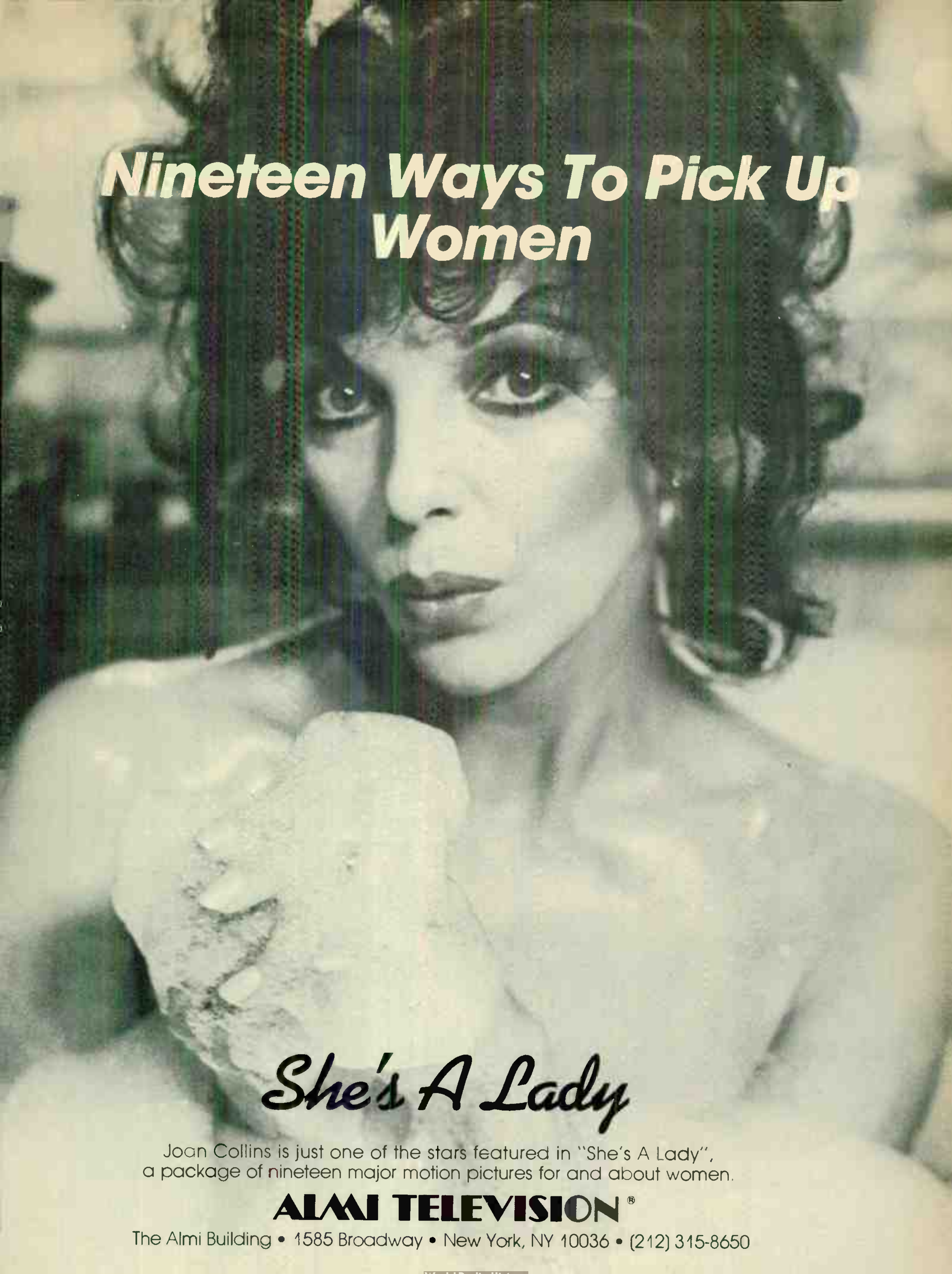
He explains that the boat was built far from New York, so the first time he pulled it overland it was heading east. Then he towed it to San Diego the first time he was out there, then back to New York again. Now it's back in the Pacific. And he says that when he's not actually trying to catch fish, there's always whale watching.

At the going-away roast thrown for Feuer at Gallagher's restaurant before he left the Big Apple, some 50 friends from the radio and ad business kidded him about practically everything he'd ever done or been connected with except fishing and his faithful boat.

Norm Feuer and wife, Sally, receive gold album from United Stations' Nick Verbitsky at roast paying tribute to Feuer, who has stepped down as president of Viacom Radio in New York to return to the warmer climate of San Diego.

They kidded him about his ex-girl friend and his ex-wife. (His current wife, Sally was among those present.) And they kidded him about the time when he was a volunteer fireman back in Matawan, N.J., 13 years ago, before he went to Miami. That was before he went to Chicago. And he was in Chicago before the first time he went to San Diego.

And when Feuer told tales about some of the agency radio buyers he'd called on over the years, and how, both in spite of some of them, and because of others, radio had been very good to him in this great land of opportunity, United Stations Radio Network president Nick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Verbitsky was quick to claim that Feuer's success "was proof positive that, if *he* can make it in this country, *anyone* can."

But for all that, adds Feuer, "They took even more shots at some of the other people there at Gallagher's than they took at me."

Meanwhile, back in San Diego, Feuer says that if he ever does tire of fishing and whale-watching, he has "a number of options. I can continue consulting. I might buy a radio station. But there's plenty of time for that. I'm in no hurry to get back into harness."

What the doctor ordered

With the crush of TV program guides now flowing through the nation's post offices, another fledgling directory is about to make its debut. But, this one is different. It's pegged to thousands of doctors across the country and contains medical programming listings that hopefully will enlighten and guide these M.D.'s in their daily ministrations.

Appropriately called *Physicians TV Guide*, it's termed by Jay Raeben, publisher and president of Visual Information Systems, Inc., as "the first monthly publication aimed at comprehensive, nationwide coverage of medical video programming.

The first issue will go out in February with a mailing to about 150,000 physicians.

The publication is free, (a boon, no doubt, to doctors faced with skyrocketing malpractice insurance rates), and is supported by advertising from Roche Laboratories division of Hoffmann-La Roche Inc., Nutley, N.J. Cost is no object, apparently, since the guide is done in four color with services color coded for easy reference.

Raeben says the guide is needed in view of "a dozen new TV program services directed to the physician that have started up over the past two years." He also cites the proliferaton of medical videocassettes for home or hospital use and expanding medical programming that is becoming available on cable and local TV stations.

Going global

Dancer Fitzgerald Sample's *New Product News* has just turned 21, so the agency decided the publication was old enough to see the world on its own.

There are of course, more vital reasons than just chronology, the surge of interest in global marketing being the most pressing.

In any event *DFS/New Product News* put out its first global edition this month with a *World New Products Highlights* reporting on unusual food and drug products from around the world.

The magazine has established news sources in Britain, continental Europe, Australia and Canada, according to editor Martin Friedman, and major foreign food exhibitions in London and Cologne this year will receive extensive coverage. Also on tap is a field trip to Australia for a survey of New Products.

Emphasis on the international flavor of the book will be evident in a special German language edition, made possible by an exclusive agreement between DFS and Bernd Lehmann, international marketing consultants based in Hamburg, West Germany.

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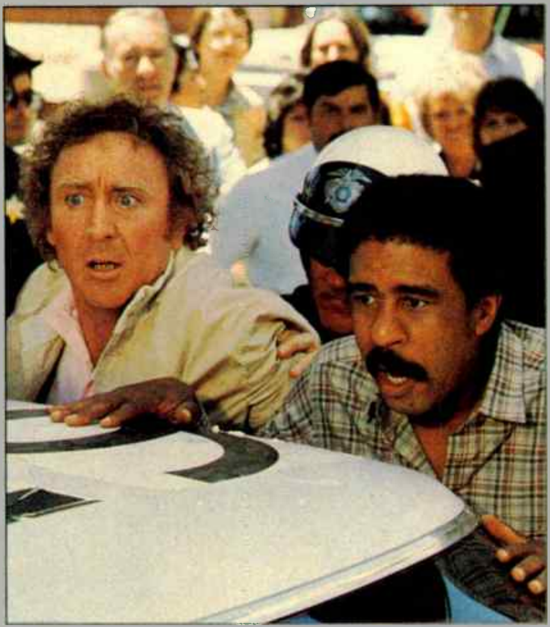

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Tele-scope

Business at NATPE was booming, reflecting indie competition, 1st-run appetite

The 1985 NATPE International convention, which ended last week in San Francisco, may have a hard act to follow next year in New Orleans. The past convention, not only attracted more than 6,000 attendees and 218 exhibitors (at presstime), but also reflected a positive business attitude. In overall sales, the convention decidedly surpassed meetings of previous years, according to several key observers. Some of the reasons for the large scale activity were: competition among independents; aggressiveness of affiliates about airing first-run product; the increasing development of station and syndication alliances; and the January date of the convention. In addition, buying was spurred by the need to offset the shortage of off-network product and the increasing appetite of indies for movies.

MPAA's Valenti sees pay-per-view growth

At the regular convention sessions, retiring NATPE president John von Soosten warned against 'copycat' programming, while keynote speaker Jack Valenti, president of the Motion Picture Association of America, gave his view of the future. Valenti's comments centered on videocassette recorders—"the devil's instrument"—and "the stunted" VCR market for prerecorded cassettes, due to the prominence of rentals over sales. "I predict that pay-per-view will soon become a favored alternative for producer/distributors in the sequential marketing of creative material if barriers to increased sales-only videocassettes remain in place," he said.

In the session on Washington and regulatory matters, FCC Commissioner James Quello sounded an alarm regarding consumer efforts to ban broadcast advertising of beer and wine by legislation. He noted that beer and wine advertising on TV indies alone last year came $152 million, which he pointed out, could buy a lot of programming.

Sen. Pete Wilson (R-Calif.) said he "hoped" that Congress would not get involved in this matter and urged that the problem of drunken drivers be handled through education and tougher police enforcement. (See *Washington Outlook* story on page 38).

Indie panel airs some negative predictions

The panel on independent stations provided a variety of negative comments: 'Because programs are going through the roof some indies will be killed off' (Chuck Alvey, KPHO-TV Phoenix); 'new indies in smaller markets face the reluctance of cable systems to carry them and reps to represent them' (Arch Hook, Media Central); 'low ratings are still a problem for indies because buyers fear the statistical uncertainties' (Neil Kennedy, MMT Sales); 'previous exposure of movies presents an increasingly serious problem' (Paul Krimsier, KGMC-TV Oklahoma City); 'daytime is potentially a huge profit area for indies, but can be a profit wasteland' (Pat Kenney, Lorimar Television).

KGO-TV, KATU, WOKR each win 3 Iris Awards

KGO-TV San Francisco, KATU(TV) Portland, Ore., and WOKR(TV) Rochester, N.Y., each won two Iris Awards while more than more than 20 other awards were presented for outstanding locally produced programming at a presentation during the convention. In markets 1–20, the winners were: KGO-TV San Francisco (public affairs and magazine); WBBM-TV Chicago (entertainment); WNEW-TV New York (short subject); WTVJ(TV) Miami (program segments); WBZ-TV Boston (sports); WCVB-TV Boston (children's); KYW-TV Philadelphia (talk/service/information); and KQED(TV) San Francisco (all other).

Markets 21–50: KATU(TV) Portland, Ore., (short subject and sports) KOIN-TV Portland, Ore. (entertainment); KSL-TV Sale Lake City (public affairs); KGTV(TV) San Diego (program segments); WRAL-TV Raleigh-Durham (children's); WAVE-TV Louisville (talk/service/information); KCST-TV San Diego (magazine); and WWL-TV New Orleans (all other).

Markets 51–211: WOKR(TV) Rochester, N.Y. (entertainment and public affairs); WHA-TV Madison (short subject); WMTV(TV) (program segments); WTVQ(TV) Lexington (sports); KGMB-TV Honolulu (children's); Louisiana Public Broadcasting (talk/service/information); KITV(TV) Honolulu (magazine); KYTV(TV) Springfield, Mo. (all other).

The international Iris was awarded to CITY-TV Toronto, and the cable category winner was Connection Communications, Newark, N.J. Alan Alda re-

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Television

Tele-scope

(continued)

ceived NATPE's Award of the Year, and the organization's President's Award was given to Metromedia Broadcasting's president, Robert M. Bennett and to FCC Commissioner James H. Quello.

NATPE's board elected the following officers to serve from the beginning of the next term: Bob Jones, KING-TV Seattle-Tacoma, president; David Simon, KTLA(TV) Los Angeles, first vice president; and Deborah McDermott, KMBC-TV Kansas City, second vice president.

Wildman moves up at SFN as Windsor retires

Sherman Wildman, president of SFN Communications, will assume responsibility for all SFN broadcast operations, effective February 1. Walter Windsor, chairman, will retire at that time. Windsor had been an executive with WFTV(TV) Orlando-Daytona Beach-Melbourne, which was acquired by SFN last year.

SIN TV plans major project involving soccer

The SIN TV Network believes it has a sports coup coming up. The network, which now reaches 3 ½ million Spanish households and some 28 million households overall via cable, UHF and low-power stations, has embarked on an ambitious project that will span 60 consecutive Saturday afternoons devoted to soccer. The pot at the end of this sports rainbow that will span over a year's telecasting, from April 6, 1985, to May 24, 1986, will be the World Cup game which is slated to be played in Mexico City on June 29, 1986.

Mal Karwoski, sports promotion manager, says the "incredible" reaction from viewers and critics following SIN's 1982 telecasting of the games, led to this year's coverage. "We're commercial free during the games, so we got a big edge there. The only advertising is done before and after the games and at half time. We also hope to get a lot of Anglo homes aware of SIN as a network entity and reach more Spanish homes by getting more operators to take our service," he says.

B&B, Hardee's breakup: tactical disagreements

Long range tactical disagreements on copy strategy, that cropped up 10 months ago and hardened over the balance of '84 was the reason given by Ron Wertheim, executive vice president marketing of Hardee's Food Systems, Rocky Mountain, N.C. fast food franchiser, for the amicable severance of a 10 year advertising relationship with Benton & Bowles. Wertheim says Hardee's will entertain presentations from "four or five" New York based full service agencies, through February and March and select a new agency on or about April 1st. "We've been well supported by B&B over the last 10 years," Wertheim says.

Hardees number of franchises has grown from 1,100 in 1974 to 2,300 today, and, according to B&B, the average volume unit has tripled. "The successor agency will take on a significantly larger and healthier client than the one we went to work for 10 years ago," Roy J. Bostock, B&B president observed. The agency reports the billings at $35 million, "most of it in network and spot television and television production," Wertheim says. "That was what we billed through the agency, but now its an $84-million package," Wertheim concludes. Benton & Bowles' traditional policy on an account loss is to switch its people to other business, rather than release them. Indications are that they will adhere to this policy.

New satellite link delivers European news to Japan

Japanese audiences are now getting all the latest news from Europe via a new transatlantic satellite link to six of Japan's major television networks. BrightStar, a transatlantic carrier of TV programming, is providing the link which is transmitting programming from Great Britain to the U.S. where it's picked up and carried to the networks by the Japanese international satellite system.

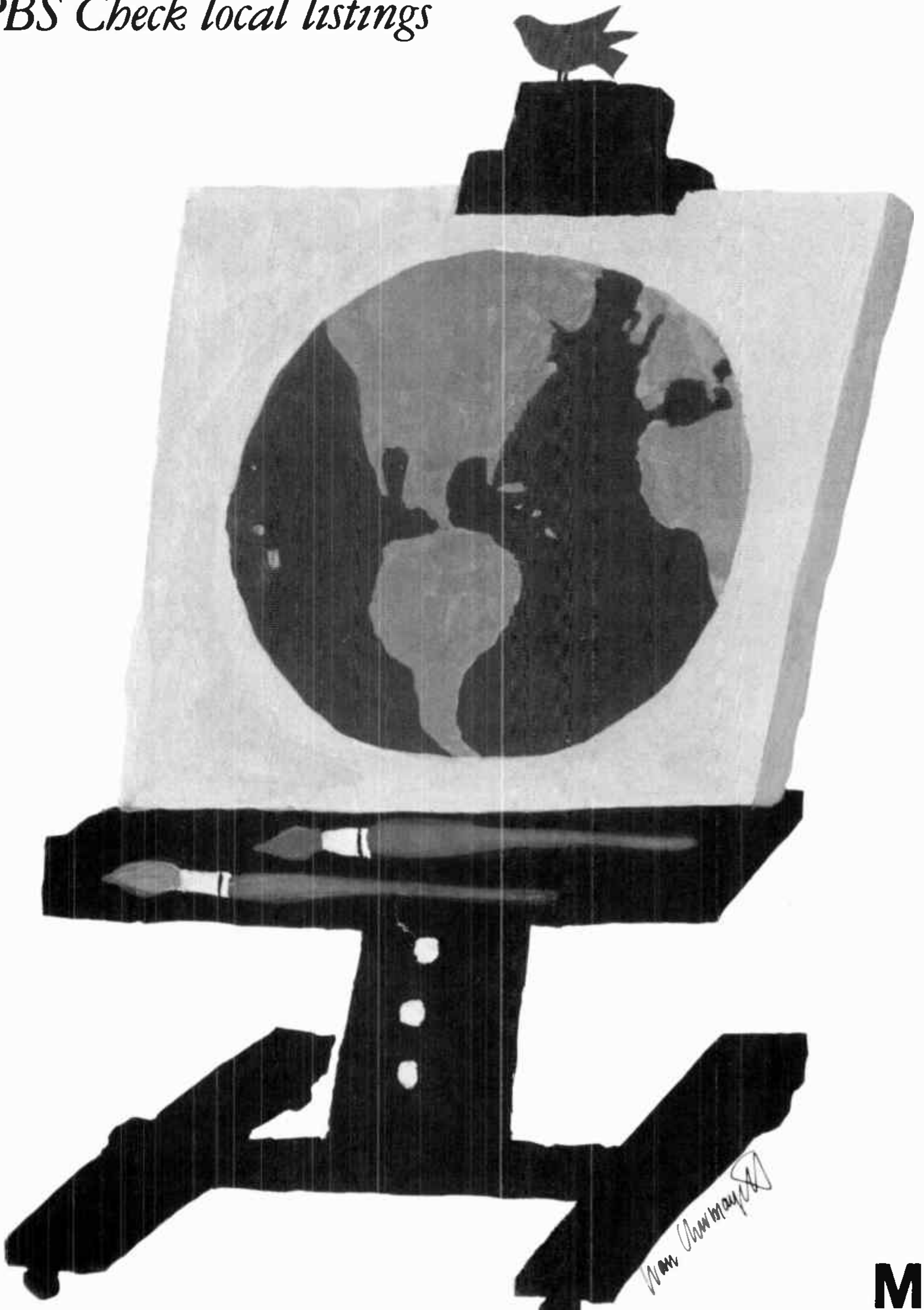
BrightStar is a joint venture of Western Union and the London-based Visnews Ltd. television network.

The Living Planet: A Portrait of the Earth

Written and narrated by David Attenborough

A twelve-part series begins
Sunday, February 3 at 7pm
on PBS Check local listings

"ABSOLUTELY TITANIC SERIES...
Ranks with the greatest accomplishments in the history of broadcasting."
Ron Powers, CBS Sunday Morning



Mobil

For a 16-page Viewer's Guide produced by WGBH, Boston, send $1.00 for postage and handling to The Living Planet, Box 222, So. Easton, MA 02375 (checks made payable to WGBH Living Planet Viewer's Guides). Guides are made possible by a grant from Mobil. CC Closed captioned for hearing impaired viewers

TV Business Barometer

Local time sales up 11.3% in November, lowest ratio rise for 11 months of '84

While it was a double-digit increase, it was the lowest percentage increase for local TV business during any reported month last year. That was the picture for November, according to reports from the *Business Barometer* sample of stations. They showed local TV time sales up 11.3 per cent.

Monthly increases in local TV billings have averaged around 17 per cent, with the peak months being April and August, when the increases were 23.4 and 23.0, respectively. The next lowest month after November was September, when local business increased 13.3 per cent.

Volume of local time sales in November came to $414.4 million, compared with $372.3 million in '83. The 11-month total was $3,840.8 million vs. $3,280.3 million in '83, representing an increase of 17.1 per cent.

Practically no change in network compensation

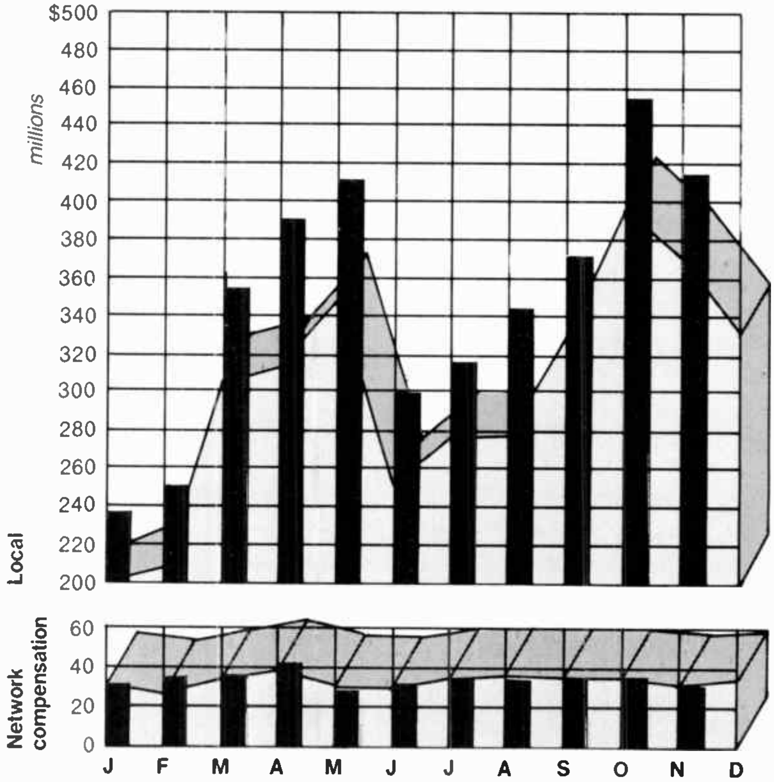
There was practically no change in network compensation. The $31.5 million figure for November was up from $31.4 the year before, an inching forward equal to 0.3 per cent. Total for the 11 months was $385.2 million, up 1.5 per cent. There were four months in '84 during which there were actual declines in network comp from the year before.

The medium-size stations (revenues between $7–15 million annually) were in first place insofar as local percentage increases were concerned during November. It was not a novelty, being the seventh month they ranked first among the three station revenue brackets.

Total station time sales plus network comp for November came to $891.5 million, up 9.7 per cent from the previous November.

For the 11 months, total station time sales plus network comp was up 13.6 per cent. The increase over the first 11 months of '83 topped the billion dollar mark with a total of $8,543.8 million.

November



Local business +11.3%

(*millions*) **1983: $372.3** **1984: $414.4**

Changes by annual station revenue

Under $7 million	+15.4%
$7–15 million	+16.4%
$15 million up	+ 9.2%

Network compensation +0.3%

(*millions*) **1983: $31.4** **1984: $31.5**

Changes by annual station revenue

Under $7 million	+0.4%
$7–15 million	−3.2%
$15 million up	+1.2%

Radio Report

NYMRAD survey asks agencies, clients who media decision makers are

Radio today commands a greater share of ad dollars than it did 10 years ago, radio executives were told at the second annual January Sales Seminar sponsored by NYMRAD—the New York Market Radio Broadcasters Association. But as most of the 250 attending knew from long experience, that doesn't mean radio doesn't have its problems.

So NYMRAD commissioned Yankelovich, Skelly & White to zero in on the specifics of those problems. This survey of 106 agency and client decision makers found agency people reporting that the key media decision makers, in order of importance, are the media director, account exec, client marketing director and client advertising director, with the agency creative director usually involved. Client executives, however, told interviewers that decisions usually start with them, and only then do the people at the agency get into the act, and the agency creative director usually has little say in the matter.

And that's apparently a good thing for radio, if the advertisers are right (and how can the client be wrong?), because three of every five agency respondents feel that radio generates less excitement among creative people than other media. And indeed, some of the creative directors had their own questions about radio, such as: "Who's listening—suburban housewives or low-income kids? Are they really paying attention, or is it just background?" Another creative director protested that he didn't know enough about radio and asked for "specific information about how many of what kind of people New York radio reaches." And he added an unkind cut about how he considers radio "a secondary supplement to other media, to be used sometimes if the budget allows." Still another creative director told the interviewer that he needed sales success stories, and that New York radio "should give our creative department a presentation that raises our hair and makes us say 'What have we been missing?' "

Heavy users said to like selectivity, immediacy

But much that was positive also emerged from the interviewing. Clients classified as heavy radio users recognize radio's wide selection of stations, the immediacy of its message, its usefulness as a good supplement to other media, its comparative economy and its broad reach. Agency respondents cited some of these same attributes and added radio's ability to generate message frequency.

A majority of heavy radio-using clients feel that the approach of radio sales people is equal to television's and better than newspapers', though more agency people rated magazine sales representatives better, and light radio-using clients favored the newspaper approach.

In concluding his presentation of the Yankelovich findings, NYMRAD executive director Maurie Webster pointed out the following "strategic implications" suggested by Yankelovich:

Ad expenditures are expected to grow for New York radio, but it still suffers from an image as a "second class medium" that does not excite the best creative people to give it their best shot. Also, New York's radio salespeople concentrate on agency media departments, despite the fact that the decision of which stations to use is complex. This concentration on the media department fails to convey radio's advantages to other decision makers.

Two-pronged marketing campaign is suggested

To correct such problems, a two-pronged marketing campaign is suggested. NYMRAD as an organization can highlight radio success stories, encourage development of new creative approaches and offer awards that publicize quality radio commercials (which NYMRAD already does with its annual Big Apple awards).

And station salespeople and their reps should work to improve awareness of radio by extending their efforts to agency creative and account management people and to client marketing executives as well—"without exacerbating the impression that there is too much information." Thus, sales effort should focus less on numbers and more on benefits. Understanding clients' special marketing problems will help radio salespeople show them how radio can be most helpful to them.

"It's been like this ever since we hired Selcom to rep us."

An exaggeration? Sure. But the truth is that Selcom station clients do indeed enjoy a substantial increase in the influx of commercial dubs.

With good reason.

Selcom salespeople are different. Masters of the tough sell, their goal is making every situation a growth situation. They're better qualified, better motivated and just plain better at what they do. And, since Selcom is part of the Selkirk Communications team, our salespeople get better research and better support.

It's why we've increased the sales of our client stations from three million dollars in 1977 to fifty million dollars this year.

It's also why you should be talking to us. Especially if you have the problem of not enough dubs.

Selcom radio You'll appreciate the difference.

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A DIVISION OF SELKIRK COMMUNICATIONS INC

Selcom Representation. The advantages will be obvious.

Motivation a key topic at RAB sales conference

Motivation will be one of the key topics at the Radio Advertising Bureau's fourth annual Managing Sales Conference, coming up January 26–29 at the Amfac Hotel at the Dallas-Fort Worth Airport. With 478 registrants as of December 20, the conference has already lined up 134 more attendees than the 344 registered as of December 20 last year.

RAB executive vice president Wayne Cornils, conference coordinator, has signed up a list of guest experts on motivation that include Larry Wilson, president of Wilson Learning Corp. and author of *The One Minute Sales Person;* Steve Garvey, San Diego Padres first baseman, who has his own motivation training business on the side; and former IBM vice president Buck Rogers, who will also talk motivation, marketing and sales. Cornils, in fact, has even brought in a ringer from the enemy camp—newspapers. She's Kathy Black, publisher of *USA Today*, who will talk about "The Challenges of Today's Multi-Media Marketplace."

Black/urban sales meeting to be held in Washington

Washington, D.C. will be the launching site for "The Buying and Selling of Black/Urban Radio for The '80s, "the First Annual Black/Urban Radio Sales Conference scheduled for February 6 and 7 by Ralph Brown, Northeast editor, and Jerry Boulding, vice president, general manager, of *Black Radio Exclusive Magazine.*

Brown calls the conference "the first designed specifically for black/urban radio managers, account executives, marketing consultants and anyone else concerned about increasing their station's revenues."

The conference will be conducted by Richard Kaufman, president of his own radio sales training company, Radio Advertising Dynamics. Kaufman will discuss such general radio sales areas as how to go about prospecting for advertiser leads, getting through to the decision makers, and "the art of asking those decision makers leading questions."

In addition, this conference will include discussion of black buying habits and product preference, black listening habits and determining black purchase patterns.

Upcoming conferences following the Washington opener are scheduled for Atlanta, February 12 and 13; Los Angeles, February 27–28; and Detroit, March 6–7.

Sponsors get involved in station calendar promotion

Most stations go to great lengths to figure out ways to involve the audience in their activities.

A Cleveland FM outlet, WZAK, has come up with an original concept that has really caught on.

"The sponsors help, too," says Lee Zapis, promotion manager for the outlet. The "help" comes in providing funding, an estimated $10,000 for a poshly printed color calendar that is sent out to retailers in January and features pictures of 15 WZAK listeners.

The listeners sent in their name, picture and a completed questionnaire. A panel of staffers from the station selected the calendar models for their attractiveness and the aptness of their answers.

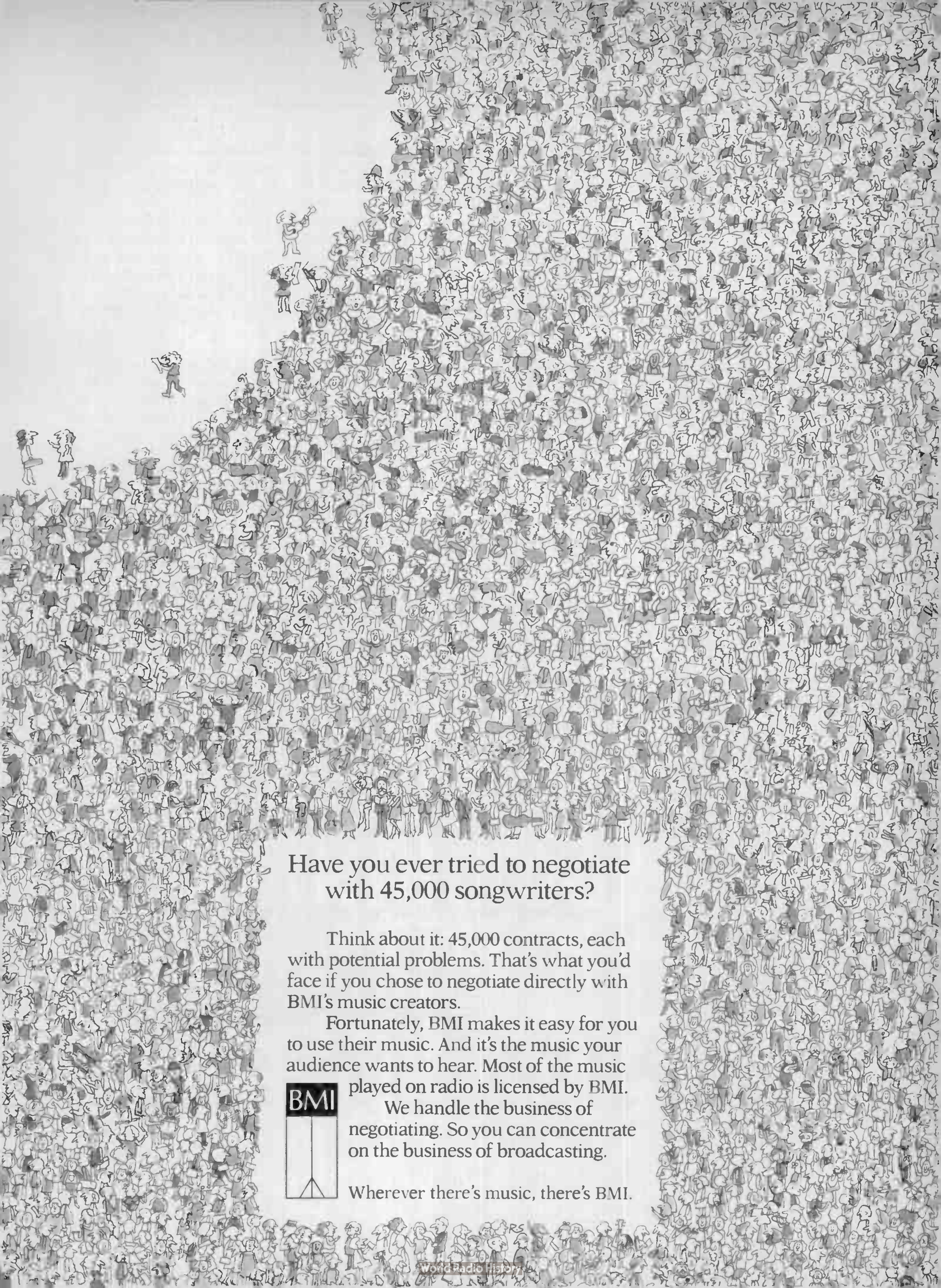
The station's listeners, according to Zapis, are primarily black, in the 18 to 34 age range.

"More than 400 people entered the contest this year," Zapis says. The reaction from sponsors, retailers, and our audience has been so good that we'll do it again."

Aside from helping defray the costs of the calendar, the sponsors also receive several on-air promotional announcements throughout the year in connection with the project.

The winning listeners are told what month they will represent and, according to Zapis, can choose the clothes they deem appropriate for that month.

The most daring was Karen Dokes, Miss July, who chose a bikini. The photographer, make up person, art director and printer all receive conspicuous credit on the calendar cover, which also carries the station log.


Have you ever tried to negotiate with 45,000 songwriters?
Think about it: 45,000 contracts, each with potential problems. That's what you'd face if you chose to negotiate directly with BMI's music creators.
Fortunately, BMI makes it easy for you to use their music. And it's the music your audience wants to hear. Most of the music played on radio is licensed by BMI.
We handle the business of negotiating. So you can concentrate on the business of broadcasting.
BMI
Wherever there's music, there's BMI.

Radio Business Barometer

Network radio revenues rose 14.8% in November; were up 4.4% for year

Network radio ad revenues rose 14.8 per cent in November, according to Jack Thayer, president of the Radio Network Association. The increase over November, '83, brought the month's total to $23,032,352, compared to $20,060,763 the year before.

It was the best increase, percentagewise, of the year to date. However, there were three other months in '84 with double digit increases. They include January, up 11.2 per cent; June, up 13.4 per cent, and August, up 14.6 per cent. October, though, remains the biggest month in dollar terms. The figure for October, '84, was $28,826,996. The total for the 11 months comes to $247,969,830 compared with $237,578,617 for the corresponding '83 period. The overall increase was 4.4 per cent.

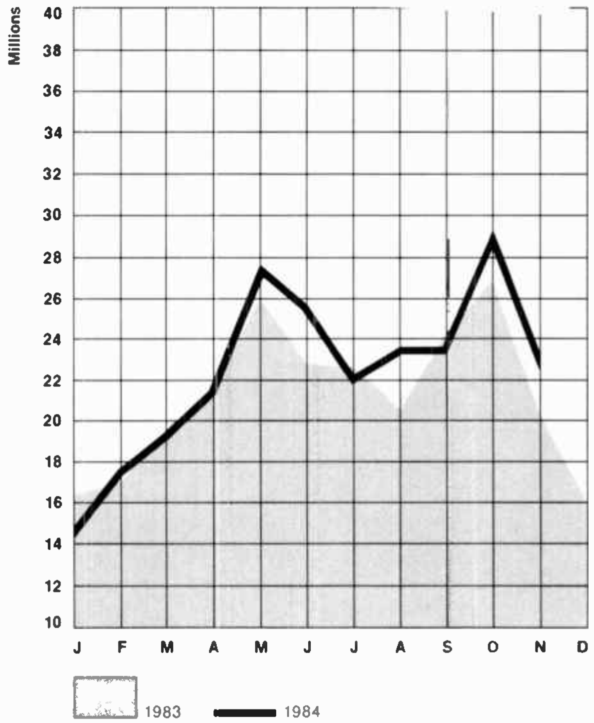
Detroit business rose 65.7%, Chicago up 23.8%

Of the four major sales office cities for network radio, Detroit was the best performer in November. Business in the Motor City was up 65.7 per cent to $2,745,920. Next best performer was Chicago, up 23.8 per cent for a total of $6,130,911. After a down month in October, the Big Apple snapped back with a 7.6 per cent increase to $12,905,887. The only downer was Los Angeles, which declined 13.8 per cent to $1,249,634.

Thayer had estimated at year's end that network radio revenues in '84 would total $265 million, up 5 per cent over '83. This is based on an assumption of a gain of 10 to 15 per cent for the fourth quarter. Reports so far show that the fourth quarter is up 10.6 per cent, from $46,873,756 to $51,859,348. However, the Thayer estimates do not include ad sales generated by the summer Olympics.

The RNA president found network radio billings off to a fast start in '85 and predicted a 15 per cent gain for the current year. This would put web radio over the $300 million mark for the first time, he pointed out.

November



Network **+14.8%**

(*millions*) **1983: $20.1** **1984:$23.0**

Changes by sales offices

City	*Billings (000)*	*% chg. 84-83*
New York	$12,905,887	+7.6%
Chicago	6,130,911	+23.8
Detroit	2,745,920	+65.7
Los Angeles	1,249,634	−13.8

Source: Radio Network Association

We're On the Air!

Whether you want to reach Tacoma or Tallahassee, Detroit or Decatur, Reeves Teletape Program Services delivers.

TELEVISION TODAY

DAILY

MORNING

7:30 **26** **FLINTSTONES**, WGNO–New Orleans, La. Powered by Dick Smith and Angelo Ricco, RT bikes this Modern Stone Age Family for Dancer Fitzgerald Sample.

9:00 **47** **SUPERFRIENDS**, WFSL–Lansing, Mi. For Lexington Broadcast Services, RT syndicators duplicate this cartoon faster than a speeding IRT.

AFTERNOON

4:00 **6** **TATTLETALES**, WCSH–Portland, Me. If it's a great game show, it must be produced by Goodson Todman and biked by RT Program Services.

EVENING

7:30 **23** **WKRP IN CINCINNATI**, WVAH–Hurricane, WV. Radio makes great tv, and Reeves Teletape makes great sense for dubbing for MTM.

8:00 **2** **LOU GRANT**, KGAF–Sante Fe, NM. RT reaches millions with MTM's award-winning program about tv journalism.

WEEKEND HIGHLIGHTS

SATURDAY

6:30am **39** **AMERICA'S BLACK FORUM**, KHTV–Houston, Tx. Tune into the best opinions on today's black issues. Reeves Teletape Program Services makes this informative show available nationwide.

10:30am **3** **LORNE GREENE'S NEW WILDERNESS**, KDLH–Duluth, Mn. Better than Marlin Perkins. Bentley syndicates and RT dubs.

SUNDAY

10:00am **4** **ESSENCE, THE TELEVISION PROGRAM**, WNBC–New York, NY. Susan L. Taylor and Felipe Luciano host stars including Alvin Ailey, Sammy Davis, Jr. and Patti LaBelle on this nationally syndicated talk show. Wake up for this winner every Sunday!

12:00pm **4** **NASHVILLE MUSIC**, WSMV–Nashville, Tn. RT bikes this foot-stompin variety show for Gardner Advertising.

Reeves Teletape Duplication Center

from start to finish

35-30 38th Street Long Island City, NY 11101

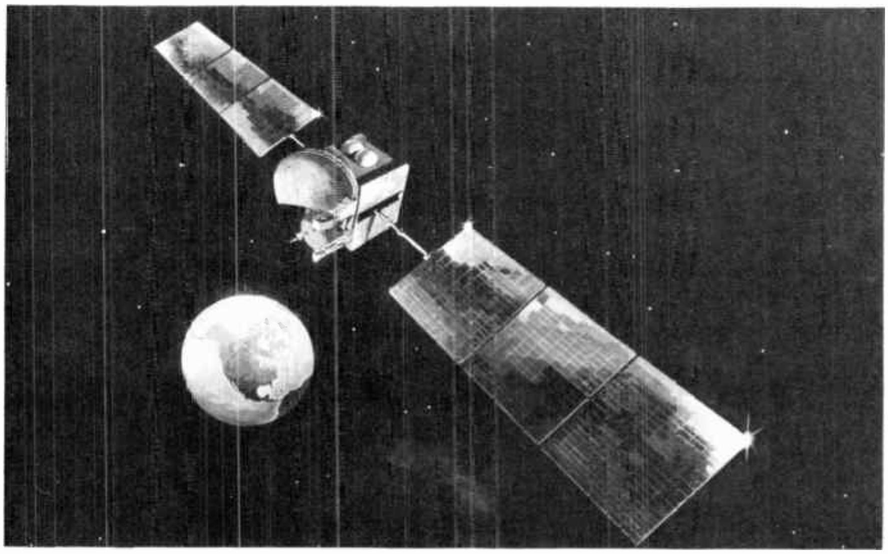
We're On!

Call Dick Smith (718) 392-9560

Television/Radio Age

Volume XXXII, No. 14 *January 21, 1985*

There are currently a total of 21 U.S. domestic communications satellites in orbit, consisting of 14 C-band birds, four Ku-band birds and three hybrids. Illustration at r. is of GTE Spacenet I.



SATELLITE UPDATE

Bird use still growing, but inventory is plentiful

By Robert Sobel

The utilization of satellites should continue to expand dramatically for such areas as syndicated and network television programming, videoconferencing and the international television marketplace.

The satellite video transmission industry is going through a period of adjustment and realignment. After an initial phase when—along with their customers—suppliers of satellite space were worried about a shortage, the pace has slackened to the point where capacity and transponder inventory are exceeding the demand, and prices have softened accordingly. The use of satellites should continue to grow dramatically, however, for such areas as syndicated and network television programming, videoconferencing and the international television marketplace. The only area in which there still appears to be a shortage of capacity is cable television.

According to various industry estimates, there are currently a total of 21 U.S. domestic communications satellites in orbit. Broken down, these consist of 14 C-band birds, four Ku-band birds and three hybrids.

Most of the industry sources interviewed admit collectively that there is much more satellite capacity and transponder inventory currently available for television and other video usage than the traffic can bear.

At Netcom, San Francisco-based satellite television transmission company, Bill Tillson, owner and chief operating officer, notes that there are "a lot of satellites out there—too many for the carriers to sell. The only exceptions are during special periods such as the Olympics or national conventions and elections."

Gary Worth, president of Wold Communications, a subsidiary of the Robert Wold Co., one of only four or five major entities in the satellite distribution arena, says the glut of transponder inventory is not surprising. Part of the reason for the capacity exceeding the demand, he explains, is that a long lead time is required for the preparation and launching of a satellite, making it difficult for potential customers to make precise distribution plans, and thereby stalling the delivery business.

Harold Rice *of RCA American Communications feels some people in the industry are panicking because of the demand lag, "but you have to look at the industry's potential, without thinking that you have to make a profit the first year."*

Dr. C. J. Waylan *of GTE Spacenet believes the current realignment and adjustment process, "in the long run, will be very good for the industry in that it's stimulating use."*

Gary Worth *of Wold Communications is not surprised by the glut of transponder inventory. Part of the reason, he says, is due to the long lead time required for the preparation and launching of a satellite, making it difficult for potential customers to make precise distribution plans.*

At RCA American Communications, Harold Rice, vice president, video and audio services, also sees timing as an important characteristic regarding the state of today's industry. "When you put up a bird, which now has a life span of 10 years, it takes a while for the marketplace to perceive its value and to react to it, like any other new product on the street. Back in 1977, when we put up Satcom 1, it took awhile before we were able to demonstrate that the communications explosion was going to take place. Then, all of a sudden, we were sold out."

It's Rice's contention that the satellite's current capacity will be fully utilized in three or four years. He feels some people in the industry are panicking because of the demand lag, "but you have to look at the industry's potential, without thinking that you have to make a profit the first year." Worth says the industry is going through a period of adjustment regarding demand and capacity and that he expects the on-ground demand to catch up with the up-in-the-air numbers. At this point there is not enough activity on the part of customers to make maximum utilization of the available satellite space according to Worth, "which is another reason for the capacity lagging behind the demand."

To Netcom's Tillson, the industry is going through more of a period of realignment rather than adjustment, based on elements such as timing. Because of all the inventory available, the resellers' customer, Tillson says, can now decide which service he wants to use.

At Television Videotape Satellite Communications (TVSC), Pittsburgh, a division of Group W Productions, George A. Sperry, Jr., vice president, general manager, sees the present time in the industry as a "churning period," and says that some of the distribution companies are finding the demand not as heavy as anticipated. He adds that there was some relief from the demand lull when the last Westar (Westar VI) didn't go into orbit. Since then, the satellite has been retrieved but is still not operational. Its loss shored up some of the available transponder inventory on other satellites by customers who had bought time on the Western Union bird, Sperry points out.

Dr. C. J. Waylan, executive vice president and general manager of General Telephone & Electric Spacenet Corp., feels it's necessary to have an access of supply over demand to stimulate innovative and new applications.

"I agree there is a realignment and adjustment process going on, but I think it's good for the consumer and the user in that it has gotten good prices for them. In the long run, it will be very good for the industry in that it's stimulating use."

At Bonneville Telecommunications, Blaine W. Whipple, chairman, says that while there "appears to be an excess in terms of supply at present, those organizations which are well positioned will continue to experience favorable results in the rapidly growing business segments which require satellite transmission." He notes that Bonneville has doubled its revenue in the last three years, and while he anticipates some slowing in the growth rate, he sees the company continuing as a major provider in the industry.

Network status

RCA's Rice says that what should be considered in any evaluation of the industry is the status of the networks. "The transponder, per se, is only one part of the transmission. It's taking quite awhile for them (networks) to go from terrestrial to fully by satellite. NBC, which has moved into the K-band wholeheartedly, will go from one channel nationwide up to 11—five fulltime and six for weekend sports, and news and backholes. CBS and ABC will do the same. Both opted to stay with AT&T via terrestrial and then into C-band. But ABC, particularly, is installing K-band systems, and CBS is very interested in that as well. All the networks will take at least 11 transponders just to do that—it doesn't take into consideration whatever else they will do. Radio, too, is on satellite from all the major networks.

"About 4,000 of the 8,000 stations are on line now, and I predict they all will be satellite fed."

Rice sees the present status of the industry as in a growth period but in its very early stages. I don't think anyone really has any concept as to how much the industry will grow in the future, until people learn how to use the bird."

More earth stations

One indication that the balance may change regarding inventory vs. demand, says TVSC's Sperry, is that there is a continuing expansion in the number of earth stations at television outlets. He estimates that at present there are "well over 850 dishes in use." He notes that the company recently did a TV survey of all the stations with downlinks, "and it shows it really is growing. It's getting to the point now that most TV stations are realizing they need more than one downlink because of all the programs being fed."

A high percentage of the TV stations, he continues, are putting in a second, and in some cases, a third dish. He believes that, down the line, all the network affiliated stations will have at least two dishes, as the networks' rollover to satellite takes shape. "The indies, too, will probably operate with two dishes, while the more aggressive ones, which have a lot of sports and other things like that, will have three."

He says he sees the surge in earth stations because the price of a good quality dish has gone down considerably, and because it's a piece of hardware which they can use without difficulty, such as a video tape machine.

While negotiations are still in progress, it's understood that Group W Satellite Communications, Stamford, Conn., is one of the finalists in the running for providing uplink facilities for CBS from New York to the web's affiliates. At presstime, talks were near completion, and Group W was seen as having the edge to win the contract.

Netcom's Tillson who says that about 80 per cent of the company's income is from broadcast and cable business, notes that it is also heavily involved in network activity. For example, he says Netcom does almost all the CBS live originations which the network doesn't do itself. Last year, Netcom uplinked the Super Bowl and all the golf tourneys and the political conventions. For ABC, Netcom recently was signed to feed 10 sports and news telecasts, and it was the primary feed for the Super Bowl this year.

Tillson has one cable network as its client, the Financial Network News, for the 13 hours it transmits, which come from Netcom's transponder on Satcom IV. The company expects to add other cable networks shortly. Tillson looks to cable as an area of expanding potential. "Even though it's a mature industry, and the industry has peaked, the companies in the business are more stable and financially secure, and are looking for quality services." He says the bottom line on the cable side is that both Satcom III R and Galaxy I are sold out, and that there is "no way to get on them." Satcom IV is the only cable spillover bird. The industry has only one-and-half satellites worth of programming, Galaxy and Satcom IIIR tend to duplicate each other regarding East and West Coast feeds, for example.

Wold's Worth notes that cable runs counter to the excess situation in the industry, and he also maintains there is a shortage of capacity on certain of the desired satellites. Therefore, while it's true generally that the demand is behind the supply, it's just the opposite if a customer is trying to reach the cable marketplace. "You can't make broad strokes about the industry without bringing in cable." But despite the shortage of available cable transponder inventory, TVSC's Sperry says some of the cable operations are taking a second look at the bird. For example, Warner Cable, in Pittsburgh, taken over subsequently by TCI Communications, was looking to put 65 channels on the air, but has cut back to about 40. TVSC still continues to uplink the Wometco Home Television network.

Television syndication

Meanwhile, according to the major players, one of the fastest growing areas in terms of satellite usage is television syndication to stations. Wold's Worth sees the transmitting of syndicated material to television outlets as the fastest rising trend in the delivery arena. He says that syndication distribution by satellite is growing at a rate of 30–40 per cent per year in hours of transmission, noting that last year only a portion of one of Wold's transponders was dedicated to syndication. At present, it has two-and-a-half transponders geared to sending out syndicated programming. One of the transponders, 5V on Telestar 301, is devoted exclusively to syndicated shows 24 hours per day. The other two transponders which have been set aside for syndicated programs are on Westar IV and 301.

TVSC's Sperry sees the syndication delivery business "growing nicely. We are delivering more syndicated product to stations today than at the similar time last year. This part of the business is doing quite well and is very healthy. Sperry notes, in fact, that the main thrust of his business is syndication distribution. One of the major recent projects involving TVSC and syndication was interconnecting the *Donahue* show from its New York base at the NBC studios, the new site of the strip. The series is being interconnected from NBC Entertainment uplinked through Westar V and downlinked at TVSC's facilities in Pittsburgh. The show is turned around for a second feed later. One of the shows scheduled after presstime was a live transportable hookup between Donahue and a cleric who locked himself in his jail cell.

At this point, Worth estimates that both his company and Sperry's have about 98 per cent of the syndication business being delivered by the bird (TVSC uses a transponder on Westar V as its primary syndication source). He adds that his customers read like a "Who's Who" of the industry, including Paramount, MGM/UA, 20th Century Fox, LBS Communications, Metromedia Producers Corp. and Tribune Entertainment, which represent a total of 60 ongoing shows.

However, competition in the syndication arena looms on the horizon, via Netcom and perhaps others as well. Tillson notes that Netcom launched a syndication and programming division

(*continued on page 118*)

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Legislative battle looms over proposed beer, wine ad ban, while FCC focuses on 'consolidation'

By Howard Fields

The major government-related issue facing the broadcasting industry this year appears to be the campaign to ban all beer and wine advertising over radio and television. And since the Federal Communications Commission says there is no way it is going to get involved in this conflict, most of the action is likely to occur in Congress and in various state legislatures.

The National Association of Broadcasters, however, considers this issue its biggest priority for 1985, characterizing it as one of the greatest economic threats to the industry since the congressional ban on cigarette advertising more than a decade ago.

Edward Fritts, NAB president, says the organization has been gearing up for nearly a year, has amassed a war chest and has exacted promises from the board that more will be forthcoming if needed to wage the fight.

Broadcasters' foes on the beer-and-wine issue are formidable. In addition to Parent Teachers Associations, which are gathering a million signatures on petitions to Congress to enact a ban, the effort is being waged by a group related to Ralph Nader's consumer-activist organization. It is the Center for Science in the Public Interest, which has called its anti-liquor advertising effort Stop Merchandising Alcohol on Radio and Television, or SMART in the acronym-conscious halls of the federal government. (See earlier article in August 6 issue of TV/RADIO AGE).

At the FCC, except for a few major items cleared out at the beginning of the year, 1985 is expected to be an "underbrush year." As chairman Mark S. Fowler says, "Many of the largest issues are behind us now. This will be a year of consolidation and an attempt to knock out what are relatively minor regulations or rules that don't make any sense."

Economic impact

Though nearly $750 million a year is spent on beer and wine advertising on the electronic media, the impact on individual stations is mixed. But the NAB feels there are enough stations that would suffer to make it a worthwhile fight. Fritts says, "We have a number of stations (because of market position, community orientation or personal philosophy) that get little or no beer and wine advertising. We have others where it's a very significant portion of their revenue base."

NAB executive vice president John Summers compares the pending fight against the alcohol ad ban with past efforts in favor of deregulation; "Heretofore we were talking about regulatory things that had little economic impact. Now we have an issue that is clearly economic and one which is extremely important to our entire membership."

The main defense will be a First Amendment one, and the recognized expert on First Amendment matters, Floyd Abrams, partner in the New York law firm of Cahill, Gordon & Reindel, expresses optimism about the outcome, but with the usual legalistic caveats. Abrams suggests to the defenders that "it is absolutely indispensable for you to put in evidence" showing that there is no link between the advertising of alcoholic beverage advertising and the amount of consumption.

The broadcasting industry lost millions of dollars as a result of the cigarette advertising ban and stands to lose even more from a ban on alcoholic beverage advertising. Below, Schlitz Malt Liquor commercial from Benton & Bowles.

In another First Amendment matter, that of gaining full rights for broadcasters, the industry is going to suffer a dimunition of the time spent on the issue by one of its greatest champions in Congress, Sen. Robert Packwood (R-Ore.). Packwood has given up the chairmanship of the Senate Commerce Committee to become chairman of the Finance Committee.

His replacement on Commerce, Sen. John Danforth (R-Mo.) has given little indication of his views on broadcast matters, but a visit that FCC Chairman Mark Fowler had with Danforth in December illustrated that Danforth's emphasis in the committee probably will be in non-broadcast areas. Fowler recounts the meeting as one in which "we spent a great deal of our time talking about issues in the telephone area."

Another loss in Congress will be the attention to broadcast issues given by Sen. Barry Goldwater (R-Ariz.), who will remain as chairman of the Communications Subcommittee, but is expected to devote more of his attention to the Armed Services Committee as its new chairman.

Indeed, the Commerce Committee has all but decided that it will not initiate TV deregulation this year, unlike the beginning of the last term when it obtained passage of a bill within a month of the actual start of Congress. Major bills are expected to be introduced in the House, but not by the major actors, foretelling an equal lack of priority on such items in that body.

Drunk driving campaign

The major effort by the broadcast industry at the end of 1984 to campaign against drunk driving was no accident. Neither is the fact that the auto industry, which fought so hard 10 years ago against the requirement that seat belts be installed in cars, is now waging a major campaign to get drivers to use those seat belts. Automakers are trying to stave off federal legislation requiring the installation of air bags. Broadcasters are trying to stave off legislation that would ban the advertising of alcoholic beverages on TV and radio.

Broadcasters lost a similar battle when Congress amended the Public Health Cigarette Smoking Act of 1969 to pro-

The NAB, led by president Edward Fritts, top, l., and exec vp John Summers, top, r., considers fighting the proposed beer-wine ban its biggest priority in '85. AAF's Dan Jaffe, bottom, r., says such a ban "could create precedents." Lawyer Floyd Abrams, bottom, l., stresses that the issue is going to have to be won "on the facts."

hibit all television and radio broadcasting of cigarette advertisements as of January 1, 1971.

The industry lost millions of dollars because of the ban and stands to lose even more with a ban on beer and wine commercials. Since 1971, however, unsuccessful battles have been waged to get a ban on all tobacco products, including chewing tobacco, cigars and pipes.

Equal time sought

The fallback position for SMART, if it fails to get an outright ban, is for at least equal time on radio and TV for anti-alcohol messages. Several church groups, the Consumer Federation of America, and anti-drunk driving organizations such as Mothers Against Drunk Driving (MADD), with whom the industry is working on anti-drunk driving public service announcements, are involved in the work for a ban.

Asked whether the PSAs were contributing to the NAB's own opposition since they point out the dangers of alcohol consumption, Fritts replies, "We think that whenever the PTA in this country collects a million signatures, that we don't have to worry about" the amount of opposition the PSAs might generate. "Just the effort to collect a million signatures has given this thing exposure, and I don't think we're going to add to it."

During the past cycle of state legislatures, Fritts notes, 18 states considered bills of some sort to ban liquor advertising. Even if passed, many of those bills probably would run into constitutional battles that already have been fought. So the best chance of the anti-liquor ad people, most parties agree, is for a national ban enacted by Congress.

With the House and Senate continuing their efforts to get organized for the new term, a process that will last through much of February, it is too early to tell where the fight will come from in Congress. Because of the nature of the matter, the fight could, as Fritts says, "come from any number of subcommittees. It depends on the individual members and the push that they may get from back home. It cuts across all boundaries."

Because of that, the NAB has adopted a major change in its way of doing business with the federal government. It tested the new method last year in a couple of instances, hiring lobbyists not a part of the NAB lobbying staff to represent the industry in matters such as the Radio Marti question and on copyright issues.

Since the NAB is an organization that normally deals with congressional committees that focus on communications issues, it has set aside a major portion of its lobbying budget for 1985 to hire outside lobbyists who have contacts and favorable track records with some of the non-communication panels, such as a health subcommittee or a trade subcommittee.

Grass roots effort

In addition, the NAB is bolstering the grass roots effort it already had put into place, spending thousands on materials and alerting broadcasters to the danger. They are expected to put the pressure not only on their state legislature, but also on their congressional representatives.

The NAB also has its allies, primarily the advertising industry, which stands to suffer as much if not more from a wine and beer ad ban. The American Advertising Federation (AAF), which joined with the NAB in the drunk driving campaign, spent its annual Advertising Law Conference in Washington, D.C., recently on the beer-and-wine issue.

AAF president Howard Bell says his organization is concentrating on fact sheets that are designed "to answer specific inaccurate criticisms of the role of advertising in the alcohol controversy." Dan Jaffe, AAF's leading lobbyist, adds that "If alcoholic beverage advertising were banned or severely restricted, this could create precedents that almost inevitably would be extended to many other products."

One of the appeals the NAB plans to use will be made on the grounds that a ban on wine and beer commercials would cause undue hardships on the very people that Congress and state legislatures have gone out of their way to help in recent decades—the minorities.

Summers likes to cite an example of the impact the ban would have on one minority-owned broadcast station, which he does not name.

"One minority broadcaster was only able to get the financing he needed to buy a station and keep it on the air be-

FCC chairman Mark Fowler, l., feels, "Many of the largest issues are behind us now." Mass Media Bureau chief James McKinney, r., says one of the major technical items will be FM interference with aviation channels.

cause he had a contract from a major brewer promising to buy so much time with his station. That's how crucial it is to some of these stations."

That may help sway members of Congress, who will consider it on an emotional level, but Abrams looks farther down the line, when various state laws and probably even whatever law Congress comes up with are tested in the courts. Some emotional pull will play a part, he says, but the issue is going to have to be won on the facts. Facts also are necessary in any congressional fight.

Share vs. numbers

The ultimate case, he suggests, is going to be decided on whether the NAB and others are able to convince the legislative and judicial bodies that there is no relationship between the amount of beer and wine commercials on the broadcast media and the number of people who consume the booze. He promotes the argument by the liquor manufacturers and the ad agencies, who claim the commercials are directed not at increasing the number of consumers of alcohol, but rather at gaining a greater share of the consumers for a particular brand.

Although that argument has no relationship with the general question of the First Amendment right of commercial speech, Abrams suggests the argument still will be a part of the consideration.

He pointed out to the AAF's Law Conference that while the U.S. Supreme Court has endorsed the right of commercial speech as part of the First Amendment, there remain tests that must be applied to whether that right overrides other considerations, such as truth and nondeception.

In 1980, Abrams says, the nation's high court said that lower courts should look first at whether the advertising was about a lawful activity and whether the advertising was misleading. If it passed that test, then, Abrams says, the court said answers must be obtained to three other questions: "Is there a substantial government interest in limiting the advertising? Does the regulation directly advance that governmental interests? Is the regulation no more extensive than is necessary to serve that interest?"

Under those tests, various state and local statutes have failed, Abrams says. And facts don't always make the case, he warns.

When an appeals court decided on a Mississippi law banning liquor ads that originated with the state, Abrams says,

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Marschalk gets a better fix on accuracy of GRP estimates

By Alfred J. Jaffe

One factor often overlooked in the fractionalizing of audiences to broadcast and the new electronic media is the increased error range built into forecasting ratings—in particular gross rating point totals evaluated in post-buy analyses. This is because smaller audiences and audience segments usually mean smaller samples. And smaller samples mean larger sampling errors.

This is more than a statistical matter. Stephen Segal, senior vice president and media director at The Marschalk Co., which has done something about the problem, explains why:

"When we estimate gross rating points for a buy, we generally figure we'll be within plus or minus 10 per cent of the reported figures. This range has been a traditional rule of thumb, and it's considered a reasonable range of error. It usually works with estimating household ratings and ratings for broad demo groups.

"But when you get into narrower demos, you have a problem of smaller samples and can't always keep within that plus or minus 10 per cent range. Are we cheating our clients if we promise plus or minus 10 per cent and can't deliver?"

To the agency, the answer was clearly yes and, with the help of Arbitron, Segal and Barbara Collins, Marschalk media research director, embarked on a search for a solution early in the decade. At Arbitron, the effort was headed by Michael Occhiogrosso, vice president, statistical services; Roland Soong, Arbitron's "mad scientist," and Daniel Mallett of Marketmath, Inc., a consultant to Arbitron.

This, in summary, is the result of the search:

- Analysis confirmed what intuition, knowledge and common sense already had made clear: there was more uncertainty about, more of a bounce in, GRPs for smaller demos.
- In a major step, a simplified, but usable, formula was developed—with Soong doing the groundwork and Mallett devising a way to employ it—to replace the exact, complex formula for the standard error of any one GRP estimate.
- Further analysis showed what to expect in terms of specific statistical error ranges for various kinds of "real world" buys, covering various market sizes, various demos and various size schedules.
- Convenient criteria covering the amount of plus or minus "play" to be

"When you get into narrower demos," says Marschalk senior vp, media director, Stephen Segal, center, you have a problem of smaller samples and can't always keep within that plus or minus 10 per cent range. Are we cheating our clients if we promise plus or minus 10 per cent and can't deliver?" Feeling the answer is 'yes,' the agency, with the help of Arbitron, believes it has come up with a solution. At l., Marschalk media research director Barbara Collins; at r., Marilyn Fisher, vp, director of broadcast services.

expected in post-buy analyses for various types and sizes of buys were developed by the agency. In about half of the "typical" examples, the allowable error range was more than 10 per cent.

■ In some cases, the relative standard error was so big that it was folly to buy on the basis of the target demo. Marschalk's advice in such cases is to focus on programming which appeals to the target demo and use a "surrogate" demo for post-buy analyses.

In the recent past, Segal pointed out, Marschalk media people and their clients were increasingly aware that post-buy analyses were turning up more examples of GRPs greater than 10 per cent off the original estimates.

Criteria for grading buys of TV spots

Relative standard error at the 95% confidence level

Demographic group		Top 100 ADIs 100 GRP	Top 100 ADIs 200 GRP	Top 100 ADIs 300 GRP	Top 100 ADIs 500 GRP	Bottom 100 ADIs 100 GRP	Bottom 100 ADIs 200 GRP	Bottom 100 ADIs 300 GRP	Bottom 100 ADIs 500 GRP
TV households		10%	10%	10%	10%	15%	10%	10%	10%
Total women:	18+	10	10	10	10	15	15	15	10
	25–54	15	10	10	10	20	20	15	15
	25–49	15	10	10	10	25	20	20	15
	18–49	15	10	10	10	20	20	15	15
	18–34	20	15	15	15	30	25	25	20
Total men:	18+	10	10	10	10	15	15	15	10
	25–54	15	10	10	10	20	20	15	15
	25–49	15	10	10	10	25	20	20	15
	18–49	15	10	10	10	20	20	15	15
	18–34	15	15	15	15	30	25	25	20
Persons:	12–34	10	10	10	10	20	15	15	15
Teens:	12–17	25	20	20	15	40	30	30	25
Children:	2–11	25	20	20	15	35	30	25	25
Children:	6–11	25	20	20	20	40	35	30	30

Based on considerable research and computations, these standard error figures prepared by The Marschalk Co. provide realistic guidelines on the amount of maximum deviation from GRP estimates—plus or minus—that buyers should expect in post-buy analyses. Where figures reach 25-to-40 per cent, the agency recommends alternate demos (see story) and more attention to programming popular with the target demo. (Bottom 100 ADIs is rounded figure representing remaining markets, currently 112.)

Root of the problem

A basic question raised was: Were the errors due to real world situations or were they due to statistical "bounce." There were certainly reasons for considering the former. A new generation was moving into the marketing limelight, new ideas were affecting lifestyles, a greater choice of entertainment and information was available from electronic media, and these factors could change the way people watched and listened.

On a more mundane level, the real world situation could be basically a case of a buyer being wrong about the appeal of a show. Or the weather could affect viewing. Or a competitive show could emerge with unexpected strength. Being off-base in audience estimates for these reasons, says Marschalk, comes under the heading of "forecasting errors," the difference between the GRPs the schedule was supposed to deliver and what "in truth" it did deliver.

But sampling errors remain a major problem. A Marschalk presentation traces the background: For one thing, there was more demographic information available: for another, there were new sources of information.

Detailed demographic information became available on a regular basis in the '70s, the presentation pointed out. Then, in addition to the many age-sex breaks, Arbitron and Nielsen provided ethnic reports and, later, cable data.

The new sources of information included psychographic profiles such as VALS (Values And Life Styles), which is melded with Simmons data and geodemographic ZIP code clusters such as PRIZM, used by Nielsen. "These more extensive data bases," Marschalk states, "have allowed media planners to more tightly define the target and, thus, better spend the advertising dollar."

However, these smaller demographic groups may be more sensitive to the changing TV environment, the agency acknowledges. Moreover, the agency continues, broadcast media have become increasingly fragmented. In particular, Marschalk points to TV, with growing penetration of cable and videocassette recorders in the home. Citing Nielsen data, the agency notes that the ratio of households which can receive 10 or more TV stations rose from 27 per cent in 1976 to 51 per cent in 1983.

Went to Arbitron

It was against this background that Marschalk went to Arbitron in 1981 to help in answering the question "of whether these more tightly defined demographic groups could be purchased on a local market basis with the same accuracy as the formerly traditional household target or broad demographic group."

In April, 1982, Arbitron made available to Marschalk, as well as other agencies and advertisers, a study of changes in viewing levels by demo groups. There were no surprises. The data confirmed what the advertising business had surmised from experience and knowledge of sample surveys. The larger demographic groups showed greater year-to-year stability in viewing levels than the smaller groups.

Arbitron laid out the percentage of daypart changes in HUT and PVT (persons viewing TV) levels that were more than 10 per cent from 1980 to 1981. The figures ranged from 22 to 57 per cent for key demographics. The lower figure was for households. The highest figure was for teens, reflecting both their numbers in the total population and in the viewing audience.

Other demographics nailed down the point. Total woman 18-plus: 25 per cent. But women 18–34 showed a 40 per cent level. Total men 18-plus: 33 per cent. But men 18–34 showed a 47 per cent level.

Were these changes reflective primarily of those particular years? Marschalk thinks not and notes that, for example, NAB trend analysis reports for 1982–'83 showed similar results for both Arbitron and Nielsen.

While Marschalk points out that the Arbitron study was not designed to distinguish between real world changes and sampling error, it did make clear that staying within the plus or minus 10 per cent range was becoming increasingly difficult, especially with smaller demos and smaller markets.

That still doesn't tell the client and agency what specific amounts of sampling error exist for various kinds of GRP estimates, covering a range of schedule sizes, market sizes and demographics.

Calculating a GRP sampling error for a specific campaign can be time-consuming and costly. The items of information needed for the formula include the ratings for each spot, the effective sample base (ESB) and the correlation between each pair of spots in the schedule, the latter being essentially a measure of duplication. The ratings come right out of the standard Arbitron report, and ESB can be easily calculated from other routine information in the report. But the correlations cannot be obtained from standard published information. A 20-spot schedule, for instance, involves 190 pairwise spot combinations. This requires tabulations of audience duplication and then some subsequent calculations to convert audience duplication into correlation for each pair. The answers can be gotten through Arbitron's AID system, but, as indicated, the cost and time is prohibitive, if it has to be done for every schedule.

However, Arbitron's Statistical Services Department comes to the rescue, impelled by Marschalk's interest. It developed a relatively simple formula for approximating the standard error of GRP estimates. The approximation formula uses the average rating for all spots in the schedule instead of using the rating for each spot and, most important, the calculations for the individual pairwise correlations are replaced by the average pairwise correlation for all spot pairs in the schedule, which can be obtained from one AID run.

With the availability of the approximation formula, a few general characteristics of the standard error for a GRP estimate have become apparent. Here, too, there was nothing surprising, but the formula was tested against the "exact" (complete) formula and appears to work "extremely well."

The agency asked Arbitron to compare the exact and approximation formulas on an 11-spot schedule for each of

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Extremely soft scatter market expected to depress both network and spot TV prices: media execs

The current network television scatter market is described as softer than it's been in years, a condition that is also expected to have a depressing impact on national spot prices.

That's the prognosis of top media executives at major ad agencies and media services who point to the economy, bigger-than-expected upfront business and, possibly, some siphoning of money to alternative media as contributors to the present buyer's market.

However, they are also quick to point out that, despite its problems, network television remains, by far, the most powerful and dominant medium for national advertising.

Failure of the economy to show the continued strong gains hoped for is, according to Richard Kostyra, senior vice president, at J. Walter Thompson, bringing "a continuation of fourth quarter's softness." That, he believes, "should lead to attractive prices in both the network scatter market and in spot television. We're now seeing," he continues, "a good deal of advertiser interest in exercising their cancellation options and in selling off some of their network inventory."

And since "spot generally follows the networks' lead," and it's been "sometime since we've seen spot television this inactive leading into the following year's first quarter," Kostyra expects spot pricing "to follow network prices downward." He also reports that approvals for many of the spot TV plans drawn up for clients "have been slower to come back. That looks to me like hesitancy to commit."

Howard Nass, senior vice president, media at Cunningham & Walsh, reports early news and daytime strong on the networks, but finds primetime "softer than the networks had anticipated—maybe because dollars are being shifted to daytime and news, or maybe because so much money was poured into upfront buying last spring—much more than in '83."

Opportunistic buys

Nass also speculates that, "In some cases it may be because all that upfront action last spring resulted in companies now sitting on $3 million or so worth of inventory and not being able to find enough takers in their stable of brands. Or it could be because the slower economy than hoped for is leading to slower approvals on buying recommendations. But whatever the reasons, we see a good chance to make a number of opportunistic buys, both on the networks and on the local stations."

At Dancer Fitzgerald Sample, senior vice president, director of network operations, Mel Conner, says that for 1985, "Going in, we expect more of the same. That means less of a difference between upfront and scatter prices than in most recent years. Instead of a 20 per cent

"The scatter market is normally strong, with the networks usually asking about 15 per cent more for their inventory than they got upfront. This time, scatter will probably go for only around 5 per cent more."

Peter Triolo
Senior vice president
William Esty Co.

higher scatter price, I doubt if the networks will see much more than a 5 per cent increase in all dayparts except news during the January–February–March quarter. News is the only place there's been appreciable demand. And news is a pretty small daypart in terms of number of availabilities."

Peter Triolo, senior vice president and director of media services at William Esty Co., agrees that "right now the scatter market is soft," but adds that, "There won't be very much scatter inventory left that the networks will be stuck with." Triolo observes that, "The scatter market is normally strong, with the networks usually asking about 15 per cent more for their inventory than they got upfront. This time, scatter will probably go for only around 5 per cent more."

Impact of make goods

Tom Winner, Triolo's senior vice president and director of broadcasting, adds that, "A lot of what wasn't sold upfront has already been used up as make goods to meet the networks' upfront guarantees. Remember, that one reason for so much upfront buying was that with network audiences still declining slightly, or threatening to drop off, buyers feel the need for guarantees. They'll get those guarantees as part of the incentive to buy early. You can get some guarantees with scatter inventory, but they're not as easy to come by."

But that said, Triolo says that network television is "still the most powerful sales tool we have, so it will continue to get the lion's share of most major ad budgets."

The economy, bigger-than-expected upfront business and, possibly, some siphoning of money to alternative media are all cited by top media executives at major ad agencies and media services as contributing factors to the present buyer's market existing in network television.

Web dominance stressed

Similarly, in his appearance at Paine Webber's December Media Outlook Conference, Robert Coen, senior vice president and director of forecasting for McCann-Erickson, pointed out that despite the "gradual evolution of new television advertising opportunities on cable and syndicated programs, the networks continue to capture the dominant share of most national advertising budgets. The 20 per cent increase in network TV expenditures last year was better than most analysts thought possible in 1983."

Coen pointed out that most of the networks' 1984 gain "was due to the premium price of Olympic ads and significantly higher prices for many other program periods during a year of exceptional advertising demand. Although there was a moderation in growth in fourth quarter, the total year growth rate was the highest since 1976."

Moving to this year's prospects, Coen predicted that total spot TV revenues "will undoubtedly be higher than 1984's, but not very much higher. And the network outlook is darker because of the exceptional performance last year. The new post-Olympic 1984–'85 season started off well, but, relative to the first three quarters of '84, the gains appear quite mediocre."

Coen expects the first three months of the 1984–'85 TV season to finish with revenue gains of about 9 per cent, compared to the previous year's fourth quarter. He reports noting over the years "a strong correlation between fourth quarter gains and the gains of the next three quarters of the upcoming year. In the case of the 1984–'85 network season, we could surmise that a 9 per cent growth in October through December '84 could probably indicate gains in the neighborhood of 10 per cent for the next three quarters. But the presence of the Olympics in last year's first and third quarters means that these rates will be considerably depressed for '85. There will probably be little, if any gain in the first and third quarters."

Artificial price hikes

Larry Cole, senior vice president, director of media services at Ogilvy & Mather, recalls that, "For years, the

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"The fact is that there has been more use of alternative media forms. It's been gradual—a little bit more each year than the year before. But there has been this gradual creep up, so it hasn't been all idle talk."

Janice Clements
Vice president
SSC&B

"This year, for the first time, some networks didn't make budget upfront, and their managements see money out there to be gotten that they're not going to get unless they drop their scatter prices."

Clifford A. Botway
Chairman
The Botway Group

People meter test results eagerly sought by agencies

Will the people meter be proven viable in 1985?

Assessments of the new audience measurement methodology's chances among agency media executives interviewed by TV/RADIOAGE range from optimistic to skeptical. However, last year's introduction of a people meter by AGB and subsequent announcements of tests for similar devices by Nielsen and Arbitron have the ad research community abuzz with anticipation.

Although the fate of the people meter is by far the overriding issue facing researchers as the new year gets underway, other subjects also surface as important areas to watch. Among them:

- Services designed to track brand purchases following commercial exposure.
- Research correlating program appeal and impact of commercials.
- Effectiveness of current cable measurement methods.
- Growth of VCRs and resultant commercials zapping.

Joanne Burke, manager of media research at N W Ayer, New York, is among those who consider the most important media research event of 1984 AGB's introduction of the people meter, "and the effect it's had on our domestic rating services here, who are now speeding up their own efforts in this areas as a result."

And Burke sees as a second benefit "the interest that the people meter has generated in the whole area of ratings for the commercials themselves, and in qualitative measurement of television audiences."

The benefits of all this activity that Burke hopes to see continued throughout this year include "the competitive pressure that will continue to push Nielsen into improving its service," and "the advantage that clients and agencies will no longer have to settle for just numbers, age and sex."

Alan Goldin, senior vice president, media director at Kenyon & Eckhardt, New York, also sees as the biggest news in media research, the fact that, "we now have three companies working on this metamorphosis in the way television audiences are measured—Nielsen and Arbitron-Burke, as well as AGB." But unlike most of his colleagues at other agencies, Goldin warns that, "Even if one or more of these various systems goes part way in doing what their designers hope they do, they're still not going to be the panacea so many people think they're going to be."

That, he explains, is because "I can't believe that viewers are going to be conscientious and diligent enough to push their meter buttons every time they get up to leave the set during every commercial break, and then again, every time they come back." Based on this, what Goldin wants to see happen this year is for the industry to "keep pressing ahead to come up with what we have always needed—but may actually in a practical sense be unattainable: a passive way that does *not* depend on actions by the viewers, that can give us minute-by-minute ratings. That's what could give us a measurement of audiences to our commercials, *if* it can be done. This becomes more important to the industry as more and more viewers acquire VCRs and remote control buttons."

But if the ratings providers can't come up with the level of perfection Goldin describes, other researchers are grateful for what may be attainable. Thus, Irene Dunne, vice president, media research at J. Walter Thompson, New York, wants to see, "the people meter proved viable. It even has the potential to save money. A working people meter system would eliminate the need for the costly diary backup required by current household meters."

Potentially 'exciting' year

So Dunne sees 1985 as a potentially exciting year "because in February we should start seeing initial results from AGB's Boston test, and our Toronto office tells us Nielsen will be testing their version of the people meter in Canada. And Arbitron and Burke will be testing their ScanAmerica system in Denver."

Larry Roslow, vice president, director of media research at SSC&B Inc., agrees that, "Unquestionably, the brightest media research highlights of the past year have been the experiments by AGB and Nielsen with people meters. Both are moving ahead, and, hopefully, we'll see some results by third quarter of '85. And we're hoping for some preliminary data from AGB's Boston test this spring."

Roslow calls these experiments "exciting," because, "if they work as we hope, they offer the potential to provide 52 weeks of data for people that we now can only guesstimate during some parts of the year."

Another advance, adds Roslow, has been "the steady push of household meters into more markets, to the point where they're now in a dozen or so, where they help us to make more informed buys, because the data comes back to us faster than in all the diary-

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N W Ayer's Joanne Burke, top l., cites the people meter as the measurement technique offering most promise for 1985, but Kenyon & Eckhardt's Alan Goldin, lower l., asks for something better. Cunningham & Walsh's Lawrence Friedman, top r., sees need for improvement in cable audience reporting, while SSC&B's Larry Roslow, bottom, r., is pleased with progress in test market measurement systems.

Viewpoints

New strategies must be created to make AM band more competitive with FM

Ben Hoberman

AM stations as a group are faced with declining audience shares. New strategies must be created to strengthen the band. What we as broadcasters must avoid is becoming entrapped by the mindset in which AM stations become perpetual understudies to their FM counterparts. There is a no superior or inferior band. There is radio, and radio is continually evolving. Today's hot format becomes tomorrow's cold leftovers. Change is one of our biggest strengths and toughest challenges. Radio never stays the same.

But even with a superior staff, AM is confronted with some very difficult challenges. Audience shares for FM have been rising. AM's shares have been declining. Nationally it's about 70-30 in favor of FM. The radio marketplace as a whole is fragmented. There are about twice the number of separately programmed radio stations today as there were a decade ago, and the FCC just last month added 689 new FM drop-ins. Competition is keener, and FM has some strong advantages. Stereo is primarily heard on FM, and will be until AM stereo receivers are in the hands of the public. Sound quality is superior on FM. Music sounds better on FM. Generations of teenagers and young adults have been nurtured on FM listening. And AM is faced with a technological prejudice. The sound reproduction on AM receivers is still not good enough. Many portable radios carry only the FM band, entirely ignoring the fact that there are more AM than FM stations. It's not easy for an AM operator. He or she has to overcome these handicaps and compete on an equal basis with their FM brethren.

AM stereo, at best, is an enhancement, not a panacea

So what are the survival strategies?

One of the most discussed approaches is AM stereo. It sounds great. Unfortunately, the package has not lived up to the promise. I'm sure you all know that the FCC, by letting the marketplace decide on what AM stereo system will prevail, has virtually kept AM stereo from emerging. But even if we all could agree on one system, AM stereo would still be no panacea. Surveys have shown that many listeners don't even realize that AM, for the most part, is mono. They tend to think that all radio is stereo. AM stereo will be an enhancement that will have little direct impact on listeners.

Dynamic radio programming works not because of stereo, not because of AM or FM but because of content. That is the key to AM's future. Programming will be its survival strategy and its salvation.

Unless AM stations devote the resources and long term commitment to developing their programming, then the AM band will, in fact, become second rate.

Radio is again centering around strong personalities

Here are my suggestions:

First, bear in mind that radio is becoming centered more and more around strong on-air personalities. Whether music or news or talk, listeners have returned to their involvement with on-air talent. Not just any talent. The personalities must be exciting, provocative and engaging. The resurgence we're seeing in Top 40 is in many ways a return to strong disk jockeys. The excitement of Top 40 derives as much from the personalities as it does from the playlist.

A second suggestion I have, and admittedly it's a biased one, is to examine the news/talk alternative. AM radio is increasingly becoming the information band. News and talk do not need stereo or superior sound quality.

A third programming element to explore is sports. Play-by-play sounds the same on AM or FM in stereo or mono. When it comes to sports franchises, listeners want to hear the game no matter where it is on the dial.

A fourth programming alternative I'd like to suggest is, alas, something of a question mark. I'm talking about new formats, new types of programs, the frontier of radio creativity. In fact, trying to discover a new way to approach programming is a challenge that all broadcasters face.

If you're an AM operator and you want to compete effectively with an FM or any other station, take a risk and develop a new way to program. Give the listener another alternative.—**Ben Hoberman,** *president, ABC Radio, in a recent speech in Palm Springs before the California Broadcasters.*

Programming/Production

INTV aftermath: Mid-year meeting needed?

One of the lingering issues from the recent **Association of Independent Television Stations** (INTV) convention in Los Angeles is whether or not the suggestion made on the last day of the meeting by **Paramount's Robert Jacquemin** has any validity.

Jacquemin, executive vice president, sales and marketing, Paramount Television, wants syndicators and broadcast people to get together in the future to thrash out the programming needs of the station people. He says this would preclude syndicators from throwing out a lot of unwanted product and zero in on the real needs of their customers.

Jacquemin explained to TV/RADIO AGE that "since the creative process in programming begins in the spring and the completion of the process occurs at conference (INTV Convention) time, it's silly for syndicators to respond at the end of the presentation cycle.

"We're going into the conference with 60 per cent of the country locked up. It's simply done at the wrong time of the year. There is a real need to involve us early in the program cycle that begins in the spring," he says.

The Paramount executive thinks early spring or the INTV summer meeting would be an ideal times to meet with station general managers. "It's the time to get everyone thinking about programming needs for a year and a half down the line. In other words, if we meet in the spring of 1985, we're talking about programming for the fall of 1986."

He added that this would also be a perfect time for stations and producers to discuss possible co-ventures.

Herman Land, INTV president, says he doesn't know at this point if the suggestion is worthwhile, but "it's an interesting suggestion and we will think about it. The question is, can something be put together that is practical and useful and justifies the time?"

Land also indicates that the matter would have to be "discussed among ourselves" and that it might come up again at the group's summer meetings.

When apprised of Land's reaction, Jacquemin said it "was reasonable and as far as I'm concerned, the ball is in their court."

The severity of the programming issue to Jacquemin is exacerbated by the deepening need for the right programming for independent stations' needs. "These stations have made quantum leaps in recent years. They are a force to be reckoned with and even more so in view of the number of off network marketable products which are shrinking," he asserts.

In Jacquemin's opinion, shows like *Knots Landing* and *Falcon Crest* are the kind of programs that "won't make it in syndication." The need, he says, is for half-hour sitcoms and more feature films.

Another issue that arose during the conference was the close proximity of the NATPE annual conference which was held in San Francisco only two days after the INTV meetings. Land says this issue was discussed, but apparently any NATPE-induced fears about attendance were unfounded since some 1,200 people showed up at INTV, approximately equal to the previous year's turnout. Land says registrants were coming in right up to the last day.

The highlight of this year's convention as far as Land was concerned was producer Norman Lear's address in which he urged independents to "get into the original programming mainstream." Land termed the speech a "major statement."

'Cash only'

Julian Schlossberg, president and chief executive officer of **Castle Hill Productions,** brought three packages of films to the NATPE conference, that he offered on a "cash only" basis. Why? "Because I have an enormous amount of cash tied up in guarantees and I need the money back."

Aside from this frank and candid appraisal, Schlossberg is confident that Castle Hill's film library, which was bolstered by an additional 50 titles when he purchased the majority interest in Quartet/Films, Inc. in January, will keep the company on a growth path.

Schlossberg

"Our first package at NATPE, Volume I, consisted of 12 first-run titles that never played on commercial TV. They just came off the pay channels, and all have had theatrical runs. The films are all in color, and almost every one has a major star," he says.

The films, which were made in the late 1970s and early 1980s include titles such as *Breaker Morant*, *Death Watch*, and *Lovespell*, the latter starring the late Richard Burton. The package also contained a film made by Schlossberg in 1983 called *Going Hollywood: The 30s*, which was narrated by Robert Preston. Schlossberg says he plans a sequel, *Going Hollywood: The War Years* and hopes to sign Gregory Peck for the narration.

He claims his "Made in Hollywood" package, a compilation of mostly 1930s movies, contains some movies that have not been seen on TV for four years or more. These include *A Night in Casablanca* with the Marx Brothers, *To Be or Not To Be*, starring Jack Benny and *Blockade* with Madeleine Carroll and Henry Fonda. Schlossberg says there are a "whole new generation of movie fans who haven't seen these films."

The third package, "Fright Night" has two Andy Warhol films, *Frankenstein* and *Dracula*, which, he says, are in syndication for the first time. He also noted the addition of several British-made psychological murder mysteries that "were hard to come by."

"I'm convinced that the public wants variety in its TV movie fare as opposed to the trend today to show all Kung Fu movies or whatever. Versatility is the key and that's what I'm trying to provide," he says.

Opening doors

When **Parkinson & Friendly Productions** entered into a joint venture last August with **Clifford Perlman,** former chairman of Ceasar's World, it opened up new vistas and opportunities for the team of **Bob Parkinson** and **Andy Friendly.** To be specific, Parkinson says, "We were line producers and not packagers, and we wanted our own shows for real success."

All Perlman did to help that end was to infuse the partnership with a $25 million development fund for the express purpose of fleshing out the myriad ideas that Parkinson and Friendly had for new shows. One of them was prominently displayed during all the hoopla of Super Bowl Sunday.

I Challenge You, a show that Parkinson says was created after he saw former football great Jim Brown and ex-Pittsburgh Steeler star, Franco Harris engage in a not so friendly argument on the *Phil Donahue Show*, was on January 18 on 134 stations through marketer Orbis Communications. The argument as to who's better was settled on the show when both athletes vied in a 40-yard dash and one-on-one competition in football and racquetball.

In this genre, Parkinson hopes to match other athletes such as basketball pros Larry Bird of the Boston Celtics and Julius Erving of the Philadelphia 76ers around the time of the NBA championship game and a dream match in track and field that would bring together Mary Decker and the hit of the recent olympics, British runner Zola Budd.

Other projects now in the works also include something called *Happy Birthday*, which was done in collaboration with Taft Entertainment and sold to SFM. for distribution.

This show, Parkinson reports "celebrates events that happened on any given day." Another show in affiliation with MGM/UA is *American Homecoming Queen* featuring 60 college homecoming queens who could win $50,000 which would be retroactive to pay their college tuition.

The team is also developing a pay-per-view show called *Sports Information Service*, which would provide the latest information on any sport. They hope to have this on stream in a couple of months.

B.P. (Before Perlman), Parkinson & Friendly achieved a good measure of success with shows such as *The Miss Universe* beauty pageant and CBS-TV's *Circus of the Stars*. But, since the joint venture, Parkinson says "our law firm, which brought us together, and has a vested interest, told us that for a company as young as our's, we're doing splendidly."

TeleJapan, PBS in talks

Japan Today, a show produced by **TeleJapan USA,** which is currently seen on the USA Cable Network, may also break into the erudite airwaves of the **Public Broadcasting System** in 1985, Barry Nimcoff, vice president of production reports. Talks are presently going on for several specials that may be developed for PBS showing. The theme would be USA/Japan relations and the first show would deal with Japan's high technology challenge particularly in view of its recent declaration to be No. 1 in the world in science and technology, Nimcoff says.

At present, TeleJapan is looking for underwriters for the series in Japan, he says, and it is hoped that the technology program idea may become a reality on PBS in 1985.

But, aside from the possible prominent exposure on PBS, Nimcoff says that TeleJapan USA is highly gratified by the viewer results it is getting on the USA Cable Network.

In less than a year's time, the average number of viewers has increased to 500,000 in November from 100,000 in April 1984, when the show premiered on the USA Network.

Nimcoff says that TeleJapan is currently in negotiations to renew its one-year contract with USA Network. Based on the success of the show in 1984, he states he forsees no difficulty in reaching terms for 1985.

Nimcoff is elated that all the good viewer numbers on USA Network happened despite the formidable competition of a welter of cartoon shows that *Japan Today* faces when it's presented every Saturday at 10 a.m. "It proves," he opines, "that a serious show can offer successful counter programming on Saturday mornings."

The show is repeated at the tender hour of 1 a.m. on Monday mornings, which Nimcoff reports, beats the primetime ratings registered for the show on the West Coast at 10 p.m.

Nimcoff attributes the high viewer totals to the great amount of interest in Japan and its role in the lives of Americans in the critical areas of economics and technology.

Oddly enough, though, he says the category that garners the greatest amount of popularity among viewers is the Japanese lifestyle.

Japan Today, which is done in magazine format, with some thematic shows in between, covers every facet of life in Japan today. The program is advertiser supported in Japan, where all the marketing is done. He says the roster of companies advertising on *Japan Today* reads like a Who's Who in industry in Japan citing companies such as Seiko, Toyota, Sony and Panasonic. A total of six minutes of advertising is done on each show. Three minutes for the Japanese interests and three minutes for USA Cable's subscriber cable service, Nimcoff says.

Japan Today is also seen on three UHF stations in Chicago, Los Angeles and San Francisco.

But, the high point of 1985, Nimcoff indicates, is the real possibility that a *Japan Today* special will make its way on PBS.

Series sold and replaced

Cap Cities TV Production has packaged and put into syndication 24 completed programs of its *Family Specials* series. **Charles Keller**, vice president and general manager, says the package will "probably be marketed on a cash basis." A *Family Special, The Pilot*, is now in syndication and *Safe Harbor* will be in a March window.

Family Specials will be replaced by a four-part series, *Buchanan H.S.*, which uses a continuing cast and setting and offers guest stars. The half-hour dramas, set in a high school, deals with teenagers and parents. Keller notes that *Buchanan H.S.*, which will be marketed on a barter basis, "is a full blown project with four shows shot and in post production." Keller predicts that the new show will be effective, and "I have high hopes for it as a series. We're bringing it to the NATPE convention to shake hands with stations on clearances and to get feedback."

Cap Cities also has held recent talks with "*Captain Kangaroo* people," Keller says in an effort to resuscitate the discontinued series. "We're working out numbers. It would be terrific if the show could return to commercial TV. We're only one of a number of people that they are talking to," Keller reports.

If Cap Cities should work out an agreement with Bob Keeshan, Keller says, they would put together an independent station line-up and repackage former shows. There would be "no new shows initially," he states.

Two-part success

Petry's recent analysis of the **Operation Prime Time** miniseries, *Woman of Substance*, showed that the two-part version of the six-hour miniseries, achieved much better ratings than the three-part broadcast.

Markets ranked 1 to 10 averaged a 12.5/19 for the two-part broadcast versus a 9.6/14 for the three-part version. KCOP(TV) Los Angeles, which was the highest-scoring independent airing of the show, overachieved its movie/news broadcast during the May sweep by 211 per cent. The two-part telecasts in Chicago, San Francisco and Cleveland were among the highest-pulling markets, Petry notes. New York was the only extraordinary three-part market, up 122 per cent versus the May, 1984, movie.

Of the top 50 NSI markets, only 18 markets telecast the entire miniseries during the November sweep. Fourteen markets had an October start date, 15 aired the series in December and three did not have the show scheduled.

Programming seminar set

The International Radio and Television Society, Inc. will conduct a one-day seminar in New York City on February 7, discussing "Programming: The Ever-Changing Constant." The $125 registration fee includes four sessions and the Newsmaker Luncheon on radio programming.

Participants include Edward Bleier of Warner Bros. TV; Michael Fuchs of Home Box Office and Fred Silverman of Inter Media Entertainment, as well as representatives from CBS, Goodson-Todman Productions and Columbia Pictures.

Music format draws response

WVEU (TV) Atlanta says it has received excellent viewer reaction from its new programming format which features "blocks" of video music that zero in on one music form. Previously, the station showed music varieties that were aired in a random pattern.

Under the new format, the block programming presents specialized music such as an hour-long country music show followed by urban contemporary selections. **Pete Mandell**, promotion manager, says the new format also elicited favorable comment from broadcasting and music industry sources.

ABC posts

J. Larre Barrett has been appointed vice president, sports sales for the **ABC Television Network.** In another executive change, **John J. Wolters**, assistant comptroller of the American Broadcasting Co., Inc., was given the additional title of vice president.

Formerly vice president and director of sport sales, Barrett, a 20-year veteran with ABC, began his career in 1962 with NBC in Chicago. Wolters, who joined ABC in 1978, is responsible for the broadcast and corporate accounting functions of the company.

Syndication shorts

Paramount Television has cleared 15 additional markets for its new series *America*, raising the total to over 50 network affiliated stations representing 53 per cent of the country. Stations owned by Outlet, Times-Mirror, Hubbard, Knight-Ridder, King, General Electric and Gulf have been added to the affiliate list for *America*.

The new network affiliated stations include KCNC-TV Denver, KTSP-TV Phoenix, WCMH-TV Columbus, WVTM-TV Birmingham, WPRI-TV Providence-New Bedford and WFMY-TV Greensboro-Winston-Salem-High Point.

America, a Paramount production in association with **Post-Newsweek Stations**, is a one-hour daily first-run 52-week series, which will be delivered via satellite on a day-and-date basis starting in the fall. It stars Sarah Purcell, Stuart Damon and McLean Stevenson.

Headline Chasers, a new game show starring Wink Martindale, has been sold in markets covering 43 per cent of the country, Roger King, chairman of **King World**, reports. The half-hour strip show, which was introduced at the NATPE Conference, is produced by Merv Griffin Enterprises and Wink Martindale.

D. L. Taffner/Ltd. has sold five new *Benny Hill Hour* specials to 41 markets including WOR-TV New York, KCOP(TV) Los Angeles and WFLD-TV Chicago. The Thames Television productions will also be seen on stations that include WTAF-TV Philadelphia and KTVU(TV) San Francisco.

Group W Productions reports that several new stations have been added to its lists of syndicated shows since the start of 1985. These include WIXT-TV Syracuse for *Every Second Counts*, a comedy game show; KATU-TV Portland, and KHQ-TV Spokane, for *Hour Magazine;* and WBRE-TV Wilkes-Barre-Scranton, KGAN-TV Cedar Rapids-Waterloo, WVNY-TV Burlington-Plattsburg and KTXS-TV, Abilene-Sweetwater for *He-Man and the Masters of the Universe*.

Orion has announced a new first-run strip available for fall 1985, *Rocket Boy*, a non-animated program starring Dave Thomas of *SCTV* fame. There will be 65 episodes available for cash with another 35 episodes a possibility.

All American Television says that *Deja View*, a new music video show, featuring song hits from the 1960's and 1970's, will have its debut screening at the NATPE conference. Joel Gallen, producer and vice president of All American Television, says *Deja View* is aimed at the 25 to 44 age group, which has the "largest discretionary income and the strongest purchasing power."

Deja View will be the only broadcast vehicle for the music videos providing stations with total exclusivity. The host of the new show is John Sebastian, one of the leading figures on the musical scene of the 1960s. Sebastian led the Lovin' Spoonful rock group.

All American also will distribute *Videophile*, a new half-hour show featuring odd characters as well as what's new in home video. The show has 40 original episodes and 12 repeats and can be purchased on barter or cash/barter terms.

Following its first preview outing, *Mad Movies with the L.A. Connection*, has been sold in 14 markets including the Post-Newsweek group and the King stations, **Richard Cignarelli**, president of **Four Star International, Inc.** reports.

Too Close for Comfort has added 30 stations to its lineup bringing the total number of markets to 65, **D. L. Taffner** says recent additions include WXXA-TV, Albany-Schnectady-Troy; WGGT(TV) Greensboro-Winston-Salem-High Point.

John Sebastian is host of "Deja View," from All American Television.

Centerpoint Distribution, Inc. included two additional packages for sale at the recent NATPE conference. These included a series of three one-hour documentaries and a series of rock concerts, *Summer Rock Party*. **Post-Newsweek** produced the documentaries which dealt with escalating health care costs, credit card theft and computers. The rock concerts have not been seen on commercial TV.

OMNI: Visions of Tomorrow will premiere in April. The four one-hour specials will be distributed by **All American Television** in association with **OMNI Magazine** to stations on an advertiser supported basis. All American will clear stations as well as sell advertising time. **International Program Consultants, Inc.** will handle overseas licensing.

Program Syndication Services will distribute *Celebrity Pursuit* for the Corporation for Entertainment & Learning, a new series of 130 30-second TV programs. The series, which was introduced at the NATPE conference, has been cleared on the five CBS-owned stations and will be available in March.

Zooming in on people

Joseph D. Indelli has been named president of **Columbia Pictures Television Distribution,** the domestic distribution unit for Columbia Pictures Television. He had seen senior vice president of domestic sales before being named to the new position.

Indelli came to Columbia from Metromedia Producers Corp., which he joined in 1976.

Joel Berman has been appointed vice president/eastern division manager for **Paramount Television Domestic Distribution.** He joined the company in 1980 and had been eastern division manager, station sales.

Berman

Stuart Graber and **Jeffrey Schlesinger** have been named senior vice presidents, international, for **Telepictures Corp.** They will share responsibility in operating the international division including television, home video and foreign cable operations.

Graber

Schlesinger

Graber joined Telepictures in 1981 and was named a vice president the following year. Schlesinger, who had been a vice president, has been with the company since 1983.

Jonathan Dolgen has been named to the newly created position of senior executive vice president of **Twentieth Century Fox Film Corp.** Among his responsibilities will be supervision of the telecommunications units. He had been president of domestic operations for Columbia Pictures and president of Columbia's pay-cable home entertainment group.

Laurey Barnett has been named to the new position of director of programming for **United Television, Inc.** She will be responsible for coordinating all entertainment programming activities of United Television's three VHF-TV stations in Minneapolis/St. Paul, Salt Lake City and San Antonio. Barnett had been associate program director at TeleRep, Inc.

Lori Shecter has been appointed sales executive for MCA TV. Shecter, who was manager of sales and marketing services for Petry Television, will be responsible for station clearances of MCA's advertiser-supported programming.

Radio syndication

Images Presentations Corp., Jericho, N.Y., has introduced a new syndicated radio series, *A Bit About Computers*, featuring computer expert Lawrence Epstein.

The nontechnical series will run 90 seconds per episode with two different episodes per day, five days a week.

Domain Communications, Wheaton, Ill., has reintroduced *Photo Tips* on a national basis. The 90-second program features a variety of photography tips for amateurs and professionals. Domain is also offering a plan featuring market exclusivity and unlimited daily runs of *Photo Tips*.

In the bag

With the aid of an actor from the TV show "V", Rick Dees, behind the mailbag, tries to select a winner from thousands of entries for a chance to be a guest on the science fiction show. "Rick Dees' Weekly Top 40," airs on the United Stations Radio Network.

Same day distribution

Hour Magazine, **Group W Productions'** long-running informational series, will air in all of its 150 markets on the same day, starting January 21. Each episode which is taped in Hollywood will be fed to stations via the Vidsat service of Group W's Television Syndication Center.

Martin Berman, executive producer, says "we're delighted that all of our markets will be seeing each episode of *Hour* on the same day, all over the country. The new system will enhance the program's continuity and deliver our product in a faster and fresher manner." The program premiered in September, 1980, and is hosted by Gary Collins. The show's format encompasses celebrity interviews and information on a variety of topics.

Jazz pilot

Jazz great **Wynton Marsalis** has been signed to narrate and perform in *Trumpet Kings*, the first in a series of shows on jazz history to be produced by **Jazz Images Inc.** Video taping of the pilot show has been completed and post production is expected to be finished in January. *Trumpet Kings* will include performances by some of jazz' legendary trumpet players.

Commercials

Betacart debuts on air

Sony Broadcast's Betacart, received a great deal of attention at the last National Association of Broadcasters' conclave in Las Vegas and promptly followed that with sale of the Betacart system to CBS.

Now WNET/TV the PBS outlet in New York catalogs a first, with the U.S. on-air debut of the multicassette system (which carries 40 cassettes, and can run them at instant startup).

WNET enters playlist in Sony Betacart.

Vehicles for the debut are two program promos on Shakespeare's *Much Ado About Nothing* and *The Making of Indiana Jones and the Temple of Doom*, followed by an American Museum of Natural History spot on its *Asante Exhibition*, a station ID logo and a corporate underwriter acknowledgement recorded on Betacam HG-20 tapes.

Kathleen Walsh, executive producer/manager of WNET's on-air continuity says "the Betacart multicassette system gives the continuity producer the freedom and flexibility to create a station break that has variety and excitement for the viewer without tying up every playback and editing facility in the house."

David C. Sit, WNET chief engineer, chipped in with his endorsement. "Betacart is a vast technological improvement over existing cart systems. It significantly streamlines and enhances both the look and operation of commercials or station breaks. We at WNET are impressed with the system's ease of operation and its picture quality."

Sony's Betacart has a capacity to hold 40 cassettes and features a start time set at virtually zero.

The Betacart is composed of four decks with four carts aligned to play in succession. The sensing mechanism will place the appropriate cassette and note its location in the housekeeping software.

Betacart is capable of accepting data from three entirely different sources—

- entering data from the machine control board
- entering data from the host computer at the station
- entering a playlist on a micro floppy disc that is prepared offline.

Betacart also has a freeze mode-freezing the visual into a still position for news application.

JWT follows up

J. Walter Thompson, an agency that has been cleaning up on the awards circuit for a number of its campaigns for principal clients, has merchandised its winnings in a 16-page magazine printed on beautifully grained paper, and mailed to the agency's various publics.

A letter from Burton J. Manning, chairman and chief executive officer of JWT/USA attached to the book says, "1984 has been a good year for J. Walter Thompson by many standards. Among them, creative awards. But among the more than 200 awards received this year by our people for their creative achievements, I believe one stands apart, our own.

"In each of the past two years, JWT/USA has honored examples of our product that measure up to our mission; to create the most effective advertising in the marketplace."

JWT's newly formulated creative prowess was reported earlier by TV/RADIO AGE, (September 17), but it is not the first agency, and it will certainly not be the last to harness the impact of its creative capabilities to new business solicitations, either oral or written.

Capitalizing on your agency's creativity is really nothing new. Doyle Dane Bernbach made it a fine art in the '60s. But in the '70s, at least in the U.S., creativity gave way to marketing and account services, and the work of the art directors and the copywriters was put on the back burner.

During the past few years, creativity has made a comeback. Many marketing oriented ad shops have merged with creative concerns, (i.e., Saatchi & Saatchi Compton).

Others have gone out and hired top creative talents, who have attracted young comers hewn in their own image.

Frame from Kodak winner

Finally, creative advertising has sprouted up, not just in the traditional advertising centers, but out in the so-called hinterlands. What's more, these agencies have not been shy about advertising their own creativity, and this has helped them increase their billings and attract talent from the traditional centers.

Illustrations of this are Fallon McElligott & Rice, of Minneapolis; Hill Holliday, Connors & Cosmopulis, Ingalls, and Arnolds, & Co. all of Boston.

The combination of awards won and advertiser images enhanced by superior creative campaigns can mean additional business.

J. Walter Thompson's New York office claims $400 million in new billings over the last two years, and promises even more at the close of its fiscal '84.

F, M & R has doubled its billings total in one year, as a result of the awards it has garnered.

BBDO, the sixth largest agency in terms of billings, seems determined to emphasize its creative clout more in than it had in its past. (TV/RADIO AGE, December 24). So the JWT booklet could well be the first of a spate put out by its competitors.

Black history feted

Miller Lite Beer, via Mingo Jones Advertising, will launch a series of 60-second radio spots in 15 major black consumer markets celebrating black history.

The spots will feature narration by the distinguished stage and television artists, Ossie Davis and Ruby Dee.

Caroline R. Jones, M J's creative director, says the centerpiece of the special campaign will be a vocal arrangement of "Lift Every Voice and Sing," written by the noted black poet, James Weldon Johnson, with music by his brother Jay R. Johnson. The song, originally intended for use in a Jacksonville, Fla.,

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS 1985*

Jan. 22–26	Pacific International Media Market, Melbourne January 21, 1985 Issue
Jan. 26–29	Radio Advertising Bureau's Managing Sales Conference, Amfac Hotel, Dallas January 21, 1985 Issue
Feb. 11–16	International TV, Film and Video Programme Market: Monte Carlo Television Age International February Issue
Mar. 14–17	NATPE International Production Conference, New Orleans Hilton March 4, 1985 Issue
Apr. 14–17	National Association of Broadcasters, Convention Center, Las Vegas April 15, 1985 Issue
Apr. 20–25	MIP TV International, Cannes Television Age International April Issue
May 5–8	ABC-TV Affiliates Meeting, New York Hilton April 29, 1985 Issue
May 12–15	NBC-TV Affiliates Meeting, Century-Plaza, Los Angeles May 13, 1985 Issue
May 12–15	Broadcast Financial Management Conference, Chicago May 13, 1985 Issue
May 19–22	CBS-TV Affiliates Meeting, Fairmont Hotel, San Francisco May 13, 1985 Issue
June 2–5	National Cable Television Association, Las Vegas Convention Center May 27, 1985 Issue
June 6–9	Broadcaster Promotion & Marketing Executives Association, Hyatt Regency, Chicago May 27, 1985 Issue
Aug. 4–7	CTAM Annual Convention, Fairmont Hotel, San Francisco August 5, 1985 Issue
Sept. 11–14	National Radio Broadcasters Association and National Association of Broadcasters Radio & Programming Conference, Dallas Convention Center September 2, 1985 Issue
Sept. 11–14	Radio Television News Directors Association, Nashville Opryland Septemer 2, 1985 Issue
Sept. 30–Oct. 4	The London Market, Gloucester Hotel, London Television Age International October Issue
October	Music Video Festival of Saint Tropeze Television Age International October Issue
October	MIFED, Milan Television Age International October Issue
Oct. 21–25	VIDCOM, Cannes Television Age International October Issue
Nov. 11–13	Television Bureau of Advertising, Hyatt Regency, Dallas November 11, 1985 Issue
Nov. 22–26	New York World TV Festival, New York November 25, 1985 Issue
Dec. 5–7	Western Cable Show, Anaheim, Calif. November 25, 1985 Issue

* Television/Radio Age will have coverage and bonus distribution at these meetings.

Advertising Directory of

Selling Commercials

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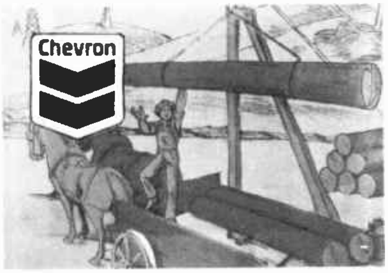


BANDELIER, INC., Albuquerque, NM

Peoples Drug Stores • Ehrlich-Manes & Assoc.

BANDELIER, INC., Albuquerque, NM

D'Agostino • Jo Foxworth

GIFFORD ANIMATION, New York

Pizza Hut • Chiat/Day Advertising

KCMP PRODUCTIONS LTD., New York

Denclenz

DOLPHIN PRODS., N.Y., COMPUTER ANIMATION

WALA — TV • Mobile, Alabama

I — F STUDIOS, INC., New York

Million Dollar Movie • WOR-TV

LASZLO PRODUCTIONS, New York

WXYZ • Detroit

RODMAN INC., & GRFX PRODS., Darien, CT

ceremony to celebrate Lincoln's birthday, is said to convey a sense of birthright and heritage among black Americans.

Except for possible tagline mention, the Miller Lite spots will not feature any product promotion.

The vocalists featured on the commercials are such celebrated artists as Roberta Flack, Melba Moore, Patti Austin, Denise Williams and Al Green. Leon Pendarvis arranged the music, and Deborah McDuffie essayed the production.

The package will kick off in February.

4th radio fest

The Fourth Annual International Radio Festival of New York, the annual worldwide competition for radio programs, (news, entertainment, information) commercials and promos is gearing up for its fourth annual competition. The big news is a revamped category of radio commercials. The IRFNY will also lower its entry fees for programs.

The 1985 festival is slated for June 10–12, and the deadline for entries is April 1. The festival events have been booked into New York City's Sheraton Centre with the award winners conferred on June 12.

There were 1,106 submissions to the IRFNY for 1984, breaking down to 791 spots and 315 programs. Submissions came from 18 countries including Australia, Canada, China, England, Mexico, Spain and West Germany.

According to festival president Gerald M. Goldberg, the new commercial categories will allow a competing advertiser or agency to submit its work to a product category, i.e. automotive products, or alcoholic beverages, where it competes against spots in the same classification, instead of to the so-called time based categories (30-second, 60-second and more than 60) that the festival has utilized since its inception.

Goldberg is following a similar script to that he used in 1983, when the International Film and TV Festival went from a time frame to a product classification format, and entries went up nearly 50 per cent.

The lowering of the fees, according to Goldberg, is to make the competition more accessible to small market stations. This years fees are approximately 15 per cent lower than those of 1984.

The Radio Festival will feature three days of workshops, tours and showcases of finalist submissions and will culminate with the awards ceremonies on June 12.

Randall in foreground, fingering "review" from Minolta Beta 350Z copier, while actor Stevie Smith, who plays Randall's agent, sits at desk. Peter Cooper directed the spot for Bozell & Jacobs.

New campaigns

SSCB blockbuster for Bayer

Conscious of the ad offensive mounted by several of its competitors, **Bayer Aspirin** has kicked off an ambitious new campaign, via **SSC&B**, to reinforce consumer perceptions about its use as a safe, contemporary medication.

The answer is a package of three spots with the overall theme, "the wonder drug that works wonders."

In order to tightly associate the product with colds and flu, SSC&B went on a hazardous, isolated location, 5,600 feet high in the British Columbian mountains, 400 miles south of the Yukon, and built a set. On the day of the shoot a blizzard provided another touch of realism.

The second spot emphasizes aspirin's versatility. A yachtsman crosses the ocean alone. The pain reliever he takes with him is Bayer aspirin with the Toleraid Micro-Coating that makes it easy to swallow.

The third spot is for Maximum Strength Bayer and includes animation as well as original music.

The campaign broke this month on primetime network television on *Falcon Crest*, *Hunter*, *Hot Pursuit*, morning news (on all three networks) and *The Today Show*. SSC&B has also purchased 15-second time periods on ABC's *World News Tonight*. Single page and double truck ads will appear in selected magazines in February.

Creative team on the project was headed up by **Mike Shalette** as creative director; **Jeff Devlin**, producer; **John Lerch**, associate creative director; and **Bob Gula**, art director.

Minolta, which has invested heavily in both the spokesman (**Tony Randall**) and the television advertising campaign on behalf of its copier, continues its ad slugfest with its Canon counterpart and its spokesman, actor **Jack Klugman.**

Reporting positive results from its first flight of commercials, Minolta, via its advertising agency, **Bozell & Jacobs**, has wrapped a second.

The second spot, currently running, is more product oriented than the first, according to **John Vacca**, national ad manager for Minolta's business equipment division, and introduces a new character, Randall's agent. The spot positions Minolta's Beta 350Z as a small, inexpensive copier with zoom capabilities.

Copy line puts Randall in his agent's office, saying "my agent needed a zoom copier. Naturally he didn't want to spend a lot, so we got Minolta compact Beta 350Z."

Cooper and Co. repeats as production company on the second spot. **Peter Cooper** helmed the spot in a morning shoot at **Veritas Productions** in New York. The B&J creative team includes: **Sanford Evans,** B&J creative director; **Dan Kohn** as producer; **Ray Pelletier** as copywriter and **Peter Lewis** as art director.

J. Walter Thompson has had a good time, both creatively and awards wise with its campaign for **Scott** paper towels and bathroom tissues, tying it to the barrelhouse rhythms of "Let The Good Times Roll."

Bernie Owett, one of JWT's veteran creative directors, employs the theme for a third time in a 30-second spot on behalf of Scott's facial tissues, called Scotties.

The time honored reason for the repeat of theme and theme music according to JWT, is the strong recall generated by the previous Scott paper commercials.

The newest "Good Times" spot features a young child in a whirl of activity with her dolls, kittens all enjoying the seemingly endless supply of Scotties.

Scott is putting a million dollars into this campaign, which kicks off this month on spot television. **Randy Hecht** produced the spot for the agency. Other agency creatives include art director **Cathy Bangel;** copywriter **Pat O'Donnel;** and associate creative director **Richard Di Lallo. Yarbrough/Zahler,** a Los Angeles-based production house, essayed those activities, with **John Yarbrough** behind the camera as director. DOP on the assignment was **Victor Kemper.**

With the Northeast withstanding winter winds, **Sunkist Growers Inc.** has launched a new campaign, via **Foote Cone & Belding,** on behalf of tried and true Sunkist oranges.

According to **Ray Cole,** marketing services director for Sunkist, the new campaign represents the first major shift in creative strategy in eight years.

"For years we've been directing our advertising at women," Cole says. This campaign speaks directly to kids as well as moms, and we are anxious to see the results.

Steve Blinn, FCB vice president and management director, adds, "our research indicates that moms would allow kids to have an orange at almost any time, even before dinner."

"We worked very closely with Sunkist in developing this campaign," adds FCB vice president and creative director **Peter Angelos.** "Our research shows us that households with kids are where most oranges are consumed, so our audience hasn't really changed, just the way that we're reaching them. By talking to young people," Angelos emphasizes, "we're building a future audience."

N. Lee Lacy, the veteran director, helmed the two 30-second spots, and the production house bearing his name provided production support. "Lacy's input was invaluable," Angelos says. "He developed better characters for the kids to portray. The work was particularly difficult as we had only two to four hours with each child depending on his age. Lacy was flexible and patient, and it resulted in better theatre."

The multi-million dollar broadcast campaign kicked off this month on network television, with a portion spun off to the cable health show *Fresh Ideas*.

FC&B creative credits for the Sunkist effort go to Angelos as vice president and creative director; **Paul Babb**, vice president and executive producer; **Larry Corby**, art director; Blinn as vice president and management director.

The STP Corporation, via **Grey Advertising**, has put together a broadcast campaign designed to support its STP gas treatment.

The campaign for the Florida-based company is centered around *Cold Weather Alert*, a cable show presented on the Weather Channel. But STP's campaign includes such local stations as WOR-TV New York and other local television and radio stations in the Northeastern and midwestern sections of the country.

Grey's strategy is to penetrate sports coverage, particularly basketball and hockey coverage, with NCAA basketball, New York Rangers, New Jersey Devils and Chicago Blackhawks for hockey, the latter over WIND Chicago.

The winter campaign dovetails with STP's sponsor participation of the Daytona 500 auto race, scheduled to go under the starter's call on February 17.

Kenrick Advertising, the St. Louis shop, pulls out all the stops, or should we say, bread, lettuce, and shrimp in its debut commercial for **Less Bread**, a product of **Orts, Inc.** Thus far Less is available in supermarkets in 46 states. The makers hope to have the 40-calorie per slice bread distributed through 80 per cent of the country before the end of 1985.

The commercial is designed to attract attention. A head of iceberg lettuce breaks open with a burst of spray. Slices of tomato and green and red pepper fall onto a mirror-like black plexiglass surface. A large portion of shrimp salad is spread on a golden slice of toasted bread.

The two-day shoot was produced by **McDonough-Jones Productions** of St. Louis. The 30-second spot stresses three benefits. Less Bread has only 40 calories per slice; Less has more taste, without the usual diet bread aftertaste. Media mix is targeted to women between the ages of 18 to 54.

Ad makers

S&S Compton taps four for board

Five creative executives of **Saatchi & Saatchi Compton Inc.** were named to the agency's board of directors. They are **Josephine Cummings**, senior vice president and creative director; **Paula Forman**, senior vice president and management director; **Doris Kahn**, deputy creative director and **Nadeen Peterson**, senior vice president and creative director. The appointments were reported by **Robert O. Jordan**, chairman of the U.S. agency and **Edward L. Wax**, president and chief executive officer.

Cummings

Forman

Kahn

Peterson

Cummings joined Saatchi & Saatchi Compton in August, 1984, following seven years at Needham Harper Worldwide in Chicago, lastly as senior vice president and group creative director. Cummings worked on McDonalds, Kraft and General Mills at NHW. Prior to that Cummings worked at another Chicago giant, Leo Burnett, where she began as a writer, and finished as a creative director. Her primary accounts at Burnett were Kentucky Fried Chicken, Heinz Ketchup and Kelloggs cereals. Two of her current accounts are Crisco and Duncan Hines.

Forman joined S&SC in August of last year, moving from Wells, Rich Greene's New York office where she was senior vice president and management supervisor. Prior to that Forman worked at Ogilvy & Mather essaying successive stints as research manager, account executive and account supervisor.

Kahn is a longtime S&SC employee, joining the shop in September, 1969. In 1976 she was named a creative supervisor and elected a vice president. She was upped to senior vice president in 1981.

Before joining Compton last year, Peterson served as group senior vice president and creative director of Warwick Advertising. Earlier agency experiences includes CD stints at Foote Cone & Belding, Norman Craig & Kummel and Doyle Dane Bernbach, participating in the conception of such campaigns as "Up, Up and Away" (TWA) "Frito Bandito" (Pepsico) and the Catherine Deneuve ads for Chanel.

SSC&B has elected five vice presidents to its board of directors. They are **Russell A. Brown,** account supervisor on Diners Club International; **Guy Cimbalo,** associate creative director on the Lehn & Fink, Mennen and Good Humor business; **Fred Rubin,** account supervisor on the Glenbrook Laboratories account; **Steve Schaefer,** director of casting; **Luan Spingola,** associate creative director on the Cover Girl business.

At **Ogilvy & Mather, Inc.** Chicago office, **Anita Kasmar** joins its promotions arm as creative supervisor. She formerly served as creative director of the Professional Division of Helene Curtis Industries.

Campbell-Ewald Co. has promoted **Laurence B. Rood** to senior vice president and creative director. Rood, who was formerly senior vice president of car advertising, will report to **Gene Taylor,** executive vice president and director of creative services.

Prior to joining Campbell-Ewald, Rood was a senior creative executive at BBD&O, Doyle Dane Bernbach, Young & Rubicam, Inc. and Wells Rich Green.

Commercials circuit

Vermeil stumps for Cadillac

If **Ford** can put Miami Dolphin Coach **Don Shula** in a Thunderbird (TV/RADIO AGE, January 7) **Boyd Tamney Cross, Inc.,** Pennsylvania-based ad shop can put **Dick Vermeil,** former Philadelphia Eagles coach and current CBS-TV football analyst, into a Cadillac for a 30-second promotion of the auto. **E. J. Stewart,** the Primos, Pa., production house, did production honors with **Tom Montgomery** directing, **Cheryl Barish Erlick** producing **Gordon Minard,** lighting, and **Irv Levine** behind the camera. **Mel Boyd** and **Ray Cross** supervised creative work for the agency. The spot is currently running on a regional basis.

Dennis Gelbaum of **Navarac Films,** Ltd., has just wrapped two Dodge spots for its **Lancer** Model, via **BBDO.** The spots are 30 and 60 seconds in length. The spot is entitled "Three Car Key," and portrays a lady in slippers, a boy clutching his teddy bear and a man in a leather jacket searching for the key to the Dodge Lancer.

Spot utilizes a host of special effects, including matte paintings and opticals executed by **Dream Quest Images,** and succeeds the spot package Gelbaum previously directed for Dodge.

Infomercials continue to be the rage, and director **Nat B. Eisenberg** of **N. B. E. Productions** shot the whole thing . . . a 14-minute marathon for **Health and Beauty Aids Insights** (H & BA) and Beecham Products' Messengill brand disposable douches. What's more, Eisenberg did it all in one day.

Taped on location at a ShopRite supermarket in Morris Plains, N.J., the one-day shoot combined on-camera narration, statistical research data and product shooting. H & BA Insights distributes these video taped programs to 400 plus key decision makers at the home offices of major chain drug stores supermarkets and mass merchandisers.

Sid Myers continues with his blue chip assignments. Latest one, commissioned by **Ally & Gargano,** is for Polaroid.

Richard Fink was the executive producer, with new staffer **Bonnie Marvel** as the line producer that included a trip to the late lamented Worlds Fair in New Orleans. Myers took his camera through a father and son schtick in the fair's amusement area as they meet Bugs Bunny and Tweety Bird. The 30-second stanza concentrates on the things that can go wrong with a conventional camera but not with a Polaroid. Copy line chants: "You can know on the spot if you have the shots you want with a Polaroid Instant camera. It does what no other kind of camera can do." **Linda Kligman** produced for A&G. **Jim Perretti** served as art director, and **Hy Abady** wrote the copy.

Fred Levinson trekked out to the snow capped Colorado mountains, shot a horsedrawn sleigh, and came up with a nostalgic flavored spot on behalf of **Taylor** champagne. **Kenyon & Eckhardt, Inc.,** based in New York, is the agency. **Roy Townshend** produced the spot for Levinson, on slopes just outside of Denver. **Tom McGrath** was the agency counterpart, **Debbie Thomson** was the assistant producer. **Marvin Lefkowitz** and **Robert Elgort** were the creative directors. **Maurice Mahler** the art director and **Charles Gowl** was responsible for the copy.

Studio notes

Stahl bows animation stand.

Al Stahl Animated is introducing a portable video animation stand that can be placed in the same room as the editing equipment. This enables the editor to control the stand himself, eliminating the cost and need for additional personnel.

With this process, the art director or client can supervise the alterations, if necessary, and position, crop or otherwise adjust the art to order. The stand measures 5 feet by 18 inches and weighs less than 100 pounds. Stahl is offering it as a rental.

Nuke dialogue

Scientist **Carl Sagan,** prelate and college chancellor **Father Hesburgh** of **Notre Dame** are two of the authorities that took part in a New York to Moscow Video Conference held on January 11 at the **Video Corporation of America's Center Stage.**

The conference, which included two prominent Russian scientists in New York, talking with their counterparts in Moscow, was video taped live in New York and shown on superstation WTBS(TV), Atlanta on January 14.

Danko to Mediatech

Shirley Danko has resigned her post as executive vice president of Editel/New York to become general manager of **Mediatech East,** a Chicago based company with branches in Los Angeles and now, New York. Mediatech is a distribution and duplication house. Danko, who established a solid reputation during her 13 years at the former EUE arm, will be responsible for both the sales and operational ends of the New York operation, reporting to Chicago management. She has already hired an account executive, Debbi Roskies. Mediatech's New York offices will be in the Unitel Video Building at 515 West 57th Street.

'HOT CALL LETTERS'
EMRC makes suggestions to Arbitron/137

SELLER'S OPINION
Mature market is being ignored by agencies/141

MEDIA PRO
Using VALS in analyzing broadcast/141

TELEVISION/RADIO AGE

Spot Report

January 21, 1985

When You're Hot... You're Hot!

#1

KCOP—now the Number One Independent Mon-Sun 6-10PM, when most people are watching TV.

#1

KCOP—the Number One Independent from sign on to sign off.

#1

KCOP—the Number One Independent with kids.

KCOP 13

A Chris-Craft Industries, Inc. Television Station
Represented by Telerep

THE DOMINANT INDEPENDENT FORCE IN LOS ANGELES

Source: Nov '84 Arbitron Data are estimates only, subject to limitations available on request.

Spot Report

'Baby boomers' profiled in Blair Radio report

Blair Radio is out with a new presentation reporting that "baby boomers"—69 million consumers between the ages of 25 and 34, who add up to 41 per cent of the country's population, are rich, optimistic, eager to try new products and listen to radio almost four hours a week more than the average for people outside the 25–34 age bracket.

Baby boomers are also better educated with 45 per cent having attended college, against 28 per cent of those 35 and up. The baby boom group can also claim 42 per cent of its women have college degrees, versus 24 per cent for the 35-plus segment. One result of that is that more women 25–34 are working, to give their age bracket more two-income families with increased discretionary spending. Most of these and the following figures were supplied by Simmons.

Blair Radio research director Lori Adelsberg who created the presentation also reports a median income of $21,746 for households headed by persons 25–34 and estimates that by 1995, when these baby boomers will be 35 to 44, 26 per cent of their households will have incomes exceeding $50,000 (in 1982 dollars) against only 12 per cent for households headed by persons in the 35–44 age range in 1980. And that, she adds "means that baby boomers will have $870 billion to spend, versus $425 billion for people 35–44 in 1980."

Like new things. Far from being brand loyal, says the presentation, called *The Baby Boom Generation*, 70 per cent of this group agrees with the statement, "I like to buy new and different things. And 72 per cent of them expect to have more money to spend next year than this, against 59 per cent of other age groups. Over 85 per cent expect that their incomes will be "a lot higher five years from now," compared to 68 per cent of those in other age ranges.

Adelsberg turns to *American Demographics* to find that baby boomers spend roughly 11 hours a week listening to radio, versus an average of seven hours across all other age groups.

The presentation also points out that this 25 to 34 age bracket represents a better than average market for such products as fast foods and fine restaurants, beer and wine, soft drinks, jewelry and airline travel.

Twenty-four per cent of all owners of home personal computers are in the baby boom age range, and 28 per cent of all families who remodeled their homes in 1983 are in the 25 to 34 bracket.

Just over 38 per cent of all living room furniture buyers are 25 to 34, and 34 per cent of those who spent $50 or more on jewelry or gems in 1983 were baby boomers.

The right ad climate

'Advertiming' could well become a new buzzword in the advertising industry if the newly marketed concept of Vitt Media International, The NPD/National Eating Trends, and The Information Professionals, continues to make gains on a very promising start. What is Advertiming? "It's monitoring consumer behavior and changes in that behavior due to weather," says Dr. Fred Ward, president of Information Professionals, Inc., a firm that tracks and forecasts consumer behavior on a national scale.

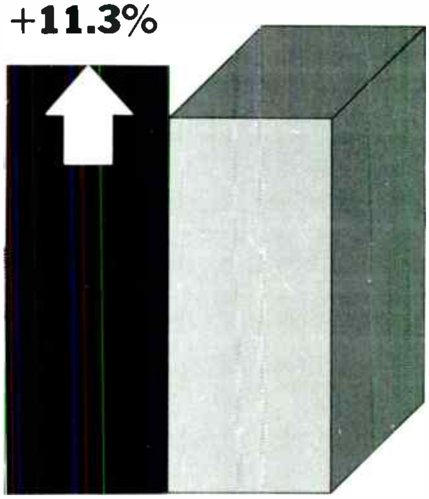
"It's a unique new dimension in market/media research that enables us to provide clients with precise information on changing consumer habits to make their media investments work significantly harder," says Hal Katz, executive vice president of Vitt Media.

Working from four years of diaries provided by NPD that measure product performance in the marketplace and the homes, The Information Professionals are able to forecast consumer buying patterns of certain products such as beers, cereal and colas, due to weather changes. Weather changes that, according to Dr. Ward, "can affect consumption by as much as 50 to 100 per cent.

Ward advises Katz in what markets these weather changes will occur, and it is up to Katz to secure availabilities for the clients in the markets where the weather will make the buy most effective.

November

Local business *(millions)*



1984: $414.4 **1983: $372.3**

Complete TV Business Barometer details p. 26

Spot Report

Campaigns

British Caledonian Airways, RADIO
Winius-Brandon Advertising/ Bellaire, Texas
FLYING is being recommended for eight to 10 weeks that started in early or mid-January in a select but coast-to-coast lineup of travel destinations. Media aimed for adults 25 and up, with the accent on men.

Campbell Soup Co., TV
Ogilvy & Mather/New York
SELECTED FOOD PRODUCTS are sharing 13 weeks of first quarter advertising that started after Christmas in a long and widespread lineup of television markets. Negotiators placed fringe, daytime and primetime inventory to appeal to women in various age brackets, depending on item.

Campbell Taggart, Inc., TV
The Bloom Agency/Dallas
EARTH GRAINS BREAD is scheduled for 20 weeks of spot exposure that started in late January in a long and widespread lineup of TV markets. Buyers set daytime, fringe and news placement.

CBS Toys, TV
Sive Associates/Cincinnati
TOYS will be seen for 17 weeks that started after Christmas in a coast-to-coast list of larger television markets. Media selected kid slots to reach children.

Ciba-Geigy Corp., RADIO
Dancer Fitzgerald Sample/New York
AGRICULTURAL CHEMICALS are being pitched in a nationwide selection of farm markets in a radio campaign that started in early January and is scheduled to continue for seven weeks.

Media team lined up stations to reach farm managers.

Craftmatic Comfort Mfg. Corp. TV
E.A.K. Advertising/Ben Salem, Pa.
ADJUSTABLE BEDS are being recommended for 13 weeks via spot exposure in a long and nationwide spread of television markets. The advertising started in early January, using the full range of dayparts to reach both men and women.

Eli Lilly & Co., TV
Creswell, Munsell, Fultz & Zirbel/ Cedar Rapids
SELECTED AGRICULTURAL CHEMICALS will be recommended for 26 weeks during first half '85 in a widespread lineup of midwestern, western and southeastern farm markets.

Negotiators arranged for primetime, news, sports and fringe showings to reach farm managers.

Frito-Lay, Inc., TV
Tracy-Locke/Dallas
TOSTITOS and OTHER SNACK CHIPS are being advertised for eight to 13 weeks that started on various early and late January air dates in a long and widespread list of television markets. Buying team set primetime, fringe and daytime inventory to attract young men, women and teenagers.

Taco Bell Corp., RADIO
Tracy-Locke/Dallas
FAST FOOD MEXICAN RESTAURANT CHAIN will be advertised throughout 1985 in a long and nationwide list of radio markets. Target audience is young men and women, 18 to 34.

Union Oil Co. of California, RADIO
Len Scholl & Co./Los Angeles
AGRICULTURAL CHEMICALS will be advertised for 13 or more weeks in farm markets in four western states, with some air starts scheduled for January and, in other markets, for February. Buying group set schedules to reach farm managers.

Wm. Wrigley, Jr., Co./TV
BBDO/Chicago
VARIOUS CHEWING GUMS will share 52 weeks of spot time that started in late December in a long and coast-to-coast lineup of television markets. Media placed daytime, fringe and kid inventory to reach an all-family audience.

Stylish spots

The Hair Cuttery is a chain of some 175 hair styling salons in the Southeast, and the biggest television, radio and print campaign it's ever run kicked off on January 7 in Washington, Baltimore, Richmond, Norfolk and in Broward County, Fla. Agency is W.B. Doner and Co., Baltimore.

Doner executive vice president David Sackey reports that research pointed the chain's television advertising in two different directions. One goal is "to present an exciting, memorable concept to bring more customers into the salon. The second goal is to tell the Hair Cuttery's hard-sell price story, because that's its chief advantage over its competition."

Appointments

Agencies

Carol Karasick has been elected to the board of directors of Saatchi & Saatchi Compton. She originally joined the agency's media research unit in 1962, served as director of media planning for President Ford's reelection campaign, and was a media supervisor for Lever Brothers before rejoining Saatchi & Saatchi Compton in 1978. She is currently a senior vice president and group media director.

Stephen M. Segal, senior vice president and media director for the New York office of The Marschalk Co., has been named a director of the agency.

Julie Pinkwater has joined Penchina, Selkowitz, Inc., New York, as vice president and media director. She moves in from a post as vice president and media group head at McCann-Erickson.

Mark R. Anderson has been elected vice president, media services at the

New for farms

Baythroid, a new cotton insecticide out of Mobay Chemical Corp., will be introduced on television starting in February in selected ADIs in the Southeast, MidSouth and Southwest, and in an extensive list of agricultural magazines. The agency, Valentine-Radford of Kansas City, reports that in the past, each Mobay product has been advertised individually, but that inflation, combined with a gradual decrease in ad budgets for several of Mobay's mature products, now dictate "a major departure" from Mobay's past tradition of individual product advertising. Now, a combined budget for all Mobay cotton insecticides focuses on the tradition of cotton farming and the dedication of the cotton farmer, "reinforcing the user's pride in his profession." The television will air in ADIs chosen by cotton acreage and average number of insecticide applications.

Ellis Singer Group, Inc., Buffalo. He came to the agency two years ago and now moves up from media director.

Felice Kincannon, media director at Hill, Holliday, Connors, Cosmopulos in Boston, has been promoted to senior vice president. She steps up from vice president.

Priscilla Sager and **Steven Naftelberg** have been elected vice presidents of SSC&B, Inc. Naftelberg came to the agency last October from Young & Rubicam, and is an associate media director.

Sager had been at Benton & Bowles before she joined SSC&B in 1981. She is currently an assistant media director assigned to the Johnson & Johnson account.

Constance J. Esler has joined D'Arcy MacManus Masius in St. Louis as a research account supervisor on the agency's Southwestern Bell Telephone and Coleman Outing Products accounts. She had been an account executive with the National Family Opinion research firm based in Toledo.

Mary Frey has been promoted to assistant director at BBDO's local broadcast department in New York. She steps up from supervisor. New supervisors, promoted from buyers, are **Anette Drivanos, Andrea Levine** and **Bill Dyar.**

Diana Garza has joined Adelante Advertising as account executive for the Heinz Ketchup account targeted at the Hispanic market. She was previously a public relations executive with The Rowland Company.

Retail Report

A winning combination

There is a tendency among broadcasters, when discussing retail advertising, to consider newspapers the enemy. A better approach is to convince stores how radio and/or television can work along with the print medium in a supporting or complementary role.

A good example of this strategy in action is the experience of Muse's, a men's specialty store in Atlanta, which was the only unanimous choice in the Father's Day and Mother's Day Council retail advertising awards presented during the recent National Retail Merchants Association convention in New York.

Last spring, Muse's ran about 26 newspaper ads for Father's Day, picking up on an Olympics theme. The slogan was "Dad Wins the Gold," while the artwork showed a young girl presenting a medal to her father. The accompaning copy then zeroed in on a specific product that would be appropriate for a Father's Day gift. The newspaper campaign was backed up by about 40 radio spots, all aired on WSB, featuring a 12-year-old boy and 10-year-old girl as the talent.

According to Monte Maupin, account executive at WSB, the station was selected because it reaches men, 35–64, and that's the audience desired by the upscale men's store. Muse's tied the radio schedule in with the newspaper campaign and selected the two children. But WSB recognized some wider public relations opportunities for both the store and the station. "Muse's," says Maupin, "picked four fathers from Atlanta to be honored as community leaders at a special luncheon, so we did some taped interviews, which we ran on the air."

All radio spots led off with the theme, "My dad's a winner." Then they made the transition to a specific gift item. For instance: "He takes me to all the Braves games. He got me Dale Murphy's autograph. That's why I'm giving Daddy something special from Muse's. I know he wants a Countess Mara silk tie, and Muse's has a fabulous selection . . . ."

Muse's also uses some television, but on a limited basis. Traditionally, the store has been on TV only in the fourth quarter. But, beginning last year, it added a spring campaign. "We always felt we should be using TV in the spring," says Don Barlow, advertising director, "but we didn't have enough funds." The spring campaign runs from the last week in March through the month of April. "WSB-TV developed a jingle for us," he continues, "and we did two spots—one centered around sportswear and the other featuring suits and sport coats."

The Father's/Mother's Day Council awards at the NRMA cited eight other retailers for outstanding advertising during the two holidays. Lord & Taylor, New York, was selected for both its Father's Day and Mother's Day ads. Other Father's Day winners were: Lazarus, Columbus, Ohio; Marshall Field, Chicago; and Donaldson's Minneapolis. Mother's Day winners included: Powers Dry Goods, Minneapolis; Prange's, Green Bay, Wisc.; May D&F, Denver; and Weinstock's, Sacramento.

The NRMA agenda also dealt with some other advertising/broadcast subjects. Among them:

- "Maintaining a Consistent Presence Before the Customer," presented by Wallace R. Westphal, director of retail marketing, TvB.
- "Developing a Promotional Framework for Increasing Sales" by Carl Prutting, manager, retail/local development, CBS Television Stations.
- "How to Develop a Leadership Role Through Strategic Marketing Decisions and Advertising Awareness," by Phyllis Green, marketing director, ABC Television Retail Marketing Division.
- "The Power of Sound," by Joyce Reed, vice president, co-op sales, RAB.—**Sanford Josephson**

Spot Report

Representatives


Ramsay **Gad**

Paddy Ramsay has been promoted to senior vice president/general sales manager and transferred to the New York office of Christal Radio Sales. She is succeeded as vice president, western region manager in Los Angeles by **Bob Gad.**

Mickey Colen has joined the Chicago office of Katz Independent Television as vice president, midwest sales manager. He had been Chicago sales manager for TeleRep.

Frank Manson is now sales manager of the Retail Division of TN Spot Sales, based in Raleigh, N.C. He had been sales manager at WRXO and WKRX(FM) Roxboro, N.C. TN Retail sells for stations in North Carolina, South Carolina, Georgia and Virginia.

Janice Marinelli and **Mitchell Praver** have been promoted to associate directors of programming for Katz Television Continental. Both joined the Katz Programming Department last May as station specialists, with Marinelli moving in from Lorimar Television and Praver coming from WABC-TV New York.

Marc Gross has been named regional manager of the Boston sales office of Hillier, Newmark, Wechsler & Howard. Gross had been general manager of KVOD Denver, and before that had been vice president, New York sales at McGavren-Guild.

Blair/RAR promotions

Brenda M. Holland, Edward E. Gardner, James L. McQuaide, Rick F. Fromme, Robert F. Jones, Stanton L. Vogin, Gary S. Lewis, and Richard J. Landesman have been promoted to vice presidents at Blair/RAR.

Landesman is research director for the radio rep, Holland is marketing manager in Los Angeles, Gardner is San Francisco marketing manager and McQuaide is marketing manager in the Detroit office.

Fromme is marketing manager in Blair/RAR's Dallas office, Jones is Atlanta marketing manager, Vogin is marketing manager in Philadelphia and Lewis is marketing manager and director of training for John Blair & Co.'s Radio Sales Associate Training Program.

Media Services

Joseph Gerard, senior vice president/treasurer and executive vice president of the Entertainment Division of SFM Media Corp., has expanded his responsibilities to include supervision of SFM's Spot Broadcast operation. He reports to Bob Frank, president of SFM's Media Service Division.

Stations

Lewis Klein has been elected president of Gateway Communications, Inc. He succeeds **George A. Koehler,** who founded Gateway with its purchase of three television stations from Triangle Publications in 1972, had been general manager of Triangle's Radio and Television Division. Now Koehler will continue as vice chairman and a member of Gateway's board of directors. Klein has been executive vice president of Gateway since its inception in 1972. (For more on Klein and Koehler, see *Sidelights*, page 16).

Donna R. Anderson has joined KMOX-TV St. Louis as an account executive. She had been with the sales staff of WIL AM-FM, also St. Louis.

Oscar Warren and **Warrington Retzer** have been named account executives at WOR New York. Retzer had headed his own company, RWR Advertising, and before that had been with WBAL-TV Baltimore. Warren had been negotiating network radio for Unity Broadcasting Co., and before that had worked for WMCA New York and for WMAL Washington.

William Smith has been appointed vice president and general manager of WHK and WMMS(FM) Cleveland. He first joined Malrite Communications in 1980 and now steps up from station manager at the two Cleveland stations.

Tom Reiff has been named executive vice president, general manager of WESH-TV Daytona Beach-Orlando-Melbourne. Before coming to the H & C Communications station, Reiff had been program director of KPRC-TV Houston.

Edward G. Aiken has been elected a senior vice president and named general manager of WHNS-TV Greenville-Spartanburg-Asheville. At the same time, **Joseph A. Shaffer** becomes station manager of the Pappas Telecasting station, but retains his current responsibilities as program manager at WHNS-TV.

Bob Walters has been added to the sales staff of WNBQ(FM) Seattle-Tacoma. He had been sales manager at KVAN Vancouver.

Indefinite run

Spot television and radio, as well as basic cable networks, will carry The Movie Channel's new national consumer campaign promoting it as "the only pay cable network wholly devoted to movies and Hollywood." Advertising, created by J. Walter Thompson, is scheduled to kick off in February and "run indefinitely, as long as it keeps working," says Joanne Black, senior vice president, marketing and creative services at The Movie Channel. She also describes a heartbeat, "a powerful aural device that will be heard behind the commercials, and also be used as part of our on-air channel identification," tied in with the campaign's theme, *The Heart of Hollywood.*" Target audience includes current cable subscribers, basic subscribers, cable affiliates, "and those people who have thus far not been willing to try cable television."

John A. Serrao has been tapped as general manager of WATL-TV, Atlanta, recently acquired by Outlet Communications. Serrao's most recent projects were the launch of two independent television stations, KTRV-TV Nampa-Boise, Idaho, and WPMT-TV Harrisburg-York, Pa. and an association with WDZL(TV) Miami.

Larry Anderson has been appointed vice president and general manager of Taft Broadcasting's WGR and WGRQ(FM) Buffalo, N.Y. Anderson, who had been WGR's operations manager between 1969 and 1981, has most recently been operations manager of Taft's recently acquired WSUN Tampa-St. Petersburg.

Bill Bengtson has been named executive vice president, general manager of Price Communications' KRCG-TV Columbia-Jefferson City, Mo. He moves in from a similar post at KOAM-TV Joplin-Pittsburg.

Mike Grinsell has been promoted to general manager of KABL AM-FM San Francisco. He moves up from station

RAB side show

Dr. George Litwin, president of HRI, Ltd., and a former Harvard Business School professor, is featured speaker at "The Great Manager Who Can't Sell" seminar sponsored by Hillier, Newmark, Wechsler & Howard at the Radio Advertising Bureau's fourth annual Managing Sales Conference scheduled for January 26–29 at the Amfac Hotel in Dallas-Fort Worth.

Litwin, a broadcast consultant who has authored books on motivation and organization, plans to counter a Harvard Business School paper that urges sales managers to stop selling and concentrate on managing their sales force. Litwin laughs this off as threatening to create "a new breed of sales managers who can't sell," and cities research on successful sales managers "who are close to their customers, know the needs of their customers, and who get personally involved in major sales situations."

One Seller's Opinion

CBS exec says sports rights increases must level off

Pilson

Profitability is a prime consideration by all businessmen, including, not surprisingly, network television sports executives. Some very significant changes are occurring in our marketplace, and if we fail to identify and understand these changes, we will be doomed to relive our past mistakes.

One element is that sports television audiences are not increasing. In recent years, the major rights increases have been funded by the CPM increases paid by advertisers (paying a higher unit price for the same number of viewers), and by expanded hours of broadcasting to create additional inventory. But at the same time, we are receiving very clear signals from our advertisers that they may resist financing the dramatic increases in rights fees we have been paying for sports events. The industry can no longer assume that the television networks in every case will be able to pass along heavy rights increases to our sponsors.

Also, no further opportunities are available for more network broadcast hours for sports. And there is a practical limit to the number of commercials we can carry before, within, and after our sports broadcasts.

With the increasing number of broadcast channels available and with the ever-larger number of sports events being telecast, we cannot allow the network television business to become less efficient for our national advertisers than the cumbersome combination of local, cable and regional packages. We will continue to compete extremely effectively with these ancillary, supplemental businesses so long as we manage our own business responsibly.

But not only are advertisers signalling they have had enough: Wall Street and the investment community are becoming increasingly concerned about over-extension and risk taking in sports television. Most of the major sports deals negotiated in the past few years have reduced, rather than enhanced profit margins of the parent corporations. The sports divisions at the three major networks cannot and do not operate in a vacuum without regard to the financial requirements and guidelines set forth by the parent corporations. It would be naive to say there will not be specific instances in the future where major broadcast rights increases will be paid for attractive properties. But I can assure you those deals will be cost-justified, and will be consistent with the overall financial goals of the company.

It has been my role to emphasize these basic elements which now have impact on the network television marketplace. In fact, there has already been a significant fallout among sports syndicators and sports cable channels as well. Pay-per-view sports is not working. Some regional pay channels are in serious difficulty, a number of regional sports syndicators have been unable to pay their bills during the past year, and neither ESPN nor USA are claiming to have experienced a profitable year in 1984. WTBS has been profitable, but not, as far as I know, in connection with its sports coverage.—**Neal H. Pilson,** *executive vice president, CBS/Broadcast Group, in a talk before The Sixth International Sports Summit in New York*

Media Professionals

A C & R media exec has helpful hint for radio industry

Marge Langone
Vice president
Associate media director
A C & R Advertising, Inc.
New York

At A C & R Advertising, associate media director Marge Langone observes that the agency "is not exactly big in radio," but is using more of it, and she thinks that the radio industry "could do itself a favor and bring in more dollars, if radio would make itself easier to plan and buy."

She says that what often happens is that, "when a client wants to investigate using radio for the first time, or a client already in radio in some markets is considering expanding his radio schedule into new markets, there are too many stations with no printed rates available." That, she points out, means that before the agency can get back to the client with even reasonably accurate cost estimates, "we have to stop what we're doing and call the reps—who aren't always there on the other end of the phone, waiting for our call. Waiting for the reps to call back eats up still more time before we find out the rates in order to establish a cost-per-rating point for a market where we haven't been in radio recently."

But the lion's share of the broadcast A C & R handles for its clients is television. Langone says that in some cases the stores will do the television buying, "both because some of them have become increasingly sophisticated about it, and because the total volume of ad dollars the larger stores place on local stations for so many different items earns them a better rate."

In other cases, A C & R will do the buying, she explains, "where our client's line is carried by multiple stores in the same markets. This gives *us* the volume advantage. But the trick here is tracking the spots to keep the stores apart. We want to make sure that commercials for two competing stores carrying the client's product don't show up in the same program the same day. They are competitors, after all, so we handle each store as a separate 'brand,' to make sure they get fair product protection, even though all four or five stores may be carrying the same item for our client."

Spot Report

manager to succeed **Bill Clark,** who will now concentrate on his corporate responsibilities as Radio Division president of Shamrock Broadcasting Co.

Frank J. Bussone has been named vice president and general manager of WEEK-TV Peoria, recently acquired by Price Communications. Bussone is a former vice president of the Dirksen Congressional Center and has been anchorman of WEEK-TV's telecasts of collegiate and high school basketball games.

Owen Weber has been named general manager of WCAO and WXYV(FM) Baltimore. He comes to the DKM Broadcasting properties from Washington, D.C., where he had been general sales manager of First Media's WPGC AM-FM.

Joseph E. Ademy is now vice president and general manager of WAVE(FM) Sarasota, Fla. He joined the station's sales staff in 1976 and now advances from station manager of the Cosmos Broadcasting outlet.

Ray Sasser has been promoted to general manager of WTQR Winston-Salem, N.C. Sasser joined Summit Communications 10 years ago as a salesman and now moves up from station manager at WTQR.

Bill Rohde has been named general manager of Swanson Broadcasting's KLLS(FM) San Antonio, assuming the FCC approves its transfer to Swanson from Shadek Broadcasting. Rohde will continue as vice president and general manager of Swanson's KKYX there.

Buyer's Checklist

New Representatives

Blair Radio is now the national sales representative for KBUF and KKJQ(FM) Garden City, Kans., KIOA and KMGK(FM) Des Moines, and KYNO AM-FM Fresno, Calif. KYNO features a nostalgia big band format, and its FM sister offers contemporary hits. KBUF airs traditional country programming and farm news, and KKJQ maintains a contemporary country sound. KIOA carries a personality-oriented adult contemporary format while KMGK highlights "hot country hits."

Blair/RAR has been appointed to sell nationally for KEZW Denver. The Republic Media Corp. station programs music from the '40s to the '70s, including live big-band remotes.

Jack Bolton Associates has been selected to represent WXSS Memphis in the Southeast. The new station airs a daytime format of adult contemporary numbers with a 30 per cent mix of urban contemporary hits. The nighttime sound is blues.

Christal Radio Sales has been appointed national sales representative for WZNE(FM) Tampa-St. Petersburg. The station features contemporary hits.

Torbet Radio has been named national sales voice for KQCR(FM) Cedar Rapids. The format offers a mix of top 40 and contemporary hits.

Spot Report

Weiss & Powell, Inc. has assumed national sales representation of WFHR and WWRW(FM) Wisconsin Rapids, Wisc. and WJAZ and WJIZ(FM) Albany, Ga. WJIZ programs a black/urban contemporary format, and WJAZ airs country music. Both Wisconsin Rapids stations concentrate on hits.

New Affiliates

NBC Radio Network has recently added new affiliates KLIF Dallas-Fort Worth, WKIS Orlando and WHJJ Providence.

NBC's Talknet has signed new affiliates WRKO Boston, KLIF Dallas-Fort Worth, WOAI San Antonio, WNOE New Orleans, WCKY Cincinnati, and WGST Atlanta.

New Call Letters

WNKS(FM) Columbus, Ga. is the new call designation of WVOC(FM). The station also airs a new format: adult contemporary hits with mass appeal. Rep is Torbet Radio.

Transactions

Viacom Broadcasting Inc. has agreed to acquire WKDJ Memphis from **Adams Communications Corp.,** subject to FCC approval. Transaction would bring to 12 the number of radio and TV stations owned and operated by Viacom nationwide.

Outlet Communications has completed acquisition of its first independent television station, WATL-TV Atlanta. The Rockefeller Group subsidiary, which currently owns five VHF network affiliates and five radio stations, also plans to acquire a second independent, WPDS-TV Indianapolis.

Citadel Associates Limited Partnership has completed acquisition of KAIR and KJYK(FM) Tucson from **Surrey Broadcasting, Inc.** Citadel principals are Fritz Beesemyer, president and general manager, and Larry Wilson, chairman of the board.

Meredith Corp. has agreed to acquire the stock of **Carson Broadcasting Corp.,** owner of KVVU-TV Las Vegas, subject to FCC approval. Meredith currently owns and operates seven television stations and two radio stations.

We're everything new!

NEW Name: Media General Broadcast Services, Inc.
Formerly the William B. Tanner Company. As a wholly owned subsidiary, we are backed by the fine reputation and corporate financial stability of Media General, a FORTUNE 500 company.

NEW Professionals.
New people at the top. Some of the most sophisticated media professionals in the business. Highly skilled people who can offer advertisers state-of-the-art expertise in media planning and buying that few agencies or advertisers can match.

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Backed by the resources of Media General, we are the largest, most diversified broadcast service company of its kind in the country. This gives us the strong media buying power that can give you dramatic efficiency and cost savings. We also have America's largest media bank for even greater savings. Whatever you want to buy, we buy it better. For less. And, our spots run as scheduled.

NEW Outlook.
You'll find a fresh new atmosphere at Media General Broadcast Services. A bright new enthusiasm. A dedicated new commitment to professional service and integrity.

Let us show you how to profit from our expertise and experience.

- Media Placement
- Broadcast Production
- Program Syndication Services
- Special Products & Merchandise
- Travel Services

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(212) 916-8600	(216) 831-2820	(312) 263-6557	(213) 278-5833	(901) 320-4212

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Section Two

January 21, 1985

CableAge

WHY DO THE B
IN CABLE GIVE RC
A TERRIFIC

ESPN™

CNN HEADLINE NEWS

HBO®

SHOWTIME®

THE MOVIE CHANNEL™

CBN CABLE NETWORK

A SMALL SELECTION OF OUR BIG NAMES.

HBO IS A SERVICE MARK OF HOME BOX OFFICE, INC.
SHOWTIME IS A REGISTERED TRADEMARK OF SHOWTIME THE MOVIE CHANNEL INC. THE MOVIE CHANNEL IS A TRADEMARK OF SHOWTIME THE MOVIE CHANNEL INC.

For good reason. In fact, for lots of good reasons. Superior satellite service is a good place to start.

It all began in 1975, when the cable TV industry was looking for expansion opportunities. It was then that RCA launched its first Satcom satellite. From that early point on, HBO,® WTBS, ESPN,™ CBN, Showtime®/TMC™—all the biggest names (and initials) in programming—signed up.

There were, of course, other satellites available. But not a single one of them offered what Satcom did. Namely, the concept of a dedicated cable satellite with 24 transponders and, later, a back-up system that protected them in the event of a satellite failure. And to this day, they *still* haven't matched our protection system.

Needless to say, it is comforting for our family of programmers to find this kind of safety in RCA.

There's plenty of comfort in a reliability factor of 99.99%. It's hard to beat that kind of statistic.

This exemplary record is nothing particularly out of the ordinary. RCA has always represented the most positive images in the world of communications. Since the early part of the cen-

RCA AMERICOM. THE COMPANY THAT LAUNCHED THE SATELLI

GGEST NAMES AMERICOM SUCH ECEPTION?

OUR BACK-UP SYSTEM OFFERS PROTECTION AGAINST BLACKOUTS.

tury, RCA has stood for enterprise, innovation and an extremely high level of expertise.

That high level is about to manifest itself in a new launch that a lot of people are very excited about. This new spacecraft is a 47-watt, Ku-band satellite with the capability of serving receiving antennas as small as three feet in diameter, thereby opening up a whole new world to operators and programmers. Throughout the contiguous United States, all sorts of places will become easy mounting locations for these small receiving dishes. An estimated 22 million households not currently able to receive cable TV will become an exciting new marketing universe.

It's no surprise. It's merely typical of RCA's continuing technological leadership.

The launch is scheduled in the fall of 1985. Therefore, the timing couldn't be better for you to inquire about RCA Americom and learn more about all the benefits it can have in store for you and your business.

Call Bill Berman or Don Reinert at (609) 734-4000 for more detailed information.

RCA
ONE OF A KIND

GET READY FOR ANOTHER PHENOMENON.

MMUNICATIONS INDUSTRY.

January 21, 1985

CableAge

New advertising interconnects—both hard and soft—continue to pop up around the country. Changes in the existing interconnects involve both technological improvements and revised owner-operator relationships.

Now that many operators have decided that videocassette recorders are friends of the industry, they're evolving some new strategies in marketing that account for the presence of the habit-changing hardware.

Feature films are seen as becoming almost as important to basic cable as they are to pay. The movie market appears to be opening up to operators and interconnects as well as to the basic satellite services.

Sports Time is clouding the profit picture for Multimedia, while newspaper-based communications companies aren't finding cable their strongest suit.

WALL STREET ANALYSIS

Although manufacturing is not the largest portion of Anixter Bros. operations, it stands out in terms of its relatively high return on assets.

CORPORATE PROFILE

DEPARTMENTS

NewsFront

Subscriber privacy growing system concern

There's indication that system operators are interpreting the subscriber privacy provision of the Cable Communications Policy of 1984 more strictly than necessary. Program services have been especially frustrated in their attempts to get subscriber lists from systems. Operators, meanwhile, have already been complying as of Jan. 1 with the provision which requires informing new subscribers of their rights to privacy. Generally this is being covered in welcoming literature. Operators are also preparing to send informational bill stuffers to satisfy the requirement to inform existing subscribers by June 27.

If there's any doubt as to what information can be provided to whom about subscribers, the National Cable Television Association has already sent a special report on the subject to its membership, including a sample notice. Char Beales, NCTA's vice president of programming and marketing, speculates that fear of cable's involvement in home shopping is probably what spurred the privacy provision. She notes operators cannot collect personally identifiable information on what subscribers buy through home shopping programs or on what services subscribers take without prior written consent.

But she notes subscriber lists can be given to third parties without written consent so long as the subscriber is notified of the right to prohibit release. Such information also can be disclosed under court order or when necessary to provide service—such as program guides and billing.

Nationwide franchising

Franchising of advertising sales turnkey operations is a new phase of Nationwide CableRep's business, reports Ted Stepien, president. Nationwide itself handles ad sales on a turnkey basis for 15 systems in northeast Ohio, southern Florida and South Carolina. But just recently it franchised two entrepreneurs to seek out turnkey business in Kentucky and Indiana.

Charles Burnside, who previously had his own business in an unrelated field, is looking for interested systems in Kentucky and working out of Louisville. Bob Robertson, a retired assistant superintendant of schools, also resides in Louisville but has been franchised for Indiana. Both were trained at Nationwide's facility in Boca Raton, Fla.

Although Nationwide sells national advertising for some 50 systems, Stepien holds, "The money for us is in local turnkey operations." The company's biggest turnkey operation is in Cleveland, where it handles ad sales for eight systems. The Cleveland market is 37 per cent cabled, but Nationwide doesn't represent the Cox and Viacom systems there, which sell their own local advertising.

Home security takeover

Rollins, Inc., in taking over Warner Amex Security Systems, will continue to serve customers through the Warner Amex QUBE systems for the time being, according to a Rollins spokesman. He would not state, though, that the 16,000 Warner Amex customers in five markets won't eventually be converted to the Rollins wireless radio-frequency system. He says the monitoring charges of the two approaches are nearly identical.

Rollins, whose Protective Services division operates in 43 markets, is paying $5.8 million for the QUBE home security clientele in Cincinnati, Columbus, Dallas, Houston and suburban St. Louis. The greatest number of customers for the service, about 6,000, is in Columbus.

Warner Amex says it wanted out of the home security business because it was not profitable for the company, it wanted to focus on its core business and because Rollins already was operating in home security in its markets.

Miklos B. Korodi, who was president of Warner Amex Security Systems, is already set with another job. He will join Ohio Teleport Corp. as president and chief executive officer.

VH-1 off and running

Some 50 to 75 per cent of those systems that had committed to Turner Broadcasting System's Cable Music Channel were aboard VH-1 on its Jan. 1 launch. That's the top-of-the-head estimate of executive vice president Bob Pittman, who says he expects most of the rest committed to CMC to also come aboard.

The 25-54-oriented music video network launched with 28 charter advertisers and 3.4 million subscribers, Pittman reports. He says all of the top 10 MSOs have launched the service somewhere, except for Viacom Cable, which reportedly has plans to join in. Pittman notes the new service has a low cost base in its favor, as MTV was initially built so that, if it turned out to be a success, it could launch another service at "a fraction of the cost."

He notes an October 1984 RIA survey showed that 75 per cent of the 25-54 consumers interviewed were either "interested" or "very interested" in what VH-1 had to offer. This compares with about an 80 per cent interest level in a similar survey for sister service MTV prior to launch.

Studioline forges ahead

Studioline, the nine-channel pay-cable audio service, is forging ahead with launch plans without its specially designed stereo decoder. The Reston, Va. company is opening a more than $1 million studio this month, has hired two well-known radio programmers and is proceeding with affiliate negotiations with top MSOs.

A delay in arrival of the boxes has been caused by a long lead time in ordering, explains Jason Taylor, Studioline executive vice president. The service is launching in April in Western Communications systems with 150,000 subscribers, using simple block converters, which may be phased out when the custom-built Studioline box is ready, Taylor says. Western Communications is two-thirds owner of Studioline.

Taylor explains that block converters can be used in this manner only in non-urban markets where the number of existing radio stations is limited. In urban markets crowded with other radio signals, existing signals can bleed through a simple block converter, causing consumer confusion and marketing problems, he adds.

"We have verbal commitments, but no written contracts from MSOs in urban markets," he says. "But they want to wait for our decoder before they launch. That probably won't be until June."

Studioline recently hired Phil Stout to format its beautiful music programming and Marlin Taylor, a founder of Bonneville Broadcast Systems, to program its classical music format.

Taylor says he doubts Studioline will achieve 250,000 subscribers, the projected profit threshold, by the end of its first year. "We won't see a lot of growth until we establish a track record," he says.

WTBS launches promo blitz

Turner Broadcasting System has developed a new promotional campaign for SuperStation WTBS. The campaign is emphasizing the channel's feature movies specials, sports and cable exclusive National Basketball Association games, according to TBS director of advertising and promotion Ron Harris.

"Our purpose is to out-promote all other cable and broadcast networks," he says. "Our quality programming is the key. We target the program promos to specific viewers by using elements from our heavily researched music package, thereby tying in the SuperStation with any age and emotion to which we wish to appeal."

All promotions will use Turner's other two networks, Cable News Network and CNN Headline News, to saturate cable households with WTBS promos and tune-in messages. "We will also use national radio networks, cable guides, *TV Guide*, *USA Today*, and *People*," Harris adds. "The on-air spots will also be available to system operators for use on their local avails and local origination."

"By cross-promoting the SuperStation on CNN and CNN Headline News, we get access to the nation's upscale viewers," he explains. "With the news networks' promo avails, WTBS will have three times the available promotional opportunities of any one network. And with the SuperStation attracting such a large audience, any other cable-delivered service would have to run two to 10 times the amount of spots as WTBS to reach the same number of viewers."

The spots will come in 10- and 30-second versions and will be used for the first five months of 1985 before WTBS executives reassess the program. "This has become a top priority at the SuperStation," says Harris, pointing out that three new producers have been added to the WTBS promotion department. Harris declines to state how much the program is costing the Atlanta-based cable service.

ESPN to unveil new logo

With both ESPN and its controlling parent, ABC, feeling the old ESPN logo is not contemporary enough, the network plans to show a new look on-screen starting February 4. Bill Grimes, ESPN president, says the bolder, action-oriented logo goes

THE TOTAL SPORTS NETWORK

along with the network's new ownership situation, programming and commitment to growth. It will not only appear on screen but also on ESPN trucks and the like. It's black and gunmetal grey.

Gips & Balkind designed the logo. Meanwhile, Charisma Productions is following through with some new on-air promotion graphics in coordination with ESPN's on-air promotion department.

SSS spreads out

Satellite Syndicated Systems and another company are spending $2.5 million on new headquarters in Tulsa. The new complex will contain a total of 44,000 square feet and will provide SSS the needed space to house its entire staff under one roof and allow for more expansion.

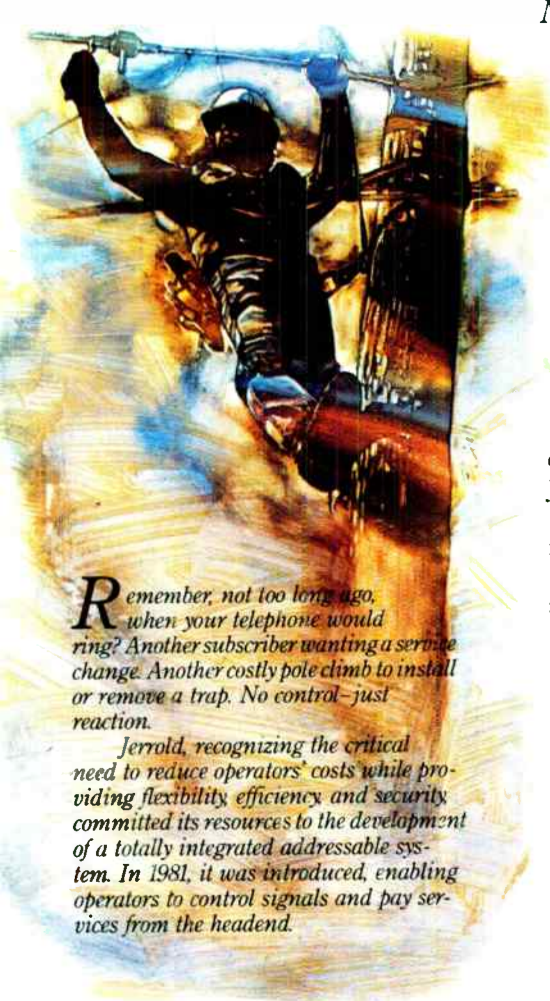
SSS will be the lead tenant of the complex and will occupy 16,500 square feet of one building, while Satellite Program Network will occupy 5,500 square feet. SSS entered into an agreement with Ragsdale/Christensen, a Tulsa land development and architectural firm, to build the two-building complex. The second building will be used for more retail type businesses, the company says. Under the terms of the agreement, each party will purchase a 50 per cent undivided interest in the land, which will then be leased to the newly formed SSS/RC building partnership.

Altus E. Wilder III, executive vice president and chief operating officer of SSS, explains, "We've grown to a point where construction of our own corporate facility is now necessary. The partnership with Ragsdale/Christenson allows us the opportunity to build an economical and yet functional and attractive complex which adequately meets our needs as well as those of other businesses wishing to locate in South Tulsa." Completion of the complex is expected in October.

Remember when traps were the industry standard in signal control? Now...

Jerrold/TOCOM Addressability.

Unparalleled.



Remember, not too long ago, when your telephone would ring? Another subscriber wanting a service change. Another costly pole climb to install or remove a trap. No control–just reaction.

Jerrold, recognizing the critical need to reduce operators' costs while providing flexibility, efficiency, and security, committed its resources to the development of a totally integrated addressable system. In 1981, it was introduced, enabling operators to control signals and pay services from the headend.

Whether your plans for your next addressable system call for baseband or RF, on-premises or off-premises, add-ons or state-of-the-art converters, Jerrold–and only Jerrold–can provide your choice.

With the broadest range of addressable systems and equipment on the market today, Jerrold can accommodate your specific system's design. We offer the systems, products, and services that assure maximum efficiency, flexibility and control:

- TWO-WAY UPGRADABILITY. Buy only what will pay off for you today. Jerrold converters can be upgraded to two-way addressability later. When you're ready, you can add on two-way capability to increase revenues with IPPV and other interactive services.
- DOWNLOADABILITY. Increase revenue protection, flexibility, and subscriber satisfaction. You can move Jerrold converters between your systems, downloading converter address, barker channel location, and all channel assignments.
- MIXED MODE. Only Jerrold makes it possible to mix an array of different equipment in the same system. Highly featured baseband converters for the high revenue areas, off-premises equipment for apartments, RF converters–even add-ons for other areas. You have the flexibility to do what *you* want to do.

Jerrold/TOCOM addressable systems. Quality and reliability backed by the largest service network in the industry. A decision that's right for tomorrow, no matter which you choose today.

For detailed information, call or write today. Jerrold Division, General Instrument Corporation, 2200 Byberry Road, Hatboro, PA 19040. (215) 674-4800.

JERROLD

You know we'll be there.

GENERAL INSTRUMENT

January 21, 1985
CableAge

Interconnect operators see revenue increasing 20–25 per cent in 1985

Ad interconnects take new forms, add new markets

BY EDMOND M. ROSENTHAL

As local advertising sales becomes a more needed contributor to system operator cash flow, the advertising sales interconnect increasingly is coming into the picture. Hard and soft interconnects continue to pop up all around the country, as demonstrated by the Cabletelevision Advertising Bureau *Rep/Interconnect Directory*, which lists more than 50 entities doing some form of collective selling or representation for system operators.

The forms these interconnects take continue to evolve. Ownership can be by an independent rep or turnkey organization, by one or more of the system operators participating or by all participating operators. And while these structures can change, so can the technological base of the interconnects—moving from "bicycling" of commercials in the soft interconnect mode to a hard interconnect via microwave relay—or to computerized paperwork to relieve the headaches of getting proper documentation to advertising agencies in time.

Interconnect operators interviewed by CABLEAGE report steady growth and generally see 1985 revenues up 20–25 per cent over last year's. Although some have commissioned audience measurement to outside organizations, the majority continue to thrive without the help of independently validated numbers. And while the operation of these interconnects shows little in common among them, one common facet is that most of them concentrate their sales on the local availabilities of four networks—ESPN, Cable News Network, USA Network and MTV: Music Television.

A concern that some interconnects have had is with selling conflicts with the local sales staffs of the participating systems. Where in at least one instance the problem has gone as far as into the courtroom, most interconnect managers feel the question of whom the advertiser belongs to can be settled amicably.

Bay Area Interconnect

The Bay Area Interconnect delivers programming to participating systems with commercials inserted.

Newest entrant

The beginning of this year saw the startup of interconnects in two major markets—Dallas and Houston. These soft interconnects have nearly the same major MSOs owning them cooperatively in each market. In both of them, Warner Amex Cable has been designated the managing partner, taking a commission for its sales efforts that Larry Zipin, the MSO's corporate director of advertising sales, declines to specify.

Group W Cable and Storer Cable are in both markets' interconnects, while TeleCable is in Dallas only. Zipin says negotiations continue for additional operators in Houston.

Currently the Houston setup involves nine headends and 330,000 subscriber households. This represents 56 per cent of the 594,000 available cable households in the DMA (Designated Market Area) and 23 per cent of all television homes in the DMA.

In Dallas, there are eight headends involved and 200,000 subscriber homes. This represents 36 per cent of the 550,000 available cable homes in Dallas and 13 per cent of all TV homes in the DMA.

In both markets, Zipin reports, the interconnect will represent about 50 per cent of the operators' available inventory. He speculates that the participants might want to allocate more of their inventory to the interconnect later on.

According to Zipin, each participating operator sets its own ad rates to go into a composite rate for the interconnect. He asserts, "It's not likely there will be big variances in cost-per-1,000. We're not dealing with MSOs who are neophytes in advertising sales."

Meanwhile, the fact that a spot can run on several headends and four separate channels per headened will present a challenge in trafficking and administration, Zipin acknowledges. And, as for evolving into a hard interconnect, he says, "We'll look at any changes in technology that make it more efficient but still profitable.

He notes that conflicts on direct retail accounts may occur between the interconnect and systems "until we can get together on it." But agencies, he adds, will be called on only by the interconnect "because they're primarily interested in marketwide advertising."

As for projected revenue for the interconnects, Zipin asserts, "I'd feel comfortable saying that each should do about $2 million in its first year."

Hard interconnect

Meanwhile, a pioneer microwave interconnect, the Bay Area Interconnect, expects to tally up about $3 million in revenues for 1985, according ot Jack Yearwood, vice president and general manager.

In operation for five years, the San Francisco area interconnect involves 32 systems and some 500,000 subscribers. Of the total subscribers reached, 350,000 of them are accounted for by managing partner Gill Cable's large system and by Viacom systems. The interconnect is a partnership of these two operators.

Yearwood notes there are some variations as to which channels participating systems can accept advertising on. For example, where ESPN availabilities account for 586,000 potential viewers, CNN's can only go to 558,000 and MTV's to 417,000.

Unlike the two new Texas interconnects, the Bay Area Interconnect does all the commercial insertion remotely for the participating systems and is the only ad sales effort they are involved with. The interconnect delivers the programming to the systems, but, Yearwood notes, if any of the systems wanted to sell their own advertising and insert it locally, this could be arranged.

"What we do does not necessarily apply elsewhere," Yearwood notes. "We have over 60 headends in the market, and it's easier to do insertion all in one place." He says the interconnect gets a "substantial" percentage of gross revenues, with the remainder divided among the sytems on a pro rata basis.

"If you didn't have an interconnect in a large market like this," he adds, "you'd be restricting yourself to the mom 'n pop advertisers and limiting yourself to a total cable market of $10,000 to $15,000 a month. But we're looking at a TV market of $300 million, and we're getting about 1 per cent of that. The major advertisers are the ones we're getting. We look not only at who advertises but also at who pays. The receivables situation from mom 'n pop advertisers isn't that good."

Yearwood says the interconnect accounts for about 25 per cent of TV households in the Area of Dominant Influence (ADI), while total cable penetration is 43 per cent. Non-participating operators, he says, are generally those with restricted channel capacity: "Most systems in the area have 17 must-carries and as many as 24.

Bay Area Interconnect's typical rate is $150 for a 30-second spot. The operation has justified its rates with formal outside research. Just recently, the Cablestat division of Western International Media did a 2,000-call telephone coincidental for the interconnect at a cost of $24,000. Yearwood said results showed the interconnect comparing favorably to some broadcast television stations in the market.

Interconnect overlap

But Bay Area Interconnect no longer has it alone in its market. Cable AdNet, an independently owned interconnect operator, has expanded from its Pennsylvania base into the San Francisco area, and Wayne Bullock, president, reports it represents eight systems with a total of 112,000 subscribers.

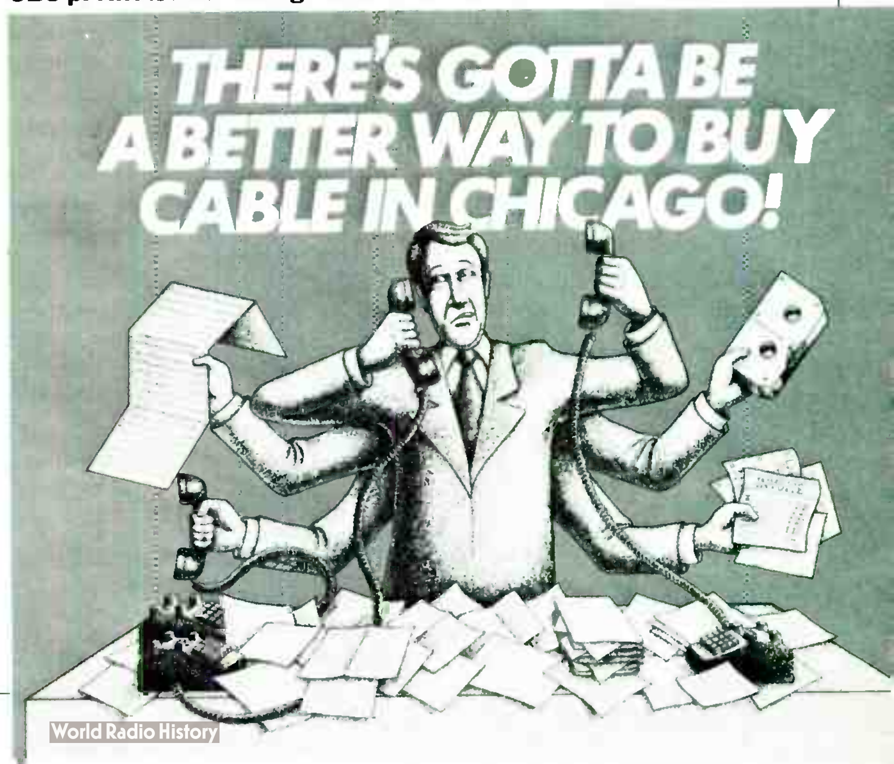
With a soft interconnect, AdNet offers an alternative to the Bay Area Interconnect, Bullock notes: "In most cases, they can only sell regional advertising. We have the flexibility to sell one system or all of them. Our experience shows that you can charge a higher rate per 1,000 on a system basis than you can for systems as a group." He elaborates that, in both Pennsylvania and the Bay Area, individual system rates run about 80 cents to $1.20 per 1,000 viewers, while on a regional interconnect this goes down to 30–60 cents. Bullock says it's harder to price regional interconnects higher "because they're right up against broadcast measurement and the broadcast rationale for buying."

With two Pennsylvania interconnects well established, AdNet is preparing to establish a fourth in Charlotte, N.C. among five American Television and Communications systems with some 98,000 subscribers. Bullock says this represents about 46 per cent of cable households in the ADI and some 15 per cent of the entire ADI of 644,000 television homes. He says attempts are being made to add other systems.

Meanwhile, Bullock expects to see a 25–30 per cent increase in overall revenues this year over last. He projects that Pennsylvania's Cable AdNet East, which is in the Philadelphia ADI, will do about $2 million. This 17-system interconnect accounts for 300,000 subscribers, representing 30 per cent of cable homes and 12.5 per cent of TV households in the ADI.

He expects about $1 million from Cable AdNet Central, in the Harrisburg-Lancaster-Lebanon-York ADI with eight systems and 175,000 subscribers.

CBS promotes its Chicago-area interconnect



This, he says, represents 64 per cent of cable households and 35 per cent of TV homes in the ADI.

Bullock points out that, on all its interconnects, AdNet pays the system 25 per cent of net billings, compared with 20 per cent from most other operations where the system is not a part-owner. He adds, "If we have bad debt, we assume that liability. We do the whole process for the system. We put in the insertion equipment and pay for it—then once a week we put in the tape at the system and control it remotely. It's all automatic, computer controlled random access, with the commercial keyed by the network cue tone. The system doesn't do anything but receive a check."

In Pennsylvania, AdNet handles all satellite network advertising for its represented systems, except in the case of two systems where one or two channels are handled by a separate turnkey operator.

Bullock notes that the only time a conflict may arise is when the turnkey operator and the interconnect are selling the same merchant.

Most of the interconnect's selling is on the usual ESPN, CNN, MTV and USA, with some on The Nashville Network and Lifetime. The paperwork involved, Bullock asserts, would probably be an impossible task without the aid of a computer. He adds, "It's also easier because we control the advertising and we don't have to worry about the individual systems shipping affidavits in time to get them to the agency."

Microwave facility

Paperwork will be less of a problem for Cable Networks Inc. in New York when it makes the long-awaited shift to microwave interconnection for the 12 participating systems. John Kramer, vice president of the 3M Co. subsidiary, says the Metropolitan Transmission Center, also owned by 3M, is expected to start testing in February and that it is hoped to be operational by the end of the first quarter.

CNI-affiliated systems claim about 1 million of the approximately 1.8 million cable homes currently in the New York ADI, which has 6½ million TV homes. CNI also represents the Madison Square Garden Network interconnect, which was started before CNI and has about 1.7 million cable homes. With the exception of Cablevision Systems Development Co., which has so far decided to go it alone, CNI represents most systems in the ADI that are large enough to be cost-effective for it.

The MTC facility is expected to cost between $4 million and $5 million. It will not deliver programming to the systems but only commercials. The operation is partly addressable so that commercials can be sent only to the appropriate systems. And the systems, according to MTC manager Rick Rosencrans, can still use network cue tones for local commercials. MTC has the capability of turning local insertion equipment on and off if there is no operator on duty, Rosencrans says.

MTC will collect its revenue through a charge to the systems of between $2 and $4 per spot delivered. Rates are regulated by tariff, filed with the Federal Communications Commission. Rosencrans notes MTC should ease some of the paperwork problems: "In the past, we've had to rely on each system to run the spots right and send the backup paperwork. This will take some of that burden off the systems. We can have one master affidavit that says when the spot ran."

Kramer feels this will help CNI from a sales standpoint: "Numerous advertising agencies just don't want to wade through all the billing involved with individual systems. We've had trouble with large advertisers where systems missed the spots or were late getting affidavits back. This creates nightmares when agencies have billing cycles that we miss because we can't process the paperwork quickly enough."

Only a few of the systems that CNI represents sell advertising on their own, and Kramer says they only call on retailers in their particular areas. CNI sells availabilities on the usual four networks, plus representing Madison Square Garden Network.

Kramer reports the New York interconnect did revenues of about $5 million in 1984, which is split 50–50 with the operators, and expects to do about $6.5 million this year. The hard interconnect will help, he adds, by expanding the number of hours sold against to initially 16–18 a day: "Now we're basically 4 p.m. to midnight because all of the systems don't have operators on duty at other times."

The average rate for a commercial running across all four channels is about $350 a 30, Kramer says. Teen-oriented products, he notes, may go strictly on MTV or some USA shows. He adds that the two networks most likely to be sold in combination are CNN and ESPN and that USA can swing male, female or teen in its audience offering.

More than most interconnects, CNI has supported its sales effort with research, but Kramer notes he isn't particularly satisfied with what's available. CNI had done Nielsen and Arbitron coincidentals—"and a lot of times we just had to use the national ratings of the networks," Kramer says. The last major effort was in the first quarter of 1984 with Information & Analysis. In this telephone coincidental, he says, the numbers correlated almost exactly with the networks' national ratings—"but the problem with coincidentals is that viewers are not associating with the proper channels. They try to make coincidentals a totally unaided situation, because it's felt that the deeper you have to probe, the more prejudiced the response is. We hope to see a more passive kind of measurement come along."

In addition to running the New York interconnect and representing other interconnects in New York for national spot sales, CNI has newer local sales operations in two other cities. In Atlanta it represents 10 systems with 210,000 cable homes. Kramer says this soft interconnect grossed between $800,000 and $1 million this year. In San Antonio, CNI handles one Rogers system, with more than 180,000 subscribers, as a turnkey operation, and it expects about

Cable AdNet East

$600,000 in revenue for '84.

Another major player in the interconnect repping field is CBS, which already sells an interconnect in the Chicago area using the microwave facilities of Centel Videopath. It's speculated that, with CBS' recent acquisition of one-third of Rainbow Programming Services, that it may get into ad sales for the five regional sports services that come in the package.

Charles E. Walsh, vice president of worldwide advertising sales for CBS Broadcast International, indicates this might happen. For the time being, only one change has been made. The name of the repping organization has just been changed from CBS Interconnects to CBS Spot Cable Sales. Walsh says the new name was chosen because it simplifies explaining the service to advertising agencies.

Meanwhile, Jane Meagher, sales manager for Centel Videopath, says the Chicago interconnect now includes seven companies with 13 systems and about 247,000 subscribers. Major MSOs involved are Centel, Cablenet, Continental Cablevision and Metrovision. The Chicago ADI comprises about 3 million homes but is only 10 per cent cabled, and the interconnect only commands about 8 per cent of the ADI.

Meagher says a couple of other systems may be induced to join during the first quarter, and by the second quarter, the interconnect may include part of northern Indiana that is also considered part of the Chicago ADI.

The hard interconnect does not delivery satellite programming, Meagher notes: "Our microwave system has a unique switching ability that allows us to interrupt the system's satellite feed and insert commercials when the cue tone comes off the satellite." Centel Videopath handles commercial insertion for CBS at a flat rate.

Meanwhile, the CBS operation, which buys 25 per cent of the participating operators' avails on the four usual networks, pays them $1.50 per subscriber annually for the right to sell these avails. The systems are also offered a share in the profits beyond a certain amount, which the interconnect is still far from reaching.

Walsh says all participating systems do their own selling to some degree, but there are no conflicts over clientele: "If someone is interested in a single system, we refer him to the system. If someone wants the interconnect, they're referred to us."

But Walsh says response from the advertising community has been relatively slow because of the low cable penetration in the ADI and the fact that few advertising executives in the area have cable themselves yet. A 30-second spot on the interconnect runs between $100 and $200, with the cost-per-1,000 running in the same ballpark as radio, he reports.

Walsh declines to detail revenue. He says local and regional retailers comprise the group of advertisers with which the interconnect has had the greatest success. After that comes records and FM radio stations. He says a large amount of the business is done in flights of 13 weeks or less. Only the entire package of systems is sold—on the basis of "one order, one phone call and one invoice." Only Nielsen metered ratings are used for research backup.

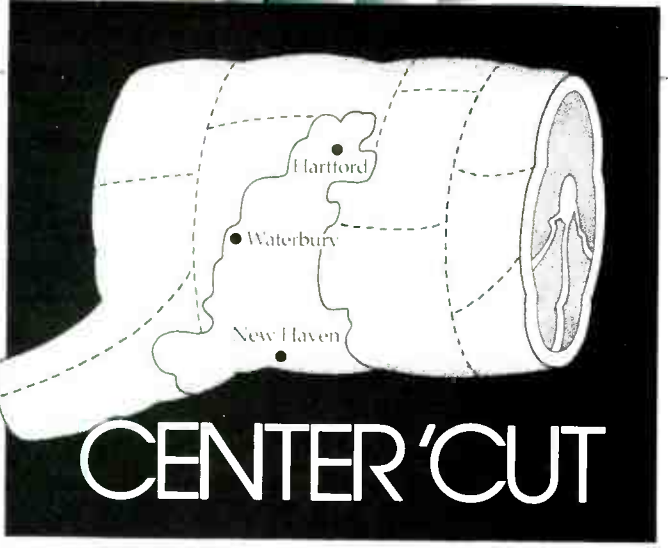
Computerized paperwork

In Seattle, Cable Advertising Network has developed a computerized trafficking system that it uses for its own business and hopes to be able to service other markets with. CAN represents three systems in southwestern Washington and 11 in Alaska as separate interconnects, handles national spot sales for other cable systems to national advertisers in the Seattle area and operates a video production company which produces commercials for cable and other uses.

Jim Jenner, CAN president, says the computer system keeps track of every commercial on every system his operation works with, including current availabilities, affidavits and proof of performance. He asserts, "We expect to market this service to any system that needs a fast, accurate tracking system. We've developed our own software and can handle an unlimited number of systems and networks.

"We've had a single person handling $1 million worth of business going to 25 systems. When we get an order, we enter it into our system, and the computer can automatically schedule the time and send out a log to the system, which tells hem when to run the spot. When the log comes back in the mail, we put in the times the commercial ran, produce the billing statement and generate proof of performance for all the systems. We keep master schedules for each network within the system. We've done some surveys on how well we function as against radio and TV stations in the area, and the agencies rate us very highly." He notes cable systems ultimately could be put online.

The three systems represented in southwestern Washington are Tele-Communications Inc., Olympia; McCaw Communications, Centralia and Chehalis; and Cowlitz Cableview in Longview and Kelso. Jenner figures on gross revenues for these systems of about $450,000 in 1984. The systems have about 540,000 subscribers collectively. Advertisers are charged between



Connecticut Cable Interconnect's slice

$1 and $1.50 per 1,000 subscribers.

CAN works on a commission basis for both the Washington and Alaska systems. The latter, though, are more lucrative on a per-subscriber basis, getting three or four times the cost-per-1,000 that the Washington systems get. This is because the 11 systems, representing 35,000 subscribers from Anchorage to Nome, in most instances are the only advertising medium in the market except for a local newspaper. In fact, only Anchorage receives an off-air television signal. For the other markets, the broadcast networks are delivered only via the cable systems, which receive bicycled tapes that are recorded in Seattle by North Star Recording. CAN inserts commercials between programs of the broadcast networks, where avails for the nonexistant local television station generally appear. The recording company pays copyright fees for the programming.

With these station-avail sales and sales of the usual four cable networks for Anchorage, CAN is taking in about $100,000 a year for the remote state. A rep out of Anchorage also handles local sales.

Two-system market

In some instances a successful interconnect only requires two systems—if they are large enough. This had been the case in Louisville when three years ago a private rep firm, Cable Advertising Networks of Louisville, contracted to sell advertising for both Times Mirror's Dimension Cable and the Storer Cable system there. Dimension has subscribers in the mid-60,000s, and Storer has about 70,000, so the two together represent about 43 per cent of the Louisville ADI.

But, as Charles Hunter, president of the rep firm, reports, only the Storer system is represented now. His company has a lawsuit pending against Dimension Cable, charging that it breached its contract last April when it began selling on its own. But a proposed swap of systems between Times Mirror and Storer would put the Louisville system under Storer, which could resolve the whole problem for Cable Advertising Networks.

Meanwhile, Hunter reports, 1984 sales were running at about $700,000 for the Storer system alone. He sees little potential for expanding the audience offered beyond getting the Dimension system back.

The closest possibilities for subscriber expansion, he notes, are two systems in southern Indiana—Floyd County Cablevision, with about 5,500 subscribers; and a Daniels system with some 8,000. Hunter notes they have such a small share of the market that it might not be economical to represent them.

Hunter says his company works on a revenue sharing basis similar to that of CNI. It does all the editing, sales, billing, and trafficking for the system and plans to have computerized billing and verification next month.

He says rates charged are comparable to the upper prices of radio in the market—$25–$50 for a 30-second run-of-schedule spot and $100–$200 for a fixed position. There is one variance from the usual four cable networks sold. The Nashville Network is one of the big four here versus USA. Hunter says, "We feel it's the up-and-coming channel in our area."

Also sold are Lifetime, USA and Financial News Network when they fit the demographics the advertiser is trying to reach. But Hunter adds, "We've had hardly any result with FNN. We've had people place hefty schedules without any results." Overall, CANL has brought in some 600 advertisers in the past three years, he notes, and some 325 are active now.

Hunter's chief fear is that the networks will continue to pull back availabilities from the systems: "We're now getting only about two minutes per hour per network. I think there's a possibility they're going to want more time back when they get to 50–60 per cent penetration."

Meanwhile, it's likely that there will continue to be changes in relationships between systems and interconnects until the industry stabilizes. One place where some change may be coming is at the Connecticut Cable Interconnect, a hard interconnect currently owned by all six of the participating systems.

Ownership change

Geoffrey Gollin, general manager of the interconnect, indicates it may become an operation where only one or two of the participating systems have an ownership position (as is the case with the Bay Area Interconnect). He says some of the systems may have legal reasons that preclude them from remaining partners, while others may not want to wait around for the long-term potential a partnership offers.

The prospective plan, Gollin says, is to give non-owners 35–40 per cent off the top on sales. He notes that owning systems, though, would get better payback long-term as the percentage of net income to sales grows.

The six systems account for 273,500 basic subscribers, and, while this is about 50 per cent of basic cable subscribers in the state, the interconnect tends to sell in terms of the Hartford-New Haven ADI, where it is most significantly represented.

The interconnect has financed the purchase of microwave equipment by the purchase of microwave equipment by the systems so that they could pay it off with advertising revenue. The current revenue sharing arrangement is, after cost of sales, agency commission and overhead, systems share in net revenue based on number of subscribers in each system.

Only the commercials are delivered by microwave, and the interconnect is able to activate commercial insertion equipment from a central location. The interconnect gets 50 per cent of each system's avails on CNN and ESPN and 25 per cent on MTV, USA and Lifetime. So far, Gollin notes, there has been minimal succes in selling Lifetime avails because not all the systems carry it and also because of the lack of audience data. Where it helps, he says, is with package goods accounts aiming for housewife demographics.

Rates vary by network and daypart, running as high as $225 for a live, fixed 30 on an MTV special to as low as $40 for a late night spot on Lifetime.

As for paperwork, one person does traffic administration manually, reportedly with no problems of affidaviats being late. Gollin notes, "We have looked at some software packages in case paperwork does become a problem." He adds, "We don't sell parts of the system because we'd then be in competition with the systems' sales efforts, and this could also complicate the paperwork." □

Operators divided as to whether fees should capitalize on VCR capabilities

VCR-friendliness fits increasingly into sales drive

BY GARY ROTHBART

With videocassette recorders expected to be in 50 per cent of U.S. homes by the close of the decade, MSOs are making "VCR-friendly" a part of their marketing vocabulary. Most of them are finding that VCR owners are better cable customers—and this leads to one big question: Should the operator make money on the VCR owner through installation and "second set" charges, or should the customer be offered more liberal terms as a "favored clientele"?

One thing that particularly encourages operators about the VCR is that owners of the hardware would be more apt to take advantage of pay-per-view offerings. As for actually getting into the business of selling VCRs and renting software, few operators see this as compatible with system operation.

And several leading MSOs, such as United Cable, Viacom Cable and American Cablesystems have standing task forces studying the question of how best to take advantage of the VCR revolution.

A marketing director at a leading MSO sums up the position taken by many cable operators: "The VCR has obviously become part of the consumer's wants and needs," he says. "Through a variety of ways, including charging for additional outlets to hook up a VCR, the operator can make a sizeable amount of additional revenue. Why deprive yourself of that revenue? You are not going to stem the tide of VCR growth, that is for sure."

George Douglas, marketing and programming vice president at American Cablesystems, adds, "We as cable operators must be able to deal with the entire growing home electronics picture. If we don't, we are going to lose."

Some cable operators see additional revenue not only in second hookups for VCRs but also in pushing pay-per-view, and even renting equipment. But most operators are shying away from the equipment and videocassette rental and sales business, either because they consider it a conflict of interest or because they lack a high traffic location.

Operators are using a variety of marketing methods to get out the word that cable and VCRs go hand in hand. These include bill stuffers, infomercials and direct mail.

Operators must also deal with the technological problem where a subscriber can't watch one show and tape another that is being shown at the same time without special measures being taken. Gill Cable has hired a firm, Quintar, to develop a "video control center" which can tape a show while the sub is watching another program or not at home, says Ben Reichmuth, marketing vice president. The box, which sells for $44.95, however, is not widely distributed and most other operators are still searching for ways to deal with the problem.

Charles Townsend, marketing vice president at United Cable Television, says there are some new products, such as "cable ready VCRs," that bypass the hookup problem, but most VCR owning cable subscribers still need two converters, with a deposit and monthly charge to acquire the capability of watching one program and taping another at the same time. He asserts, "The reason why owning a VCR and subscribing to cable at the same time is so attractive is the ability to time shift—to record a program while doing someting else.

"So we have to make sure our customers are happy with their VCRs. We must make them compatible technologically so the subscriber doesn't have to spend more money to have both.

As VCRs change the way TV is viewed, system operators see them variously as second sets and as marketing tools.

RCA VKP900 remote VCR preprogramming.

Best customers

Contrary to what many might believe, VCR owners tend to be the best cable television customers, according to research performed by several top MSOs. George Stewart, marketing and programming director at Tulsa Cable, points out his surveys show that 35 per cent of the cable company's subscribers take basic only, while only 16 per cent of its VCR owning subscribing have basic only. Further, 19 per cent of its total subs take two pay services, while 33 per cent of its VCR owning customers take two pay services. In addition, 4 per cent of its total subscribers take three pay services, while 10 per cent of its VCR owning customers take three services.

"We are feeling our way through this thing, just like everybody else," Stewart says. "But with these numbers, we are starting to wonder what we are doing to these folks with things like a second hookup fee. We don't want to position ourselves in an unfriendly fashion, so we are eliminating our hookup charge for VCRs. We used to charge $4 a month. Now, we have a $15 installation fee if we have to send someone to the subscriber's

OF ALL BASIC
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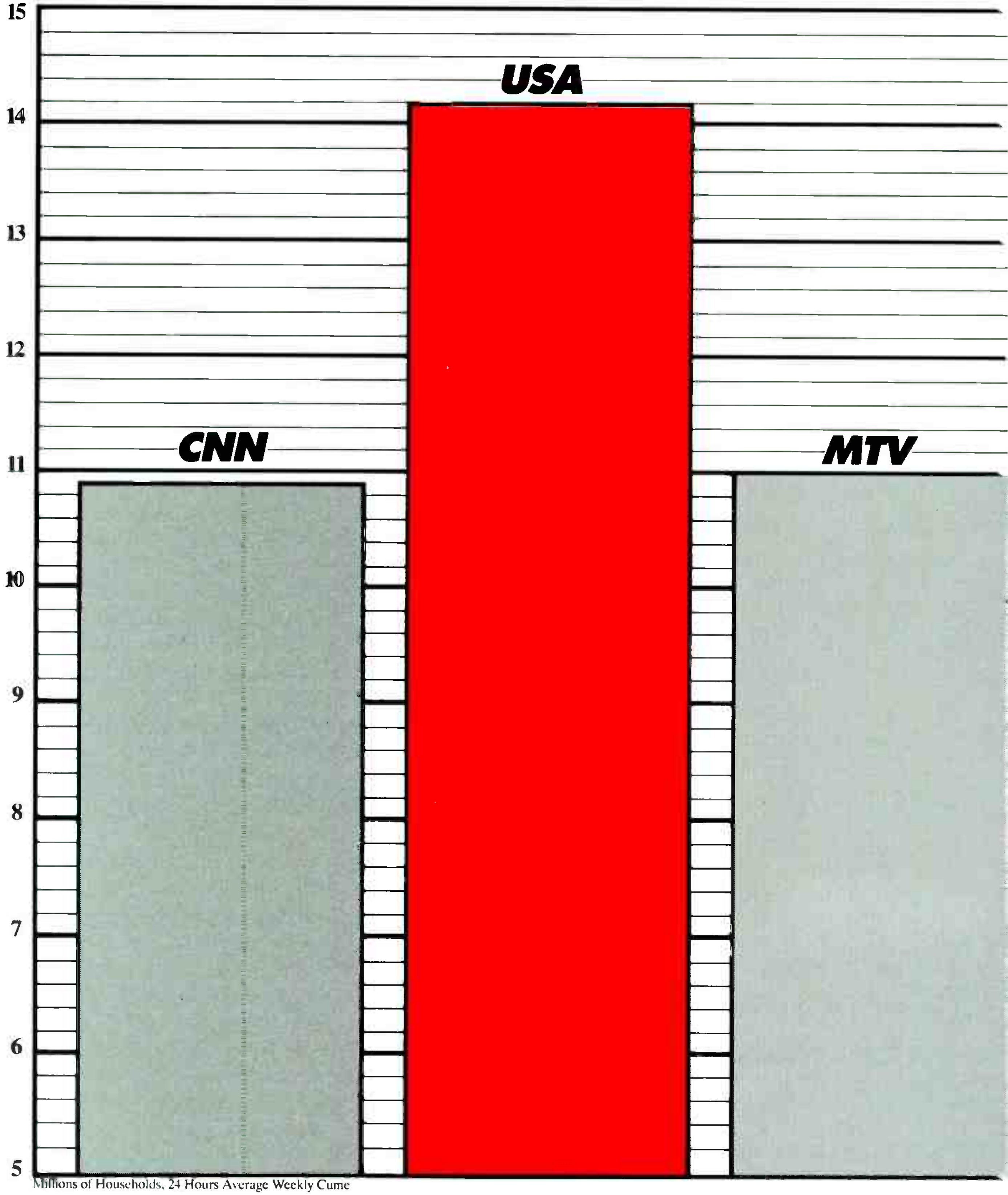
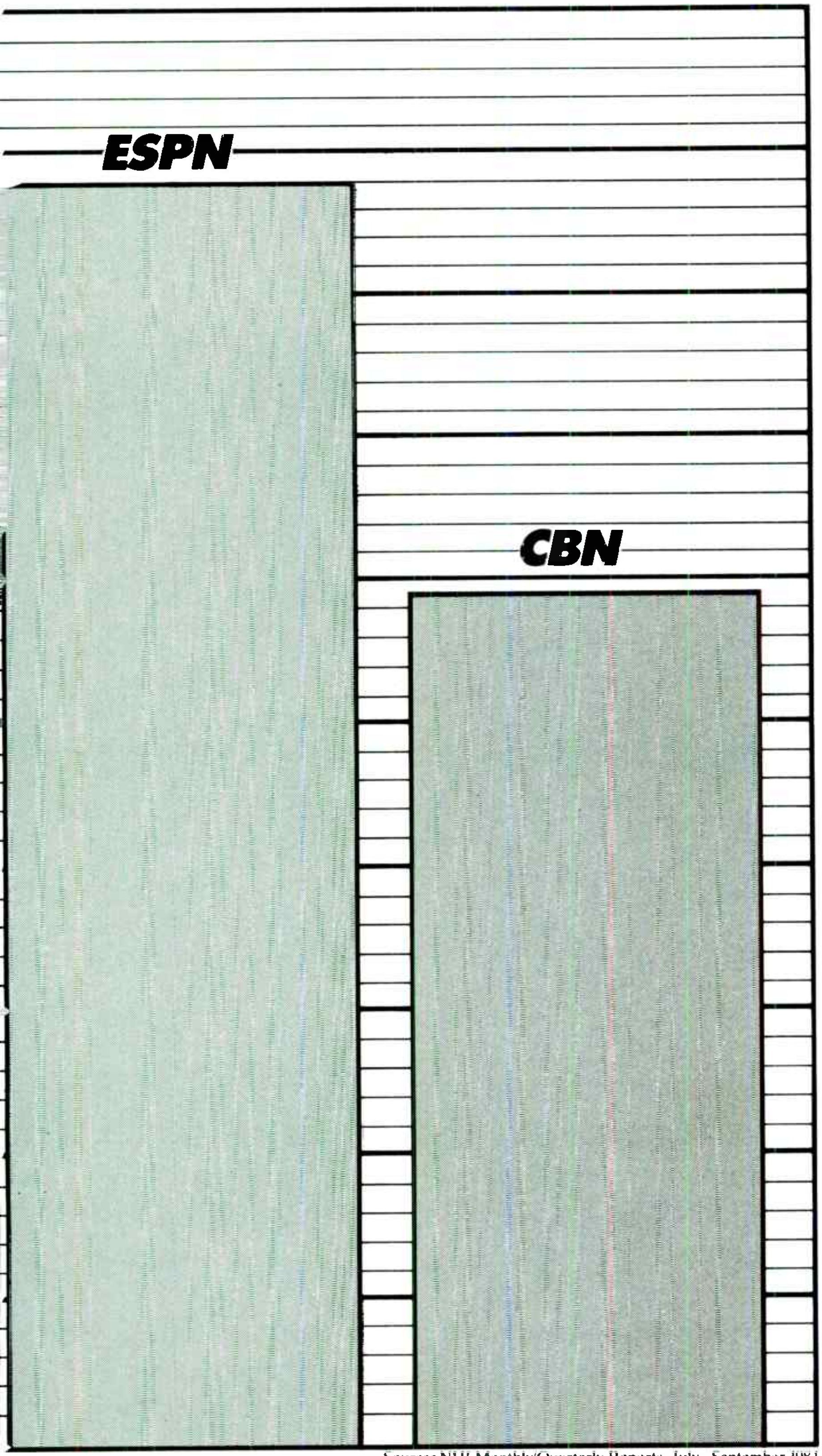


CABLE NETWORKS, RECEPTION.



Source: NHI Monthly/Quarterly Reports, July–September 1984

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But subscribers are one thing. Viewers are another.

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Because USA is now the most watched cable network ever. Over 14 million cumulative households turn us on weekly.

That's more than ESPN, CNN, CBN or MTV.

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And it's all because of our unique entertainment programming format. Our broad appeal is what keeps more people tuned in.

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"As many as 50 per cent of our subscribers who also have VCRs call with some kind of a technical problem. We encourage them to call us, and we don't charge anything for a VCR hookup. . ."

George Douglas
Vice president
American Cablesystems

home after the initial cable hookup. It it is hooked up at the same time as the initial cable service, we do it for nothing."

The somewhat liberal attitude taken at Tulsa Cable, a United system, is also being considered at other top United systems, encouraged by corporate headquarters. "Our first reaction to the growth of VCRs was that we were being assaulted by an enemy," says Townsend. "But common sense eventually took hold. We found that all our surveys showed that our VCR owning customers were more likely to be multi-pay customers as well and that our VCR owning customers were also more likely to be the most satisfied with cable service."

United's research found that the downgrade percentages for both subs with VCRs and subs without VCRs was the same, about 15 per cent, Townsend says. "These 15 per cent were people who concluded they didn't need both HBO and Showtime or a combination of other pay services. But it didn't seem to make a difference if they owned a VCR or not. The VCR owning subs were not any more likely to give up the second or third pay service than the cable subscriber who didn't own a VCR."

United also checked into subscribers' "intent to downgrade" in the next 12 months and found an even more surprising statistic—that a higher percentage of subscribers who didn't own VCRs, 5 per cent, were intending to drop one pay service than the 3 per cent of those who own VCRs who said they were deeply considering downgrading in the coming year, Townsend points out.

In terms of overall satisfaction with cable, 33 per cent of United's VCR owning subs who were surveyed said they were very satisfied with cable. Some 29 per cent of the United's non-VCR owning subs said they were very satisfied with cable, Townsend says.

Townsend feels that if there is a vulnerability of cable to the growth of VCR is in the area of second or third pay services, particularly if the technology develops allowing VCR owning cable subscribers to tape everything on one service while watching something else. By removing the advantage of programming scheduled at numerous time periods, the VCR may force pay services to look for more significant ways to differentiate themselves, Townsend says.

Lurking in the background of this whole discussion are the non-cable subscribers who own VCRs. How can a cable operator use the VCR to lure more customers to cable service? "You are not talking about a large number of people just yet, but the number might grow significantly in the future," Townsend says. "One of the ideas we are considering is giving them two videocassettes free for a month if they try cable television."

Ultimately United would like to see the optimal use of the VCR to tape United's pay-per-view programming, Townsend says. "Pay-per-view for VCR owners is the only way to compete with the videocassette rental market. We have no plans to get into the videocassette rental market, as some other operators have.

"It is such a low margin business. Location is everything. The only way it works for cable operators is through a cable store in highly trafficked areas because people won't go to far out of their way to rent and return a videocassette for 24 hours. Quite frankly, I don't think cable operators are nearly as prepared for this kind of business as are supermarkets. We see ourselves as a distributor of programming. Sales of VCR equipment is not part of our business, as far as we are concerned."

Another direction

Gill Cable, on the other hand, is going after the VCR business through its cable store, says Reichmuth. Ultimately, the goal is to get subscribers to tape off the pay-per-view service, using the "video control center."

He says in April Gill is offering two pay-per-view channels 12 hours a day each. "We are going to offer a larger selection of movies and promote it as the best way to build a library for viewing. Some 35 per cent of our subscribers own VCRs," Reichmuth says.

Gill uses its cable guide to explain how the VCR works to its subscribers. It also sends bill stuffers, and its on-air spots stress how easy it is to order pay-per-view. "If you do a good job of public information, subscribers will begin to realize that the VCR and cable are compatible, not competitive," he says.

Gill is pushing an earlier movie window for pay-per-view than for pay services and videocassette rentals in stores, Reichmuth says. He contends that the growth of the VCR hasn't affected basic or pay penetration. "Pay penetration growth has been flat for everybody in 1984," he says. "Whether it has anything to do with the growth of VCRs, nobody can prove."

Reichmuth predicts VCR penetration in his system will be greater than 50 per cent, but will level off. "There are cost restraints," he says. "Not everybody can afford it. It will be like the video game

"We are going to offer a larger selection of [pay-per-view] movies and promote [VCRs] as the best way to build a library for viewing. Some 35 per cent of our subscribers own VCRs."

Ben Reichmuth
Vice president
Gill Cable

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business. Eventually, it will level out. Some of these things are faddish."

Additionally, Reichmuth says not as many people as was thought are actually building up a videocassette library. "What people say they do and what they actually do is often two different things. I'd say only about 10 per cent of all VCR owners actually have a library of videocassette tapes," Reichmuth says.

Task force

Viacom Cablevision has an internal task force with managers from government relations, engineering and marketing compiling a report on the question of how the VCR and cable can relate to each other, reports Marianne Seiler, national director of marketing. "Right now, we are allowing our systems to address the issue on their own," she says. "But we would like to get out the door as soon as possible with standard policies for all home electronic devices."

Viacom systems are charging from nothing to $25 for a VCR hookup, she says. "Our feeling is that we would like to be as VCR-compatible as possible and aggressively market our subscribers characterizing the VCR as an enhancement to their current cable service," she says.

"But we don't want to go out and market something without being assured of the technology that will make VCR and cable friendly," Seiler holds.

"We have looked at a VCR hookup as a second additional outlet but may change to a 'shadow outlet' at a lower cost . . . .we are certainly not going to buck the VCR trend of growth."

Tom Willett
Marketing director
Continental Cablevision

Nationwide education

Viacom is considering a nationwide education program that will explain to subscribers the advantages and the limitations of using VCR and cable capabilities at the same time. "This can be done through ad slicks, infomercials, inserts in the subscriber handbook, bill stuffers, press releases and direct mail," Seiler says.

Also on the drawing board is a national training program for customer service representatives so that they can answer subscribers with questions such as "What does it mean if I buy this kind of VCR?", she says, "We want the CSRs to be able to explain how to package cable with the VCR usage. We want repair people who can talk a cable subscriber through a VCR installation," she says. "We will do a VCR hookup if we are hooking up cable in the same visit. But we want to be sure they don't call us to come back two weeks later."

American Cablesystems is another MSO with a corporate task force studying the growth of VCRs in its franchises. Douglas says the task force has been working for the past four months. "We are eager to coexist with the VCR," he says. "We are going to use bill stuffers, guides, newspapers, television advertising and infomercials saying cable is great, the VCR is the great and together they are dynamite."

American Cablesystems' task force is "still up in the air about a service charge for VCR problems. As many as 50 per cent of our subscribers who also have VCRs call with some kind of technical problem. We encourage them to call us, and we don't charge anything for a VCR hookup at the installation stage. But we are toying with the idea of charging between $7 and $15, the same as a second hookup, for service calls," Douglas says.

One thing that has already become clear to top brass at American Cablesystems is that it doesn't make sense to go into the videocassette rental or sales business. "Most VCR owners want to go less than two miles to rent a videocassette. We would have to have a series of stores in every neighborhood. We're not set up to do that. It would be a real diversion for our CSRs," Douglas says.

Equipment sales

In respect to sales of videocassettes or equipment, Douglas counters, "There is absolutely no way we can compete on that. It's a real cutthroat market. People are operating at little or no margins so they can get the cash to pay for their inventory."

Pricing reconsidered

Continental Cablevision, like other top MSOs, is reviewing its pricing structure for VCR installation and service calls. "We have looked at a VCR hookup as a second additional outlet but may change to a 'shadow outlet' at a lower cost," says marketing director Tom Willett. He says it will be well into January before Continental executives decide what they are going to do. "But we are certainly not going to buck the VCR trend of growth."

At Tribune Cable Communications, there is no formal policy governing VCR compatibility from corporate headquarters, says director of marketing Gary MacGregor. "We really have only one system that has heavy VCR ownership and that is Montgomery County, Md., where it is up between 30 per and 40 per cent. We're not discouraging VCR hookups. We are not acting as if the issue isn't there. It is," explains the corporate executive.

To help subscribers with safely hooking up their VCRs, Tribune Cable is distributing in Montgomery County a schematic of a hookup, MacGregor says. In the area of videocassette sales or rentals, MacGregor echoes the thoughts of other operators by saying, "It is almost impossible for us to think we could compete in that business."

Overall, Tribune is still assessing its position in respect to marketing cable in light of VCR growth. "We're not putting anything in stone," MacGregor says. "We're sitting back to see what others do."

Adams-Russell has the same pricing structure for VCR installation as for cable installation, explains Thomas E. Owen, marketing director. "We want to take an active role in making the subscriber feel comfortable with VCR, so we are looking at a couple of different switching systems that would simplify the whole thing technologically," Owen says.

Adams-Russell hasn't distributed information helping subscribers with VCR maintenance and repair problems, and doesn't make house calls for what is clearly a VCR, non-cable problem. "The trouble is that it is often difficult to judge the source of the problem over the telephone," he says. "If there is any question at all, we send a service man. Often, the source of the problem is, in fact, the VCR."

Like Reichmuth, Owen contends the VCR ownership levels will peak. Owen predicts this will happen in the next six months. "It is going to reach a saturation point," he says. "We are reaching the high end of the market now." □

Broadcast network pull-back said leaving door open for system buying

Feature films seen offering promise as basic service

BY JOSEPH DUNN

The general feeling that the viewing public can't get too many movies is making feature films almost as big a part of basic cable as they are of pay-TV. Some see ad-supported movie channels as a hot prospect for system or interconnect origination, feeling that more and more-recent titles will become available to operators as the broadcast networks scorn major films already run on pay-TV.

Meanwhile movies are playing a greater role on the basic cable networks. Although these operations are having difficulty obtaining recent titles because of potential conflict with TV syndication sales, there have been some improvements. One area where current material is becoming available is the made-for-TV movie, some of which have run on the broadcast networks only a few years earlier. And some in the industry believe the older movies have more advantages than cost and availability in that many of the older cable subscribers prefer them to contemporary material that they may consider objectionable.

Telecommunications consultant Michael Marcovsky thinks cable executives are missing a good bet by not going after recent movies when they've completed their runs on pay-TV. According to his rationale, commercial networks have become disenchanted with these films because of their faltering impact on audiences after pay TV exposure, so it makes good sense for cable operators to establish a free basic cable services for these offerings, which would be embraced by advertisers of all sorts on a national, regional and local basis.

One MSO executive, Roger R. Turner, president of Colony Communications, agrees with Marcovsky's premise, but not for newer movies, but rather for the older ones that appeal to the growing and lucrative cable audience that is 45 and older. "As for more recent movies on a free basic channel, I'd have to look at the economics, especially in the area of exorbitant costs for new product," Turner says.

But Turner is adamant that Colony's free basic cable movie channel, called "MovieTime," is not referred to as a "classic" film showcase. He describes it as broadbased, general interest movies that "people grew up with in the '50s, '60s and '70s." Colony has been offering MovieTime for nearly two years and has seen its audience grow from 40,000 homes to over 100,000.

MovieTime began in the Fall River/New Bedford, Mass. area and Turner says it will be introduced in Providence, North Providence, Warwick and East Greenwich, R.I. soon. It was introduced in Wichita, Kansas in October in a joint venture with Multimedia Cable. Turner hopes that 200,000 homes will be reached by the first quarter of 1985. "We're talking with other interested parties around the country," he reports.

Program interconnect

The northeast interconnect for MovieTime includes the cable systems of operators like Susquehanna Cable, Rollins and Times Mirror. While MovieTime is advertiser supported and charges between $50 and $100 for a 30-second spot depending on the market involved, Colony alone sells and retains all advertising revenues, which Turner will not quantify. He points out that this arrangement is palatable to all concerned because the service is provided free and "opens up" the basic cable market for the other operators.

Turner notes that MovieTime's library of more than 850 titles, which "represents close to $1 million of movie product," was seen on network TV and independent stations. Some of the titles include '50s and '60s movies like *Day of the Dolphin*, *The FBI Story*, *To Kill a Mockingbird* and *Harper*. He says that Colony owns the exclusive commercial and TV rights in the Providence/New Bedford ADI for all 850 films, usually over a five-year period with the right to show the films six, eight or 10 times.

Colony had no problem negotiating this arrangement with sellers like Avco and Warner Bros., Turner says, mainly because MovieTime is serving areas with one or no independent stations in the vicinities. He says, "Since we are the marketplace in these areas, we have no problem buying packages of 24 movies." Each title is negotiated, and Colony does not have to buy any "lemons" in the package, he asserts.

Turner says that the free basic movie channel does not conflict with any of the pay services offered by Colony or by the other interconnect participants. Rather, he observes, it enhances "because we consider MovieTime to be a pay TV training ground. We show viewers that movies can be fun when they don't have 12 commercial interruptions. We gear our promotion of pay services around this point." Movies on MovieTime are only interrupted twice for three minutes of advertising each time.

Turner says that at this point he does not know the rating potential for MovieTime because "we're still trying to reach the limit of distribution, which has not yet been defined." But, in view of the encouraging acceptance of MovieTime in the two years that it has been available, Turner views future ratings very positively.

But a similar basic movie service, the Bay Area Interconnect's Classic Movie Channel, may not have as rosy a future. The problem is with clearances, discloses Jack Yearwood, vice president and general manager of the interconnect. Considerably fewer than half of the systems on the interconnect clear the service, primarily because of limited channel capacity, he says. It is carried by Gill Cable, which operates the interconnect, and by some Viacom, Hearst and Western systems.

Yearwood discloses the movie service may be put on the shelf for awhile,

MOVIETIME

Roger Turner *of Colony Communications is adamant that MovieTime is not a "classic" film showcase but a general interest vehicle.*

AMERICAN MOVIE CLASSICS SM

Rainbow, going for titles over 15 years old, has no difficulty obtaining films.

probably to be replaced by USA Network (also see article on interconnects on page C-8 of this issue).

Justifying rate hikes

It is this point that also titillates Marcovsky so far as his movie channel premise is concerned. "Give the public a free channel that presents movies after they have been on pay-TV and before they get to network, if they do at all. It can be a movie channel paid by advertisers, yet structured to fit the happy mean between pay-TV and commercial television," he says.

Marcovsky also sees this as a vehicle whereby MSOs can justify impending basic rate hikes: "It will give subscribers something for their money." He admits that the whole premise is in the concept stage, and he doesn't have answers yet on product availability. "But, it's out there and remains a viable possibility," he maintains.

He strengthens his position by further noting that both pay-TV services and commercial networks seem to be more interested in producing their own pictures, and this situation, he says, should convince studios to look at a basic movie channel as another viable window for their products.

But Richard Ballinger, vice president—programming for Rainbow Program Service, says there's no way an advertiser supported basic cable movie service such as the one Marcovsky suggests can fly at present. The reason: Studios will not sell the better titles to cable and permit advertising at the same time. And, he adds, this goes for new and old movies because "the studio knows the value of good titles."

That's a very strong point with Ballinger who sees old movies as not being automatically classed as bad movies. "There are good old movies that still have value. They have artistic and production value." But, he says, anyone who just "runs old movies as a service will have no success if they ignore the value ingredient."

Ballinger's feelings on this point are quite understandable, considering the fact that Rainbow's American Movie Classics only shows films that are 15 years old or older. There is a flourishing market in cable for these films, he says. "People are hungry for titles they can relate to. Pictures today are made for people under 24. But, there are a lot of people who are over 24 and resent the vulgarity and violence" that seem to be a part of many films today.

Rainbow packages its American Movie Classics as a service that can in turn be packaged to subscribers in any way the operator chooses. It is not advertiser supported but is strictly a pay service. Rainbow charges the operator $3 a subscriber for the service, which is packaged with its Bravo service, and operators can charge subscribers $6 to $7 a month, he says. The Rainbow Service now reaches 192,000 subscribers via 70 systems.

Ballinger says he has no difficulty getting product. As a matter of fact, he observes that studios "value us." He says Rainbow buys from every studio except MGM, declining to specify why MGM features are not available. Rainbow recently acquired the RKO library of approximately 640 films that were made in the '30s, '40s, and '50s under a 10-year licensing agreement. He says he has total access to the library "and I do what I want," as far as the number of times films can be shown. "I plan to make it last for 10 years, he adds.

Movies are classified under different umbrellas Monday through Sunday, including mystery, comedy, musical romance, drama, adventure and "Hollywood's Best" on weekends.

Threat to pay TV

Andy Goldman, executive vice president of the cable division of SIN, Inc., agrees with in theory. He says services like SIN's GalaVision and other prominent pay services could be hurt by the introduction of a free basic movie service. "It's just not good economics," he says.

Goldman notes that there are too many services "chasing too few dollars" right now, so why complicate the situation by adding a free basic movie service that could prompt a subscriber to say, "I'm getting an awful lot. Why do I need HBO?"

This doesn't necessarily apply, though, where his company is concerned. Galavision, which has no trouble at all obtaining films "since we get the pick of the litter because there is no one else in the Spanish market," is now in the midst of a major drive to tap the recalcitrants in the Spanish-speaking basic subscriber market. In this connection, GalaVision is encouraging operators to offer GalaVision as a free basic service.

As an example of the need for this marketing strategy, Goldman cites two areas. He notes that a system in Texas found it had a 64 per cent penetration rate among non-Spanish homes and only 29 per cent among Spanish homes passed. In addition, Hispanics in the area were getting three or four off-the-air stations, which added stiff competition.

In the other instance, Goldman looks at the New York Times Cable franchise in the Philadelphia market, serving the Camden suburbs, which have a 20 to 30 per cent Spanish population. He says only 3 or 4 per cent of Spanish households within the 200,000 homes passed were picked up.

No results are in yet, but Goldman expects significant increases among Spanish homes once they know GalaVision is a free basic service. Under the arrangement, the cost of free Galavision service to the operator is 75 cents per Hispanic surname.

Goldman says SIN will not allow operators to put advertising on any portion of GalaVision. "We don't do it ourselves. But we visit with this issue every six months, and one day it will be done, but tastefully." He also expects that the offering of free GalaVision service will eventually broaden the nature of its programming.

He adds that Galavision buys one or two Anglo movies a month, which are

Michael Marcovsky *is a consultant who feels systems should offer newer movies in a basic service*

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USA Network is one program service that has discovered the potential of made-for-TV films.

fairly new in the pay TV window, such as *Superman*, which was dubbed in Spanish. While Galavision buys in packages from Mexican distributors, Goldman says they are all good movies. "We get what we ask for because we don't have to compete with three other pay services."

Tom Rogeberg, senior vice president of operations and administration for CBN Cable Network, is another executive who fails to see the viability of a free basic cable movie network. He believes such a network would only be capable of getting regional and local advertisers as opposed to more lucrative national accounts. Furthermore, he views interconnect movie services as limited in growth potential because of the expenses involved in operating such a network and the limited number of movie titles that are available to cable operators today.

As far as CBN is concerned, Rogeberg says there is little possibility of obtaining newer films despite commercial network disenchantment with studio films and the strong growth of made-for-TV films. He cites the astronomical costs for new movies. In this connection, he points to the retrenchment currently going on at HBO, which has seen the pay service devote much of its efforts to "made-for" films. But, he believes this situation is temporary and that things will get back to normal in one or two years.

Andy Goldman *of SIN, Inc. reports GalaVision is being offered as a basic service in some markets, but not with ad availabilities.*

CBN uses all syndicators in its search for family type movies. But he says titles are still hard to come by. He says the situation has worsened in recent years because of more demand by others such as USA Network, which is emphasizing more movies and less sports, and the emergence of other network movie services like Nickelodeon family movies, American Movie Classics and the western movies on The Nashville Network.

CBN generally has no trouble with the movie packages it negotiates. Programmers, he says, are cognizant of what CBN wants and "generally give us our preference." In some cases, though, "it's a matter of dealing. We may take half of what's offered, and it's up to the programmer to market the other half."

Rogeberg says advertising sales have grown appreciably, particularly in the 8 to 10 p.m. slot on Saturdays and the 6 to 8 p.m. segment on Sundays when CBN shows it prime movies. He states that movies are "one of the best sources of ad revenues for CBN," particularly the primetime weekend movies. These are followed by western movies and game shows, "which generate nearly as much in ad revenues as westerns."

A matter of dollars

David Kenin, vice president of programming for USA Network, has an opposite view of the availability of movies for cable, noting that more movies are being made available to cable. But he is also quite emphatic when he says, "In general the kind of dollars available from independents and off-the-air networks are far greater than the dollars we can pay. We're not in their league yet."

Nevertheless, Kenin says, there are more movies around and USA network has become bigger and more potent as a buyer and is able to spend more. He cites the recent purchase of movies such as *Evita Peron* and *Flesh & Blood*, two films that were made for network TV. This is a market that is opening doors for cable and giving the industry an opportunity to buy films that were made in the early '80s and late '70s, he says.

While declining to specify particular titles, Kenin states that since the log jam of recent movies has been opened up as a result of commercial TV networks' reported reluctance to pay high prices for movies that have already been seen on pay TV, "USA Network has made deals with a lot of movie companies for good products."

Kenin reports that USA Network buys these newer pictures either as a single entity or as a package. As for the terms of either transaction, he simply says they vary with each deal and indicates that the terms are confidential.

Things are going well at the Cable Television Network of New Jersey, with a strong assist from movies. Last year the network netted $300,000 in ad revenues, and Jim DeBold, executive director, says he expects this figure to more than double in 1985.

Tom Rogeberg *of CBN Cable Network says movies play an important role in advertising sales.*

This isn't too bad considering that 75 percent of its programming is public service and does not carry advertising. The remainder of time is devoted to commercial programming including two movies a week which are shown in primetime on Mondays and Saturdays and late night from midnight to 2 a.m. The network, which is owned by cable operators in New Jersey, is received by 1 million households.

DeBold is apparently resigned to the fact that cable operators have to take movies that are available to them. "In packages, you've got to take what you get. A package may contain 10 good ones and 12 dogs. That's the norm. Then you more or less bury the dogs in late night and other places," he says.

But he is also pleased by the network's recent purchase of a handful of recent theatrical and made-for titles such as *Gideon's Trumpet*, *Breakthrough* and *Hangar 18*. But, for the most part, CTN's film library encompasses several hundred movies that were made in the '30s, '40s, '50s and '60s.

DeBold sees possibilities for a free basic movie network, but raises the popular reservations about cost and program overload. Right now, he adds, if operators were to get a crack at recent films, "the price would have to be a cable price."

He says the network has good success when it packages its movie programming into film festivals such as a recent Bowery Boys week and a Sherlock Holmes festival. The movies may be old in some cases, but DeBold says he finds that most of the movies presented on the network result in good ad revenues. □

Wall Street Analysis

Multimedia assessed by Merrill, Lynch

Merrill, Lynch vice presidents William Suter and Peter Falco expect earnings at Multimedia to gain 21 per cent to $2.55 a share in 1985, but they don't expect the stock to outperform the market for the intermediate term.

"The cable division is on target, or a little ahead, with earnings expected to rise by 29 per cent," they write in a recent *Media Monitor*, the brokerage house's periodic report on the industry. "One disappointment is in the other income category, where Multimedia accounts for its 30 per cent ownership of the new cable sports network partnership, Sports Time.

"Multimedia's losses for Sports Time have risen far beyond initial expectations and are now expected to reduce earnings for 1984 by almost 30 cents a share. After quickly reaching 45,000 pay subscribers, mostly in the three cities with major league baseball teams, additions of new subscribers almost stopped. Cable customers outside those cities and in surrounding states were not to be interested in subscribing to the Sports Time package. That also meant that advertising could not be sold in a meaningful way, although Anheuser-Busch, another partner in Sports Time, continued to use its advertising time (one out of six minutes). The smaller subscriber base, however, resulted in a high cost per thousand. Reducing expenses is difficult because filler programming during times when no live games or events are under way is expensive.

"To try to reduce losses representing 30 cents a share vs. the 5- to 10-cent a share originally expected, a change has been made to keep Sports Time as a pay channel in the three major league cities, Cincinnati, St. Louis, and Kansas City, and to offer the sports network as a basic service in surrounding areas and states. That could attract enough cable systems, which would pay Sports Time 5 to 10 cents a month per subscriber to permit Sports Time to reach more than one million subscribers—it is now at 600,000 subscribers with another 700,000 submitted—and to bring in meaningful advertising dollars. To cut expenses, Sports Time could stop offering programming other than actual games, as is being done by similar . . . networks where the channel is black except during actual games."

Suter and Falco say they have lowered their per share earnings estimates for Multimedia in anticipation of an $8 million loss for the company's share of Sports Time this year and an estimated $2–3 million loss with the adoption of the new format in 1985. "If the company sees a bigger loss in 1985, it could withdraw and take more writeoff this year," they suggest.

Meanwhile, for Multimedia's cable system operating division, the analysts predict growth at a rate of about 20 per cent. They estimate a 23 per cent growth in revenues in 1984 to $65.5 million and another 24 per cent growth to $81.5 million in 1985. Costs for the cable division are expected to increase 22 per cent to $52.5 million in 1984 and 26 per cent to $66 million in 1985. Operating profit projections are for a 29 per cent increase to $13 million in 1984 and a 19 per cent increase to $15.5 million in 1985.

Meanwhile, Wilson C. Wearn, Multimedia chairman and chief executive officer, told a gathering of security analysts that in the company's third quarter report, it had written off 22 cents per share because of the Sports Time losses. The company also indicated that further operating losses in the fourth quarter would likely bring writeoffs up to 30 cents per share for the full year. It is now estimated by the company that the total amount of Multimedia's losses for the entire Sports Time venture will be a maximum of 35 to 40 cents per share. The company may elect to write off an additional 5 to 10 cents per share in the fourth quarter. Should Multimedia do this, Sports Time would then have no impact on the company's earnings for 1985 and future years, according to Wearn. Wearn added, however, that there were no plans to shut Sports Time down.

Capital Cities seen making modest cable gains

Suter and Falco project that operating earnings for Capital Cities Communications' cable division should rise modestly this year as the company absorbs higher depreciation charges and the costs of upgrading and rebuilding its old systems acquired from the former Cablecom General. "We expect this trend to continue until next year, but cable profits should accelerate significantly in 1986," Suter and Falco say.

They predict an operating income growth of 25 per cent to $2.5 million in 1984 for the cable division and another 60 per cent increase to $4 million in 1985. Further breaking down the projections, Suter and Falco predict revenues for the cable division in 1984 to be 15 per cent higher than for 1983 at $78.5 million and 21 per cent higher in 1985 to $95 million. Costs will increase 17 per cent to $76 million in 1984, the analysts say, and in 1985, costs will be 20 per cent higher at $91 million.

Times Mirror growth detailed by analysts

Although Suter's and Falco's assessment of the future of Times Mirror focus mostly on the Los Angeles-based media conglomerate's newspaper and magazine and broadcast segments, the analysts project cable division growth of 59.1 per cent in revenues for 1984 to $245 million, including $4.6 million gain on the sale of transponders used for the defunct Spotlight pay service. Revenue growth in 1985 is expected to be 16.3 per cent, or reach $285 million.

Costs for the cable division in 1984 are projected at $210 million, or an increase of 51.4 per cent. In 1985, costs are expected to go up 16.2 per cent to $244 million. Profits for 1984 are expected to increase 128.7 per cent, after two fiscal years of decreasing profits in 1983 and 1982, to $35 million. In 1985, the analysts are predicting a profit increase of 17.1 per cent to $41 million for the division. Margins are expected to be 14.3 per cent in 1984 and 14.1 per cent in 1985.

Tribune losses tabbed to growing expenses

Suter and Falco's predictions for another newspaper based media conglomerate, Tribune Co., are for continued losses in the cable division. The Merrill, Lynch analysts estimate 1983 losses (the company was private then) at $4.8 million, an increased loss of 56.8 per cent. In 1984, estimated cable losses are $5 million, or an increase of 4.4 per cent. In 1985, losses are expected to grow to $9 million, or an increase of 80 per cent.

The analysts attribute the increased losses to costs that are rising faster than revenues. In 1983, costs are estimated at $36.1 million, some 35 per cent higher than in 1982. In 1984, costs are expected to increase another 21.8 per cent to $44 million. In 1985, costs will be $59 million, another 34.1 per cent increase, they estimate.

Meanwhile, revenue growth for the cable segment is predicted at a slower rate by the Merrill, Lynch vice presidents. For 1983, revenues were an estimated $31.3 million, or 32.2 per cent higher than they were in 1982. For 1984, revenues are estimated at $39 million, or 24.4 per cent higher. In 1985, revenues will be $50 million, or 28.2 per cent higher, but still considerably less than costs, Suter and Falco say.

Cable TV Industries reports improvements

Cable TV Industries reports that sales for its third quarter ending Oct. 31 were $9.4 million, compared with $7.6 million in the same quarter last year. Net income was $297,000, or 10 cents a share, compared with $177,000, or six cents a share a year ago.

Sales for the nine months ending Oct. 31 were $24.7 million, compared with $22.8 million in the same period last year. Net income was $32,000, or 18 cents per share, compared with $409,000, or 14 cents per share a year ago.

Cable TV Industries president Mark Engler attributes the improved results to a strong competitive position in the industry, new products, interest income earned from the investment of cash on hand and reduced interest expense. "We have no bank debt, and shareholders equity has increased," he points out.

Unitel Video annual results continue gains

For the fiscal year ending Aug. 31, 1984, revenues for Unitel Video climbed 30 per cent to $11.1 million from $8.5 million in fiscal year 1983. Earnings from operations increased to $1.4 million, 19 per cent above $1.2 million earned the prior year. Net income, however, was actually less—58 cents a share, compared to 69 cents a share the year earlier—due to a $214,000 loss on the sale of securities. Net income was $1.2 million in 1984, compared with $1.3 million in 1983.

The 15-year-old New York based production company opened a new 5,600 square foot facility in New York, primarily to provide MTV: Music Television with studio production facilities, technical personnel and equipment on a contract basis.

Unitel has expanded to the West Coast by entering into a lease with Paramount Pictures for a building on Paramount's motion picture lot in Hollywood, where Unitel will install videotape production facilities.

Chyron targets 25% return on equity

Chyron Corp. chairman Alfred O. P. Leubert reconfirms management's previously announced targets of $30 million in sales, $6.5 million in net income and 71 cents in earnings per share for the current fiscal year ending June 30. "For fiscal 1986, we have set our targets at $39 million in sales, $8.1 million in net income and 88 cents in earnings per share," Leubert says. "Using these net income targets, our objective is to achieve 25 per cent return on our average shareholders equity for these years," he says.

Chyron, a leading manufacturer of character generators for the cable television industry, currently owns 14 per cent of Digital Services Corp., with an option to acquire an additional 37 per cent, an option on which it expects to act in 1985. DSC makes digital effects equipment for video production studios.

Chyron also holds $4.2 million of secured loans to Orrox Corp. and warrants to acquire 5 million shares of Orrox at $2 per share. Recently Chyron entered into an agreement, subject to Orrox shareholders' approval, whereby Chyron will acquire warrants to purchase an additional 2 million shares of Orrox at $4 per share. Assuming Orrox shareholders approve, Chyron will exercise warrants to acquire 1.5 million shares of Orrox common stock at $2 per share. The transactions would give Chyron 39 per cent ownership of Orrox's outstanding shares.

Corporate Profile

Anixter manufacturing stands out in return on assets

Anixter Bros. Inc., a leading independent distributor of telephone, cable TV and wire and cable products, also manufactures and refurbishes telecommunications products. The distribution and manufacturing parts of the company are distinct and are reported as separate business segments. The bulk of the business of the company, in respect to sales and profits, is provided by the distribution segment, and most of the attractiveness that the company has as an investment is derived from the manufacturing segment as a result of its relatively higher estimated return on assets.

The products of the manufacturing segment are principally sold to AT&T Technologies, Inc., a subsidiary of AT&T, and the loss of this business would have a significant effect on the manufacturing segment. With the divestiture of the antenna manufacturing operation, all the manufacturing business is directed toward the telephone industry.

New joint venture

The distribution segment of the company, effective August 1, 1983, entered into a joint venture with Cincinnati Bell, Inc. for the distribution of telecommunications and other products. In addition the company has arrangements to manage certain inventories for three of the seven Bell regional telephone companies, plus a division of Southern New England Telephone Co. The company sells products to AT&T and all seven Bell regional telephone companies. In 1983 the company became a distributor of telephones and certain wire, cable, and related Western Electric products.

The relationship with Bell companies, as well as with most other significant telecommunications organizations, helped the company to have record fiscal 1984 sales. Management expressed confidence that fiscal 1985 will be another record year and that it would be accompanied by earnings growth. Net sales of the distribution segment increased significantly in fiscal 1984 due primarily to expected sales resulting from the divestiture of Bell regional operating companies.

During fiscal 1984 operating profit in the manufacturing segment declined as a result of rearrangements relating to the divestiture of Bell system companies.

In respect to sales, distribution is the dominant segment. It accounted for 85.7 per cent of the total in fiscal 1982, 85.1 per cent in 1983 and 89.1 per cent in 1984. In operating profit the distribution segment accounted for 77.8 per cent in fiscal 1982, 63.9 per cent in 1983 and 81.8 per cent in 1984. The manufacturing segment accounted for 37 per cent in fiscal 1982, 62.8 per cent in 1983 and 41.7 per cent in 1984. The two segments have totals over 100 per cent because of corporate expenses, which were 14.8 per cent in fiscal 1982, 26.7 per cent in 1983 and 23.5 per cent in 1984.

Operating profit as a proportion of net sales for the company as a whole was 5.8 per cent in fiscal 1982, 3.7 per cent in 1983 and 4 per cent for 1984. For the distribution segment it was 5.3 per cent in fiscal 1982, 2.8 per cent for 1983 and 3.6 per cent for 1984. For the manufacturing segment the comparable figures were 15 per cent for fiscal 1982, 15.7 per cent for 1983 and 15.1 per cent for 1984.

Distribution of assets

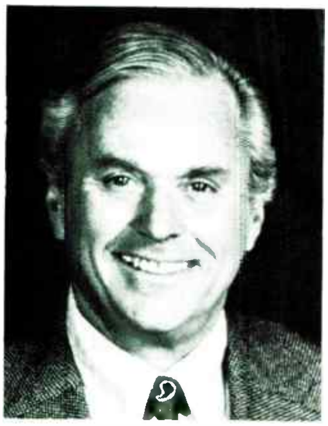
The distribution of assets among the segments showed the distribution segment having 76.5 per cent of assets in fiscal 1982, 59.3 per cent in 1983 and 70.8 per cent in

Anixter Bros. Inc.
Fiscal years ended July 31st (000$)

	Sales	Assets	Long-term debt
1989	916,297	610,334	107,113
1988	855,341	559,129	98,586
1987	794,386	507,923	90,060
1986	733,431	456,718	81,533
1985	672,475	405,512	73,007
1984	597,808	346,273	56,404
1983	520,613	321,799	57,550
1982	532,522	231,565	53,851
1981	437,280	198,253	40,323
1980	359,823	161,586	29,007
Correlation coefficient with years	0.9579	0.9811	0.9191
Compound annual change:			
1985–1989	8.0%	10.8%	10.1%
1980–1984	13.5	21.0	18.1

Why Television Age International is the world's leading broadcast publication.

"Our relationships with the regional telephone companies are maturing to our satisfaction



The opportunities continue to be strong."—

Alan Anixter,
president

1984, at the close of the fiscal year. For the manufacturing segment the figures were 13.5 per cent for fiscal 1982, 10.3 per cent for 1983 and 8.5 per cent for 1984. For the corporate segment the figures were 10 per cent in fiscal 1982, 30.4 per cent in 1983 and 20.7 per cent in 1984.

When interest expense is allocated among the segments according to their use of assets and the net income is allocated according to segment contribution to operating profit and the two are added together for each segment with the total divided by the assets of each segment, it is possible to arrive at an estimate of the return on assets for each segment and for the company as a whole.

On this basis the estimated return on assets for the company as a whole was 9.3 per cent in fiscal 1982, 5.2 per cent in 1983 and 5.7 per cent for 1984. For the distribution segment the comparable figures were 9.4 per cent in 1982, 5.5 per cent in 1983 and 6.4 per cent for fiscal 1984. For the manufacturing segment the like figures were 21.5 per cent for 1982, 21.6 per cent for 1983 and 22.6 per cent for 1984. For the corporate segment the applicable figures are minus 8 per cent for 1982, minus 0.8 per cent for 1983 and minus 3.5 per cent for 1984.

When the net income allocated to each segment is divided by the equity for each segment, which is arrived at by allocating the equity among the segments according to their share of company assets, it is possible to arrive at an estimate of return on equity. When this is done for the company as a whole the figures are 17.1 per cent for 1982, 5.6 per cent for fiscal 1983 and 7.8 per cent for 1984. For the distribution segment the figures are 17.4 per cent for 1982, 6.1 per cent for 1983 and 9 per cent for 1984. For the manufacturing segment the comparable figures are 46.9 per cent for fiscal 1982, 34.4 per cent for 1983 and 38.3 per cent for 1984. For the corporate segment the like figures are minus 25.3 per cent for fiscal 1982, minus 4.9 per cent for 1983 and minus 8.9 per cent for 1984.

The balance sheet

The balance sheet of the company, as of July 31, 1984 showed that current assets of $300 million made up 86.6 per cent of total assets of $346.3 million. Within the current asset category the lead item was inventories at $153.4 million, or 44.3 per cent of the total. Receivables were $92 million, or 26.6 per cent of the total, followed by cash and temporary investments at $53.9 million, or 15.6 per cent. The lead non-current item was property, plant and equipment at $25.5 million, or 7.4 per cent.

On the liability and equity side the dominant item was equity with $191.5 million, or 55.3 per cent, followed by total current liabilities at $96.3 million, or 27.8 per cent. The lead item within the current items was accounts payable at $78.3 million, or 22.6 per cent. Long-term debt was $56.4 million, or 16.3 per cent.

Sources and uses of funds for the fiscal year 1984 showed a total of $21.1 million. To this current operations contributed $22.1 million, or 105.1 per cent of the total as there was a minus item of $1.6 million, or minus 7.8 per cent because of a loss from discontinued operations. The dominant source within the operations category was income from continuing operations of $16.6 million, or 78.7 per cent of the total, followed by depreciation of $5.8 million, or 27.3 per cent of the total.

The most important single use of funds was the purchase of property, plant and equipment at $6.7 million, or 31.6 per cent, and next was cash dividends at $4.5 million, or 21.6 per cent. Third was purchase of marketable securities at $3.4 million, or 16.2 per cent. Other uses followed at $2.6 million, or 12.2 per cent.

The first quarter of fiscal 1985 showed record quarterly sales of $165.7 million, up 19 per cent from a year earlier. Net income gained 10 per cent to $4.4 million, or 24 cents per share versus 22 cents per share in the year earlier quarter.

Relationships with telcos

At the company's recent annual meeting, Alan Anixter, president, told shareholders, "Our relationships with the regional telephone companies are maturing to our satisfaction," adding, "The opportunities continue to be strong."

He also said, "In addition to our success in telecommunications and business information systems, we are almost through our learning curve and are refining our value-added manufacturing operations. We have enlarged and improved our capability to fabricate custom connectorized cable and wire apparatus for AT&T Information Systems and the Bell regional operating companies. We are striving to be prepared to handle the business levels we anticipate based on current indications."

"Our company has never been in a better position financially to accommodate future growth. We have cash and marketable securities of $58,012,000, no domestic bank debt, and a current ratio of 3 to 1. Our net fixed assets are only 14 per cent of our equity of $193,746,000, and senior funded indebtedness is a modest 6 per cent of our capitalization. We are confident 1985 will be the largest sales year in our history, accompanied by growth in earnings."—**Basil Shanahan**

Movie Lineup

Pay service buys, March

Title	Distributor	Play Status
HBO		
Christine	Columbia	P*
Forbidden	Jozak/Decade	P
Gorky Park	Orion	P
Harry & Son	Orion	P
Hot Dog: The Movie	MGM/UA	P
Hotel N.H.	Orion	P
The Ice Pirates	MGM/UA	P
Purple Hearts	Warner Bros.	P
Reckless	MGM/UA	P
Sahara	Viacom	P
Walter Mitty	Goldwyn	P
Splash	Buena Vista	P
Surf II	Film Gallery	P
This Is Spinal Tap	Embassy	P
Unfaithfully Yours	Fox	P
Videodrome	Universal	P
All the Rivers Run	Crawford	E**
The Brink's Job	Universal	E
Cracking Up	Warner Bros.	E
Cujo	Warner Bros.	E
Dog Day Afternoon	Warner Bros.	E
First Blood	Anabasis	E
Fort Apache, The Bronx	Time/Life	E
Hanover Street	Columbia	E
Jinxed!	MGM/UA	E
Let's Spend The Night	Embassy	E
Lone Wolf McQuade	Orion	E
Max Dugan Returns	Fox	E
My Favorite Year	MGM/UA	E
The One And Only	Paramount	E
Revenge Of The Ninja	Viacom	E
Somewhere In Time	Universal	E
Sounder	UPA	E
Superman III	Warner Bros.	E
An Unmarried Woman	Fox	E
Cinemax		
Splash	Buena Vista	P
Christine	Columbia	P
The Dresser	Columbia	P
The Young Nurses	Viacom	P
Private Lessons	Universal	P
Nana	Viacom	E
Emanuelle On Taboo	Wrightwood	E
H.O.T.S.	Blum	E
Easy Rider	Columbia	P
Race For The Yankee	Hemdale	P
"Soggy Bottom U.S.A"	Comworld	P
Smokey And The Bandit Part 3	Universal	P
Cross Country	New World	P
They Got Me Covered	Goldwyn	P
The Private Eyes	Private Eyes	E
Bustin' Loose	Universal	P
A Midsummer's Night's Sex Comedy	Warner Bros.	E
The Little Foxes	Goldwyn	P
The Best Years of Our Lives	Goldwyn	E
Raffles	Goldwyn	P
Laughter In Paradise	Janus	P
La Traviata	Universal	P
Stacy's Knights	Crown	P
The Lonely Lady	Universal	P
The Wicked Lady	Viacom	P
Rollover	Warner Bros.	P
Raiders Of The Lost Ark	Paramount	E
Halloween	Compass	E
Blue Lagoon	Columbia	P
Twilight Zone: The Movie	Warner Bros.	E
Chariots Of Fire	Warner Bros.	E
Class	Orion	P
Tom Sawyer	MGM/UA	E
Blue Skies Again	Warner Bros.	P
Triumphs Of A Man Called Horse	Andrews	E
Invasion Of The Body Snatchers	MGM/UA	E
Amityville II	DeLaurentiis	E
Psycho II	Universal	E
Hot Stuff	Columbia	E
Krull	Columbia	E
Warlords Of Atlantis	Columbia	P
The Grey Fox	Media Home	E
The Earthling	Orion	E
The Dark Crystal	Henson	E
Contract On Cherry	Columbia	E
Kentucky Fried Movie	UFD	E
FFolkes	Universal	E
Agatha	Warner Bros.	E
Shipwreck!	Warner Bros.	E
Jeremy	MGM/UA	E
Beulah Land	Columbia	E
Curse Of The Dragon	Am. Comm.	E
Spring Break	Columbia	E
The Day The Women Got Even	Time/Life	E
Fedora	Lorimar	E
Showtime		
Splash	Buena Vista	P
Unfaithfully Yours	Fox	P

Racing With The Moon	Paramount	P
The Dead Zone	Paramount	P
Sahara	Viacom	P
Ice Pirates	MGM/UA	P
Reckless	MGM/UA	P
Hot Dog: The Movie	MGM/UA	P
Space Raiders	New Horizons	P
Raise The Titanic	AFD	P
The Blue Lagoon	Columbia	E
Neighbors	Columbia	E
Twilight Zone	Warner Bros.	E
Brainstorm	MGM/UA	E
The Hunger	MGM/UA	E
Staying Alive	Paramount	E
Romantic Comedy	MGM/UA	E
Deal Of The Century	Warner Bros.	E
Risky Business	Warner Bros.	E
The Star Chamber	Fox	E
The Sting II	Universal	E
Death Wish II	Viacom	E
Private School	Universal	E
The Lords of Discipline	Paramount	E
The Gift	Goldwyn	P
Slumber Party Massacre	Viacom	P
Night Of The Zombies	Blum	P
Surf II	Film Gallery	P

Au Pair Girls	AIP	E
Lady On The Bus	Atlantic	E
Until They Sail	MGM	P
Rich, Young and Pretty	MGM	P
The Red Danube	MGM	P
The Alphabet Murders	MGM	P
Twice-Told Tales	MGM	P
Bridge To The Sun	MGM	E
The Spy With My Face	MGM	E
The Journey	MGM	E
Come And Get It	Goldwyn	P
A Song Is Born	Goldwyn	E
Shinbone Alley	Enterco	P
The Enchanted Journey	Film Gallery	P
Fatty Finn	Satori	P
David Copperfield	Fox	E
Somewhere Tomorrow	Film Gallery	P
Reckless Disregard	Showtime	P
A Talent for Murder	Showtime	E
Now And Forever	Universal	C***
Dracula	Universal	C
Clash of The Titans	MGM/UA	C
Percy	Viacom	C
Joysticks	Simcom	C
The Last Fight	Best Films	C
Circle Of Power	Interfilm	C

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PROPOSAL

CITY OF KEENE, NEW HAMPSHIRE

RFP 04-85-04

REQUEST FOR PROPOSAL ON PROVISION OF CABLE TELEVISION SERVICE

The City of Keene, New Hampshire will accept written proposals for the provision of Cable Television Services within the City until 5:00 PM, Friday, February 1, 1985, in the Purchasing Office, second floor, City Hall, 3 Washington Street, Keene, NH 03431. The City has been served with cable television since 1955 and currently Group W Westinghouse is the owner of the existing system within the City under a non-exclusive City franchise which runs until 1991. The City is interested in receiving proposals from any and all interested parties that would improve basic services (both in quality and number of channels) as well as provide additional pay services not currently available while covering at least the same area currently being served. The City of Keene is a City of 22,000 population and is located in Cheshire County in the Southwest corner of New Hampshire. Cable penetration of the existing franchise in the City is about 88%. Under the existing franchise, the City charges a franchise fee of 3%. The current system has 12 channels of basic service.

Copies of the Request for Proposal may be obtained at the City Purchasing Office, 3 Washington Street, Keene NH 03431, telephone 603-352-1013.

Smilin' Through	MGM	C
Adventures of Marco Polo	Goldwyn	C
The Amazing Mr. Blunden	M. Klein	C

The Movie Channel

Terms Of Endearment	Paramount	P
Splash	Buena Vista	P
Unfaithfully Yours	Fox	P
Sahara	Viacom	P
Ice Pirates	MGM/UA	P
Reckless	MGM/UA	P
Hot Dog: The Movie	MGM/UA	P
Videodrome	Universal	P
Purple Hearts	Warner Bros.	P
Strangers Kiss	The Movie Store	P
The Spikes Gang	MGM/UA	P
Rollover	Warner Bros.	E
Invasion Of The Body Snatchers	MGM/UA	E
The One And Only	Paramount	E
The World's Greatest Lover	Fox	E
Max Dugan Returns	Fox	E
Brainstorm	MGM/UA	E
Cujo	Warner Bros.	E
Man, Woman and Child	Paramount	E
Bill Cosby Himself	Fox	E
Jinxed	MGM/UA	E
Exposed	MGM/UA	E
Timewalker	Wescom	E
Operation Kid Brother	MGM/UA	E
Crimebusters	MGM/UA	E
Frightmare	Atlantic	E
The Tin Drum	Vicom	P
Fanny And Alexander	Embassy	E
To Begin Again	Fox	E
One Flew Over The Cuckoo's Nest	MGM/UA	E
Chariots Of Fire	Warner Bros.	E
Around The World In 80 Days	Warner Bros.	P
Cimarron	MGM/UA	P
Wings	Paramount	P
The Best Years Of Our Lives	Goldwyn	P
Gandhi	Embassy	E
The Octagon	Viacom	P
A Force Of One	Viacom	P
Forced Vengeance	MGM/UA	E
Ball Of Fire	Goldwyn	P
Three Little Words	MGM/UA	P
The Spirit Of St. Louis	Warner Bros.	E
Jack The Giant Killer	MGM/UA	P
Runaway Island	Grundy	P
The Optimists	Paramount	P
The Black Stallion Returns	MGM/UA	E
The Buddy System	Fox	C
The Loney Guy	Universal	C
Metalstorm	Universal	C
Brady's Escape	Satori	C
Little Darlings	Paramount	C
When A Stranger Calls	Viacom	C
Stay Hungry	MGM/UA	C
All Night Long	Universal	C
Fitzcarraldo	Viacom	C
Vigilante	FAW	C
Catherine & Co.	Film Gallery	C
La Cage Aux Folles	MGM/UA	C
A Night Full Of Rain	Warner Bros.	C
Valley Girl	Atlantic	C
Pulp	MGM/UA	C
Avanti!	MGM/UA	C
Mixed Company	MGM/UA	C

Home Theater Network

Alice in Wonderland	Universal	E
Around The World In 80 Days	Warner Bros.	E
The Black Stallion Returns	MGM	E
Brian's Song	Columbia	E
Carnival Magic	Krypton Corp.	P
Cracking Up	Warner Bros.	E
Friends For Life	Corinth	E
The Hunter	Paramount	E
Ice Castles	Columbia	E
Ice Pirates	MGM	P
King of Hearts	MGM	P
The Marvelous Land Of Oz	Universal	E
Moonlighting	Universal	E
Octopussy	MGM	E
Puss In Boots	Universal	E
Rear Window	Universal	P
Sarah and The Squirrel	Satori	P
Somewhere Tomorrow	Film Gallery	P
Splash	Buena Vista	P
Stacy's Knight	Crown Int'l	P
Superman III	Warner Bros.	E
To Begin Again	Fox	E
Unfaithfully Yours	Fox	P
Vertigo	Universal	P
The Wiz	Universal	E

** Premiere ** Encore *** Carryover*

Appointments

William Flaherty, executive vice president, TOCOM, P.O. Box 47066, Dallas, TX. *From: Vice president and general manager of administration and Far East group operations, Broadband Communications Group, General Instrument.*

Hal Krisbergh, vice president, administration and Far East group operations, Broadband Communications Group, General Instrument, 2200 Byberry Rd., Hatboro, PA 19040. *From: Vice president and general manager, Jerrold Subscriber Systems Division (retains position).*

Fred Cohen, senior vice president, HBO Enterprises and president, Time-Life Films, Time & Life Building, New York, NY 10020. *From: President, HBO International (retains position).*

Mel Parker, president, Media Consultants International, 105-B South Witchduck Rd., Suite 188, Virginia Beach, VA 23462. *From: Direct response marketing director, CBN Cable Network.*

Donald L. Kemper, assistant vice president, corporate development, Centel Corp., O'Hare Plaza, 5725 N. East River Road, Chicago, IL 60631. *From: Vice president, and general manager, Centel Cable Television Co. of Illinois.*

Thomas M. Adair, vice president and general manager, Centel Cable Television Company of Illinois, O'Hare Plaza, 5725 N. East River Road, Chicago, IL 60631. *From: Assistant vice president, financial controls, Centel Corp.*

Bernard W. Schotters, vice president, finance, and officer, Tele-Communications, Inc., 54 Denver Technological Center, Denver, CO. *From: Director of corporate finance.*

Bernard P. Gallagher, vice president and treasurer, Comcast Corp., One Belmont Ave., Bala-Cynwyd, PA 19004. *From: Assistant treasurer.*

Anthony A. Clifton, vice president, Comcast Corp., One Belmont Ave., Bala-Cynwyd, PA 19004. *From: Assistant treasurer.*

Phillip Hermann, vice president-treasurer, The Disney Channel and Walt Disney Telecommunications and Non-Theatrical Co., 4111 West Alameda Ave., Burbank, CA 91505. *From: Treasurer, Walt Disney Telecommunications.*

Jadz Janucik, vice president, association affairs, National Cable Television Association, 1724 Massachusetts Ave., N.W., Washington, DC 20036. *From: Director, membership services.*

Barbara O. York, vice president, industry affairs, National Cable Television Association, 1724 Massachusetts Ave., N.W., Washington, DC 20036. *From: Vice president, administration.*

Carole Shander, vice president, corporate communications, Rainbow Programming Services, 100 Crossways Park West, Woodbury, NY 11797. *From: Director, corporate communications.*

Raymond J. Oglethorpe, vice president, marketing, Harris Corp., Melbourne, FL 32919. *From: Vice president, marketing, Puritan-Bennett Corp.*

Thomas A. Patterson, director, system operations, Continental Cablevision of St. Paul, 128 Metro Square, Seventh & Roberts Sts., St. Paul, MN 55101. *From: Executive assistant to president, National Cable Television Association.*

Jerome W. Degenaar, director, human relations, Continental Cablevision of St. Paul, 128 Metro Square, Seventh & Roberts Sts., St. Paul, MN 55101. *From: Personnel executive, Columbia Gear.*

Janis K. Walker, director, marketing and community relations, Community Cablevision Co. of Newport Beach, 1061 Camelback St., Newport Beach, CA 92660. *From: Manager, community and government relations.*

Kathryn Hitt-Chase, director, consumer affairs, Rogers Cablesystems, 7441 Chapman Ave., Garden Grove, CA 92641. *From: Programming manager.*

Michael A. Morris, director of regulatory affairs, California Cable Television Association, 4341 Piedmont Avenue, P.O. Box 11080, Oakland, CA 94611. *From: Assistant general counsel, California Cable Television Association (retains position).*

William Flaherty

Fred Cohen

Bernard P. Gallagher

Anthony A. Clifton

Phillip Hermann

Appointments

Bryan Polivka, creative director, ProServ Television, 1540 Eastgate Drive, Suite 200, Garland, TX 75041. *From: Producer, "10 O'clock News" program WVTM-TV Birmingham, Alabama.*

Robin Kershner, director, financial affairs, ProServ Television, 888 17th Street, N.W., Suite 200, Washington, DC 20006. *From: Assistant controller, ProServ Television.*

Michael Oglesby, PR director, entertainment division, Turner Broadcasting, Inc., 1050 Techwood Dr., N.W., Atlanta, GA 30318. *From: PR manager, entertainment.*

Judi Borza, PR director, news division, Turner Broadcasting, Inc., 1050 Techwood Dr., N.W., Atlanta, GA 30318. *From: PR manager, news.*

Alex Swan, PR director, special projects, Turner Broadcasting System, Inc., 1050 Techwood Dr., N.W., Atlanta, GA 30318. *From: PR manager, special projects.*

Eric McLamb, PR manager, Entertainment Division, Turner Broadcasting System, Inc., 1050 Techwood Dr., N.W., Atlanta, GA 30318. *From: PR assistant manager, entertainment.*

Kitsie Bassett, PR manager, news division, Turner Broadcasting System, Inc., 1050 Techwood Dr., N.W., Atlanta, GA 30318. *From: PR assistant manager, news.*

Shelly Charles, PR manager, special projects, Turner Broadcasting System, Inc., 1050 Techwood Dr., N.W., Atlanta, GA 30318. *From: PR assistant manager, special projects.*

John Merritt, regional manager, Copley/Colony, Inc., 2960 Harbor Blvd., Costa Mesa, CA 90744. *From: District general manager, Group W Cable.*

Kevin Maguire, regional marketing manager, Copley/Colony, Inc., 2960 Harbor Blvd., Ste. A, Costa Mesa, CA 92626. *From: Sales manager, Greater Boston Cable Corp.*

Phil Brady, New York Bureau Chief, Cable News Network, Turner Broadcasting System, Inc., 5 Penn Plaza, New York, NY 10001. *From: Manager, CNN West Coast operations.*

Jeff Spiegleman, plant manager and supervisor of outside plant activities, Jones Intercable—Pima County, 7660 North Business Park Drive, Tucson, AZ 85743. *From: Project coordinator, Jones Intercable, Oxnard, CA.*

Benjamin E. Twyman, technical operations manager, Harte-Hanks Cable, West Houston, 5228 Highway 6 North, Houston, TX 77084. *From: Supervisor of technical services, Ultracom of Dade County.*

Valerie Manzo, manager of government relations, Viacom Cablevision of Long Island, 1600 Motor Parkway, P.O. Box 1600, Hauppauge, NY 11788. *From: Assistant town attorney, Smithtown.*

Susan Weissinger, talent department manager, The Nashville Network, 2806 Opryland Drive, Nashville, TN 37214. *From: Talent coordinator.*

Thomas R. Nathan, assistant general counsel, Comcast Corp., 1 Belmont Avenue, Bala Cynwyd, PA 19004. *From: General counsel, Office of Telecommunications, City of New York.*

Kathy Ashcraft, manager, third party guides, The Disney Channel, 4111 West Alameda Ave., Burbank, CA 91505. *From: Supervisor, third party guides.*

Thomas Heiser, Southeastern regional sales manager, Tele-Wire Supply Corp., 6111 Porter Way, Sarasota, FL 33582. *From: Northwest sales account executive, CATV.*

Keith Patrick, customer service manager, CWY electronics, Lafayette, IN. *From: Telemarketing specialist.*

Mark Eliot, Regional Media Coordinator, Rogers Cablesystems, 7441 Chapman Ave., Garden Grove, CA 92641. *From: Media coordinator.*

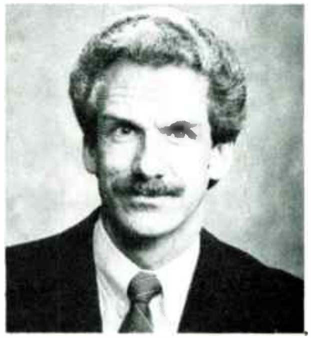
Dave Harney, Chicago field sales representative, Belden Cord Products Division, 936 N. Chestnut Ave., Arlington Heights, IL 60004. *From: Sales trainee.*

Linda Hoerler, Philadelphia field sales representative, Belden Cord Products Division, Forest Gardens, Apt. 5A, Belmont Ave., Ambler, PA 19002. *From: Sales service representative.*

Nora Sparks, Florida field sales representative, Belden Cord Products Division, 250 W. Sample Rd., Apt. C-210, Pompano Beach, FL 33064. *From: Sales trainee.*


Carole Shander


Janis K. Walker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Wall Street Report

Proposed merger of United Television and Chris-Craft TV stations still pending

At presstime, United Television Inc. was still waiting for the Federal Communications Commission to comment on its desire to merge its television station operations into those of Chris-Craft Industries. Chris-Craft currently controls 50.1 per cent of United.

Under the conditions of the proposed merger, assets of the two C-C TV stations—KCOP(TV) Los Angeles and KPTV(TV) Portland, Ore., would be transferred to United in exchange for 17.9 million United shares, raising Chris-Craft's stake in the company to 81 per cent.

If and when this proposed transaction is approved by the FCC, a proxy will be sent to shareholders of both companies. "What we're doing," explains Larry Kashdin, vice president, finance, at Chris-Craft, "is combining the cash flow of the companies."

But, more importantly, he adds, the result will be "a pure broadcasting company, better able to pursue a whole host of business opportunities.

"We're looking at what we feel are long-range benefits," he continues. although he acknowledges that some stockholders may be looking at the short-term.

United currently owns four TV stations: KBHK-TV San Francisco, KMSP-TV Minneapolis-St. Paul, KMOL-TV San Antonio and KTVX-TV Salt Lake City. KMOL-TV and KTVX-TV are affiliates; the other four United and Chris-Craft TV properties are independents.

United's 3rd quarter VHF revenues increased 22%

United says revenues of its VHF stations (all but KBHK-TV) increased by 22 per cent over 1983 in the third quarter of '84 and by 20 per cent for the first nine months.

Operating income was up 18 per cent for both periods. KBHK-TV, acquired in July, 1983, had an operating profit in the third quarter of '84, compared to operating losses the previous year.

United Television, Inc.

(In thousands of dollars except per share data)

	Three months ended		*Nine months ended*	
	Sept. 30, 1984	*Sept. 25, 1983*	*Sept. 30, 1984*	*Sept. 25, 1983*
Net revenues	$18,403	$14,033	$54,347	$35,949
Operating income	4,116	2,947	12,854	11,106
Net income (loss)	(5,103)	1,070	(1,772)	4,834
Net income (loss)	(.46)	.09	(.16)	.41

Loss in third quarter due to Warner investment

United suffered a net loss of $5,103,000 or 55¢ per share for the third quarter ended September 30, 1984, as a result of equity losses associated with its investment in Warner Communications, largely attributable to Warner's Atari operation.

United television broadcasting business, however, accounted for a 40 per cent increase in third quarter operating income. If not for the WCI equity losses, net income would have exceeded 1983's 1,070,000 by 40 per cent, the company says. Net revenues for the third quarter of '84 were up 31.1 per cent to $18,403,000 from $14,033,000.

For the nine months ended September 30, 1984, the net loss was $1,772,000, compared to a net income of $4,834,000 a year earlier. Net revenues were $54,347,000, an increase of 51.2 per cent over 1983's $35,949,000.

United and Chris-Craft hold Warner Communications securities, which, in the aggregate, represent 28.7 per cent of the voting power of all WCI securities.

There is a three-month lag in the reporting of WCI equity income or loss.

People *(from page 144)*

only markets."

Roslow also expressed excitement over Information Resources Inc.'s expansion of its Behavior-Scan into more markets and Nielsen's startup of ERIM (Electronic Research for Insights into Marketing). Both electronic test marketing services are designed to track brand purchase following in-home commercial exposure.

"I'm still not sure these systems work as well as we'd like them to," says Roslow, "but moving measurement of the effect of viewing on product purchase beyond cable-only homes and into the total universe of television households was a major step on Neilsen's part. And if IRI expands BehaviorScan into some larger markets, that will take systems like these out of the C and D county-only category."

JWT's Dunne believes that work being done by Television Audience Assessment indicating a positive correlation between impact of commercials and program appeal is "an important step in a new direction."

So Dunne says her wish list for the new year would include "more of this TAA kind of research in all media—not just television, with the media themselves working together with advertisers and agencies on projects that would look into ways to evaluate the real communication impact of the advertising messages they carry."

Cable research

Lawrence Friedman, manager of media research at Cunningham & Walsh, points to "certain items of research information on the cable industry that are published on occasion that I would like to see improved. I have hopes that these improvements will be made in 1985."

More specifically, explains Friedman, "I'm referring to reports issued by Nielsen on the cable networks, on the superstations and on the cable pay services that I'm afraid don't conform completely to generally accepted audience measurement standards. But I have hopes that Nielsen will try to bring them up to their usual standard. Nielsen conducts its over-the air television research in a profesional manner, and would want to make sure that everything they do is brought up to that level. When they do, then their cable reports, too, can qualify for EMRC (Electronic Media Rating Council) accreditation."

Friedman explains that he has two specific problems with Nielsen's cable reports. First, he believes Nielsen has been giving the cable networks "too much leeway in deciding both whether their audiences should be measured, and, if measured, the content and format in which the results are reported and disseminated to subscribers.

This practice, warns Friedman, "carries with it the seeds of potential abuse." To Friedman, it recalls the days "when a certain print researcher used to go to magazine publishers and tell them that it would cost them such and such if they wanted to be included in his next survey. At that point, some publishers would tell him to get lost.

"But then, when his survey came out, and these publishers weren't in it, but their competitors were, they would find themselves forced to come back to this research salesman, hat in hand, begging profuse pardon, and offering to pay whatever he asked, to make sure they weren't left out of his next survey."

To start the correction process to remedy complaint Number 1, Friedman suggests that Nielsen publish a set of minimum standards for its cable audience measurement," and then stick to them: minimum audience levels, and minimum levels of cable penetration. Those markets failing to meet these levels should not be included in the report."

Meter sample

Friedman's second complaint is that Nielsen's national meter sample of close to 1,700 households has a larger proportion of cable households "than Nielsen's own estimate of U.S. cable penetration." He concedes that there may be reasons for this that have nothing to do with Nielsen's original intent: It is possible, he points out, that some of the same attributes of cable households that makes them better prospects for cable hookup may be the same ones that make them more likely to allow their sets to be metered "than the average non-cable household approached by Nielsen to become a member of its meter panel. The fact that cable households tend to be more affluent than average, or the fact that they tend to be larger families, may have a positive bearing on their apparently greater willingness to cooperate with a measurement service."

But Friedman adds that, whatever the reason, "It still gives the cable program services an advantage that Nielsen should adjust for. For instance, they might weight to account for the difference between their national meter sample and their cable penetration estimate. You can bet that if it were the other way around, and cable subscribers were disproportionately *under*-represented, the cable industry would be raising the roof to demand an upward adjustment."

SSC&B's Roslow observes that technology can produce disadvantages, "as well as advantages. Technology like VCRs, gives us fits everytime we think about their potential for zapping. I know a man who's developed zapping to such a fine art that he even fast-forwards through some of the programming. He fast-forwards hockey games and watches for the arms to go up. That's everytime they score a goal. Then he rewinds a little way and watches just the parts leading up to each goal. But now Nielsen says they have a way to measure this kind of thing and can tell us exactly what's being played back, as well as what's recorded, and they'll be able to tell us whether more people are using their VCRs to play back more TV shows, or whether they're using them to watch rented movie cassettes instead."

JWT's Dunne expects agencies to be tracking zapping more closely. She notes that while zapping "is not yet tremendously extensive, it *can* grow into a potential major source of audience erosion, as more and more viewers equip themselves with VCRs and remote control devices. So with Neilsen's help, we'll be monitoring all of this closely."

Meanwhile, *USA Today*, describing videocassette recorders as "*the* word in hot products" for 1984, reports that over 7 million VCRs were shipped to retailers, up 71 per cent from 1983, and a whopping increase from the 30,000 units sold in 1975 when Sony Corp. introduced its Betamax VCR for $1,200." Today, some VCRs are selling for below $300.

Effectiveness of split-30s

And SSC&B's Roslow expects that another thing agencies will be monitoring will be the effectiveness of split 30s. "More clients will be trying them," he says. But he adds that he doesn't expect to find much trouble with 15s used as reminders for brands that the public is already quite familiar with: "After all, we've been using 10s successfully this way for years."

JWT's Dunne says that she would like to have more time in '85 to experiment with various computer programs "in order to develop more efficient ways to make our estimates for upfront buying."

She explains that most of these estimates are now done manually, and that if there were time to develop some new programs, "They would enable us to simulate more alternative buys. The possbility of doing this becomes even more useful as viewer channel choice multiplies and our problems with audience fragmentation keep getting bigger." And she says that if she "could be allowed one impossible wish," it would be for sample sizes "four times as large as what we have now, with no increase in cost." □

Marschalk *(from page 40)*

12 demos. The average results from the approximation formula across all demos were within 3 per cent of the exact formula and in no instance was more than 5 per cent off.

In any case, the approximation formula showed, in general, the following:

- "The larger the ESB, the smaller the standard error."
- "The larger the average pairwise correlation (i.e., the higher the duplication), the larger the standard error."
- "For a fixed GRP level, the larger the average spot rating (and, consequently, the fewer the number of spots), the smaller the standard error."
- "The larger the GRP, the larger the absolute standard error, but the smaller the relative standard error (the standard error as per cent of GRP)."

The above general characteristics assume that all other elements of the schedules are held constant, the agency explained, pointing out that "in fact, of course, schedule elements interact. For example, estimates for some schedules composed of spots with smaller average ratings have smaller (rather than larger) sampling error because of low correlation (duplication) between spots."

The seeming contradiction between a larger absolute standard error and a smaller relative error can be explained as follows: If, hypothetically, the absolute standard error of a rating of 10 with a simple random sample of 1,000 is plus or minus 0.9, then the relative standard error is plus or minus 9 per cent—0.9 divided by 10.

If the rating is 20 (with the same sample size), the absolute standard error is plus or minus 1.6, but the relative standard error is plus or minus 8 per cent—1.6 divided by 20. It is relative standard error that Marschalk deals with in its efforts to develop better post-buy analysis standards.

(One standard error—or one sigma, as it is sometimes called—is a measure of confidence in a sample survey, based on sample size. In the previous example (with a rating of 10), it can be said that in two chances out of three (one standard error refers to a 68 per cent confidence level) the "true" rating—using the same survey methods on the complete population—would fall, hypothetically, say, between 9.1 and 10.9. In 19 chances out of 20 (two standard errors, or 95 per cent confidence level), it would fall between 8.2 and 11.8, i.e., a range that is twice one standard error. The two standard error measure is the one used most in broadcast audience measurement. Note that the above examples of the application of standard errors refer to *one* rating, not to GRPs, where the calculation is more complicated.)

The next phase in Marschalk's efforts was to request Arbitron to apply the approximation formula to a series of schedules. These were 38 "real world" schedules for each of 12 demos, or a total of 456 schedules. They represented different size markets and cable penetration, various GRP levels, dayparts, number of spots, etc.

The results showed that the main reason for different levels of relative standard error of GRPs is the ESB. It was also found that the average pairwise spot correlation (0.042) was "effectively constant" across market sizes and demos and varied only "modestly" by schedule type. This gave the agency confidence to use this average correlation for a much larger number of spot schedules.

Getting to paydirt, Marschalk now applied the approximation formula—using the average correlation figure—to a new set of "typical" GRP schedules covering 20 markets, 15 key demo groups and five GRP levels. The markets were divided so that a representative sample of 10 were chosen from the top 100 ADIs and another sample of 10 from the "remaining 100" (actually, 112 remaining markets). The GRP levels were 100, 200, 300, 400 and 500.

The approximation formula, according to Marschalk, gives the agency "for the first time, a systematic assessment of the size of sampling error of GRP estimates."

These data, the agency said, gave them "for the first time, a systematic assessment of the size of sampling error of GRP estimates." The agency broke out typical, i.e., median, results for various combinations of market size, demo and GRP total and found, first, that the data fell in line with expectations. GRP estimates for TV households and larger demographic groups are more reliable than those for smaller demographic groups. Ditto for larger vs. smaller markets and larger GRPs vs. smaller GRPs.

But there were certain kinds of non-typical schedules that have to be taken into account. Certain market size demographic groups have ESBs substantially larger than average for the category. Their GRP estimates will be more reliable. And vice versa: Where smaller than average, they will be less reliable.

Similarly, GRP estimates for schedules with much larger-than-average duplication will be less reliable. Where duplication is much smaller than average, the estimates will be more reliable. Also, where there are larger-than-average spot ratings, GRP estimates will be more reliable. And vice versa.

New criteria

The bottom line to all this is the new criteria for post-buy analysis, that is, for grading spot buys (see table on page 41).

Here's what the criteria show, using the two standard error (95 per cent confidence) level:

- For most TV household schedules, the traditional plus-or-minus 10 per cent (relative standard error) still holds. For a small schedule, say about 10 GRPs in smaller markets, 15 per cent would be more reasonable.
- Likewise, in larger markets, for broad demographic groups, such as women 18–49, 10 per cent is also okay, except for small schedules, where 15 per cent makes sense.
- In smaller markets, Marschalk is talking about 15 to 20 per cent for these broad demos, with a level of about 25 per cent for, say, a 100 GRP schedule for women 25–49.
- For children or teens, the figures run from 15 to 25 per cent, but in smaller markets they range from 25 to as much as 40.

At this point, Marschalk draws the line. The agency can accept a plus or minus 10, 15 or 20 per cent "play" in the post-buy GRP figures compared with the original estimate, but going beyond that, says Segal, is not fair to the advertiser, though it protects the buyer.

Still, an estimate must be made and results evaluated. What Marschalk recommends is "to 'post' on a larger, more statistically reliable surrogate demo group with appropriate adjustments for target/surrogate group rating differences."

This is best explained by an example: Assume that objective is for 200 GRPs for teens in a small market. The indicated "play" is plus or minus 30 per cent. Let's say the buyer estimates on the basis of his experience that 200 GRPs for teens is equivalent to 300 GRPs for households, the broadest, most reliable measure. The schedule then would be "posted" against TV households, which in this case has a post-analysis standard of plus or minus 10 per cent.

The strategy doesn't end there, of course.

While teen numbers are impractical to use, the buyer will look for teen-appeal shows in order to make sure he targets his audience, but he will use households in his post-buy analysis. □

Scatter *(from page 43)*

networks have been using the Olympics and elections as an excuse to escalate prices—to a degree I think is out of line with the actual amount of inventory involved. Take the Olympics. They're on one network, for all of two weeks. So by 1984, most buyers had caught on to the hype and held the line."

Another factor Cole sees working in the advertisers' favor has been "the growth in use of syndicated programs on both affiliates and independents as a way that many advertisers see to use a portion of their network funds more efficiently. When we add the relatively little that goes to cable to the growing numbers of dollars going into syndication, it adds up to a significant volume of dollars funneled away from the networks."

Bob Igiel, senior vice president and group media director, network program negotiations, at N W Ayer, is another agency exec who expects "more of the same" this year. "First quarter," he explains, "is soft. But it usually is. Last year was an aberration because of the Olympics, so this year I think we'll get more of what we usually see: more favorable pricing for first and fourth quarters. Traditionally, first quarter is most efficient, fourth is second most efficient, third quarter is third, and second quarter is usually least efficient."

Igiel adds that the "only significant change" he's seen in network pricing in the past five years "is that third quarter has become tighter because summer viewing is down, and we have to buy more units to add up to the same number of target rating points."

"The network outlook is darker because of the exceptional performance last year. The new post-Olympics 1984–'85 season started off well, but, relative to the first three quarters of '84, the gains appear quite mediocre."

Robert Coen
Senior vice president
McCann-Erickson

Olympic budget drain

J. Walter Thompson's Kostyra notes that, "The increases the networks talked about as their going-in position last year have been brought down considerably. Olympic buying drained a lot of ad budgets which, despite all the talk, did *not* include new dollars for the Olympics, on top of regular budgets."

Kostyra adds that increases "were held down in the face of heavy upfront buying last spring. In anticipation of a buoyant marketplace a good many advertisers committed major portions of their budgets to upfront network, to syndication and to cable. Contributing to the heavy upfront action was the breakup of AT&T, which led to excessive spending by each of the many individual new telephone companies seeking to establish their new identities through heavy advertising exposure."

Dancer's Conner recalls that, "Even last fall there were no increases of the kind you'd normally expect with those three primetime political debates knocking out well over $100 million worth of primetime inventory. And now, when I say 'bargains,' I think we could get 30 to 40 per cent off, if a show is too violent or controversial, built around themes like rape or child abuse that a lot of advertisers don't want to be mixed up with. And outside of news, and getting away from primetime, there still seems to be plenty of time available on the networks' morning magazine shows, in late night, and in network children's programming."

The breakup of AT&T, according to J. Walter Thompson's Richard Kostyra, contributed to the heavy upfront action, personified by "excessive spending by each of of the many individual new telephone companies seeking to establish new identities.

At SSC&B Janice Clements, vice president, director of media planning and resources, observes that at the networks, "Degree of softness varies by network. The highest rated network is in a stronger position to ask for more dollars."

Regarding the spectre of clutter with more split 30s expected to air this year, Clements notes that, "Right now, there's

"When we add the relatively little that goes to cable to the growing numbers of dollars going into syndication, it adds up to a significant volume of dollars funneled away from the networks."

Larry Cole
Senior vice president
Ogilvy & Mather

more clutter in syndication and in daytime than we see in primetime, and advertisers aren't walking away from either. Every year since network price inflation has been a fact of life along with audience erosion we've all said there would be more advertisers using alternatives like syndication, radio, cable or print. And it is true that there have been no dramatic switches to these alternatives by major advertisers in any one given year. But the fact is that there has been more use of alternative media forms. It's been gradual—a little bit more each year than the year before. But there has been this gradual creep up, so it hasn't been all idle talk."

But at the same time, she adds, "For all this evolution to more use of the alternatives, and for all the audience erosion, the networks are still the quickest way to reach the largest number of consumers, and the demand for network time is still there."

Clifford A. Botway, chairman of The Botway Group, observes that, "All these years, the networks haven't really known what to do with their scatter inventory. They'd rather eat it than sell it below what they got upfront. If they dropped scatter prices, all they'd be doing would be to convince everyone they've worked so hard all these years to convince to buy upfront, not to. Buyers would see that all they have to do is sit on their money and wait."

Thus, up to this point, adds Botway, "So long as the networks met their budgets in the upfront market, they've gritted their teeth and eaten their scatter inventory. But this year, for the first time, some networks didn't make budget upfront, and their managements see money out there to be gotten that they're not going to get unless they drop their scatter prices."

Botway recalls going into the upfront market last year, "predicting that the money would not be there" for the 15 per cent increases the networks were asking for upfront. "In fact, we said that the upfront market wouldn't sustain any increases over 6 per cent. If they got much more—and they did end up getting increases of about 8 per cent—we predicted that it would leave the scatter market super soft. And that's just what happened."

At Lewis, Gilman & Kynett in Philadelphia, Chet Harrington, vice president, executive director of media services, believes that 1985 "should shape up as a better buyers' market, if we apply some strong negotiating to the plusses and minuses we have to work with."

In the buyers' favor, notes Harrington, "We'll be entering a three-year period without either Olympics or national elections to boost demand for broadcast time. In spot, the network affiliates are facing stronger competition from independents, from radio, and from cable. And though more local retailers all over the country are using more television inventory every year, thus keeping a floor under spot pricing, more retail dollars are also going into radio and cable. At the same time, independents with strong sports franchises and network radio are offering more desirable opportunities for both national spot and local dollars. That leaves more inventory available on the affiliates."

"Last year was an aberration because of the Olympics, so this year I think we'll get more of what we usually see: more favorable pricing for first and fourth quarters."

Bob Iglel
Senior vice president
N W Ayer

"We see a good chance to make a number of opportunistic buys, both on the networks and on the local stations."

Howard Nass
Senior vice president
Cunningham & Walsh

Retail diversity

Peggy Green, senior vice president, director of local broadcast at Dancer Fitzgerald Sample, agrees that national spot "looks like it should be soft" for first half '85: "I don't think anyone is going to have a lot of trouble buying local TV except for a few heavily used test markets—for instance where BehaviorScan or Nielsen's ERIM system operate."

Green notes that, "In some markets like New York, retail business was good last year and that kept pricing up. But the level of retail activity varies so much from one market to the next, that you can't make any across-the-board generalizations about it. But in most markets, the corporates with good lead time should get some good rates this year."

Joanne Wayne, vice president and group media head at Grey Advertising, points out that 1984 increases "turned out to come nowhere near what the networks and stations started out talking about. There was far less political advertising than many people had expected at both the national and state levels. On top of that, because of general anticipation that the elections and Olympics would team up to make television tight, a good many advertisers invested more heavily in radio, so radio became tighter."

SSC&B's Clements protests the difficulty of judging the pricing picture for '85, "until we find out just how broad-based advertisers' move to use of split-30s is going to be." She says her own guess is that it will be fairly widespread, "because there's a lot of copy testing going on with split-30s now. Some of it is likely to start showing up on the air after first quarter. That could make first quarter a little softer than usual, if enough advertisers are holding up spending, waiting until their new split-30 creative is out of the testing stage and ready for air, maybe for second or third quarter."

Clements also notes that while there is "some reluctance among advertisers to charge headlong into a situation that could multiply clutter, there's also research that indicates that the cost effectiveness of split-30s should be a plus. We also have the history of what happened when the industry switched from minutes to 30s during the 1960s. The result was not only lower unit costs, but 12 years of no real network CPM increase. The inflation didn't hit network pricing until use of 30s reached the point where they had taken over as the standard commercial unit and were accounting for 65 to 70 per cent of all commercials."

"The level of retail activity varies so much from one market to the next, that you can't make any across-the-board generalizations."

Peggy Green
Senior vice president
Dancer Fitzgerald Sample

"In spot, the network affiliates are facing stronger competition from independents, from radio and from cable."

Chet Harrington
Vice president
Lewis, Gilman & Kynett

Ogilvy's Cole concedes that growth of local advertising "does impact pricing of national spot. In markets where retail accounts for more than half of local TV inventory, it tends to act as a stabilizing force on pricing. But by the same token, in markets where retail business is currently off, it can help keep national pricing at more favorable levels."

Cunningham & Walsh's Nass estimates that the West Coast and a few other "traditionally strong" markets "are likely to remain strong spot markets during first quarter, but in the midland states, markets below 30 are soft and worried that the soft fourth quarter they went through will continue into this year. The stations are concerned, and their reps are feeling the pressure."

One result of that pressure, he adds, is that, "Some reps are considering beefing up their development efforts for individual markets. That means putting research to work to develop more presentations for this or that market, maybe because of new industry, growing population, an increase in buying power, or whatever."

SSC&B's Clements, pointing out that spot pricing "is a function of the network market," says that, "Because they were hurt in fourth quarter, I think stations and their reps are going into 1985 not quite so bullish as they had hoped to be. The general weakness should make them take a second look at their asking prices." On the other hand, Clements believes that a number of major corporations "have been doing a good deal of new product development work, and the results could show up around mid-'85 and add to the demand for time." □

Washington *(from page 40)*

it ruled 8-5 in favor of the law. (The U.S. Supreme Court last year refused to review the decision, in effect, upholding it).

Abrams says, "The argument had been made very strongly that the reason for advertising was to reallocate the share of the total market rather than to increase the totality of the market. There was extensive testimony on that. The eight members of the court just didn't believe it.

"They said, 'We simply do not believe that the liquor industry spends a billion dollars a year on advertising solely to acquire an added market share at the expense of competitiors.' They cited nothing in support of that except the fact that it was counter to common sense and it was counter to what they felt must be the fact in that area."

Abrams says the key argument of the five dissenting judges was that the intrastate ban in Mississippi was not sufficiently effective to warrant its enactment. "There has to be, the court said, a close fit between a ban if you engage in it and an end which you seek by the ban," Abrams recounts. "And the court said there was no close fit here at all. The ban, they said, would only provide ineffective and remote support for cutting down on liquor consumption in Mississippi."

'Common sense' decisions

Although Abrams is confident the First Amendment protection for commercial speech will win out, he advises there is little a lawyer can do to convince judges who make decisions based upon their idea of common sense. "There's nothing a poor lawyer can do about it, except to say that's not common sense, or to say, 'Look, there are facts about this, let us show you what the facts are.'

"Certainly people who are opposing liquor advertising regulations have got to make a full record in the courts in support of the proposition that what we are really talking about here is a reallocation of the market and not increasing the amount of people who drink. And that's got to be done in the most detailed and sophisticated and persuasive way."

Another argument can be made on strictly First Amendment grounds, but Abrams doesn't appear to hold out much hope for that argument standing alone. It is that "the answer to speech is more speech." If a state or local body doesn't like the fact that liquor is advertising on television, the body should take out its own ad or otherwise air its opinion.

"So it may be that a complete answer, when this issue reaches the Supreme Court," Abrams says, "will be for the court to say, 'If the state believes this is a harmful thing, let them speak out. Let them do counter advertisements, let them warn people. If the state believes that the problem is, for example, that people who drive drink too often, let them pass tougher laws about drunk driving. If the state believes that the problem is that the people don't understand the perils of liquor, the usual First Amendment answer, without question, will be then to speak up, explain it, say it."

Another question, though, he says, is "whether liquor advertising is going to get a fair shake in the courts. Is liquor so unpopular that the courts will bend over backwards to sustain restrictions on liquor advertising. For now, I'd say the answer is no. I'd say chances are pretty good that bans on liquor advertising will be held to be unconstitutional."

While various parts of Congress wrestle with the beer-and-wine controversy, the panels with communications oversight are expected to spend at least some time on broadcast issues. What those issues will be was not definite as the year began, however.

Sen. Barry Goldwater (D-Ariz.), above, was not happy with initial decision to raise the seven-station limit to 21 and has reserved judgment on the new FCC compromise. Rep. Al Swift (D-Wash.), top r., still wants passage of compromise deregulation bill he worked out last year. Rep. Mickey Leland (D-Tex.), bottom r., will lead efforts to place stronger EEO requirements on broadcasters.

Ownership compromise

Congress may have some final words to say, for example, about the 12-12-12 decision that the FCC reached in the closing days of 1984. Goldwater was not happy with the initial decision to raise the seven-station limit to 12 and has reserved judgment on the new compromise voted on by the FCC to satisfy the moratorium that Congress placed on the original decision.

That moratorium expires April 1, and James McKinney, Mass Media Bureau chief, says he worked his staff feverishly to get the compromise item up before Christmas so Congress "would have 90 days to play with it before their law expired."

But congressional blockage of the compromise was not expected since it was worked out with members of the House Telecommunications Subcommittee, whose chairman, Rep. Tim Wirth (D-Colo.) praised it as an action that "will help ensure that Americans will be ble to enjoy an increasing multiplicity of programming sources."

That won't necessarily satisfy Goldwater, who disagrees with his House counterpart on many issues, but one of the principal actors in the compromise was a Goldwater colleague, Sen. Charles Wilson (R-Calif.).

A flood of bills is introduced on the opening day of a new Congress, and this year's opening on January 3 was no exception. Whether there was major broadcast legislation among them that would see the light of day was debatable.

But the rod for broadcast deregulation this year was expected to be carried by Rep. Al Swift (D-Wash.), who still wants passage of the compromise package he worked out last year to help meet the complaints of critics of the deregulation bill passed at the beginning of the term by the Senate. The Swift effort

failed in the final days.

The NAB gives no indication either that it is going to make a major fight for deregulation this year, preoccupied as it will be with the beer-and-wine issue. But if the issue does come up, Summers says, "We have no problem with a radio-only bill," meaning legislation to confirm the FCC's court-approved deregulation of radio, but leaving TV regulation as it is for the moment. "It has always been the position of our board that if you're in a situation where you don't think it's wise to go for a television bill, or you don't think it's possible to get a joint bill for radio and television, but we have a chance for a radio-only bill, we have all the authority that we need to go and seek it."

Also expected is another revival of an issue from that fight, to apply more stringent equal employment opportunity

Cable Television Association (NCTA) to thwart the action of the Copyright Royalty Tribunal (CRT) in awarding broadcasters a larger chunk of royalities for their programs shown on cable.

He adds, philosophically, "I think it's fair to say that in a trade association, you defend what you have before you seek something you don't have."

Technical deregulation

The NAB's defensive posture also will be in evidence this year as the FCC turns to its "underbrush" items, cleaning out some of the technical regulations that it feels no longer are needed. Although the NAB has been in the forefront of the fight to eliminate regulation of the industry, it balks at efforts to expand that effort to getting rid of technical rules.

Summers says, "We think there may

The NAB gives no indication that it is going to make a major fight for deregulation this year, preoccupied as it will be with the beer-and-wine issue. But if deregulation does come up, executive vice president John Summers says, "We have no problem with a radio-only bill," meaning legislation to confirm the FCC's court-approved deregulation of radio, but leaving TV regulation as it is for the moment. Also expected is a revival of the effort to apply more stringent equal employment opportunity standards to the broadcast industry, similar to those accepted by the cable industry in exchange for getting a national cable policy it favored.

(EEO) standards to the broadcast industry, similar to those accepted by the cable industry in exchange for getting a national cable policy it favored.

The EEO effort is expected to be waged by Rep. Mickey Leland (D-Tex.), who is expected to amend any broadcast legislation to place the stronger EEO requirements on broadcasters. For its part, the FCC does not expect to take any action in that area itself, unless ordered by Congress.

Other than that, little action is expected in Congress on strictly broadcast matters this year. The NAB is going to attempt to revive the must-carry issue, and even places it second on its priority list behind the beer-and-wine issue, but acknowledges that resolution depends upon agreement by many players who have failed to reach a substantive consensus in the past.

Summers expects the NAB, as part of it defensive posture this year, to be fighting another effort by the National

be too much cutting back, too much deregulation" of technical rules. "If there was any area where we think they went too far, it was in the technical area."

One that broadcasters may or may not like, depending upon their particular desires, will be a proposal by the FCC to explore the possibility of packing UHF channels more closely than the current six-channel spacing.

Fowler sticks to his philosophy about eliminating many of those rules, however, despite NAB opposition. "I'm not sure that's a universal complaint," he says. "I hear that from some broadcasters, but basically from their engineers. I think it's the community of engineers more than anybody else that keeps pushing that. I don't think it's a real issue."

He adds, "I would point out in that respect that we have a large number of rules on the books still that are technical regulations which will be retained. It's

the marketplace

The Marketplace Rates

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not as if we waded into the technical regulation forest with a machete. We've done some selective pruning, however."

McKinney, however, advises, "The engineers at the stations, and the engineers for the broadcast interests will want to pay a lot of attention to what we're doing because in broadly stated terms, what we plan to do is to eliminate those rules on the books that discuss the quality of the radio or television signal and to concentrate on and protect those rules that talk about interference.

"To the extent that we have rules on the book that say AM signals have got to be clean and television signals can't have snow in them and those kinds of things, that doesn't interest us. But to the extent that one channel interferes with another channel, we've got to strengthen those rules."

McKinney, an engineer by training, says one of the major items on the FCC's 1985 technical agenda will be dealing with FM interference with aviation channels. A notice of inquiry is expected from the commission to explore solutions to the problem.

The commission may take action to endorse whatever DBS industry equipment standards are agreed upon. It may even consider setting its own standards if the industry fails to come up with its version.

ITFS application process

On the non-technical side, a new look will be given to the application process for use of instructional fixed service television (ITFS) channels. McKinney says the commission may consider adding to its consideration of who receives a new ITFS channel such questions as whether special credit should be given to local applicants, public education entities versus private entrepreneurs, and "whether you are going to lease more than he's going to lease and should the guy who leases the least have more credit."

Fowler indicates, however, that he has no problem with the current situation, in which public education owners of ITFS channels lease those channels to private entrepreneurs. Leasing, he says, "would provide the consumer with new options to pay television. At the same time (the decision to allow leasing) was an opportunity for the ITFS licensees to earn some revenues which could be put to use for their educational operations. And that policy I think was a good policy."

AM licenses

Other items expected to come up:

- Consideration of who may apply for a new AM license and under what circumstances. Current rules, McKinney says, hold that "you need not apply unless you're serving an area of the country that has no service, it doesn't have a night-time service, or unless you are a minority or a public educator." The FCC will consider opening that door to everyone, allowing anyone to file and then applying the previous tests to the comparative process.
- Possible first-come first-serve rules for new UHF channels. Currently, UHF applicants are discouraged from applying for allocations that have been sitting idle for years because someone else can file a "strike application" to stop them from getting the license, to block an applicant or to put themselves in a position for a buyout. Under the new rules that will be proposed, the first person who files for a new allotment will be considered the sole applicant.
- The commission may take action to endorse whatever DBS industry equipment standards are agreed upon. It may even consider setting its own standards if the industry fails to come up with its own.
- Probably not taken too seriously, since reconsideration items normally are merely perfunctory, are agenda items to reconsider television deregulation and regional ownership items. Some technical changes are expected, however.
- Clear-channel agreements are expected to be worked out with Mexico this year over the operation of radio stations along the U.S.-Mexico border. Diplomatic notes are still going back and forth across the border.

Finally, broadcasters, who get no funds from the federal government, may nonetheless feel the pinch of the current effort to severely restrict the budget for the coming fiscal year. Fowler says, "We've gotten several indications from OMB (Office of Management and the Budget) that they intend to, in various areas, reduce our budget."

That, Fowler says, means cuts in personnel, travel, and automated data processing that is used to handle various applications. Fowler says he hopes, however, that the work of recent years in eliminating the paperwork backlog will not be undercut by the budgetary restrictions. □

Bird *(from page 37)*

last spring and, in conjunction with this, leased three transponders on RCA's Satcom IV and two on Satcom I-R for $29 million. Tillson reports that Netcom transmits about 10 half-hour strips to stations. Although he agrees that syndication is an evolving area, he says that the demand by syndicators is far less than the capacity.

It's Tillson's belief that "there has never been a problem whereby a syndicator couldn't get on the bird he selected." He asserts that if syndication evolves to the point where transponder space is at a premium it will be due primarily to the three big webs. "It has evolved because ABC has decided to go C-Band on Telestar 301 as its primary feed and Telestar 302 as its backup; CBS did the same, via 302 as primary and 301 as back-up, so two of the three networks are looking at the same satellites. Therefore, the bulk of the syndication will follow on either one. But the truth is that by the time the networks have their antennas installed, it won't matter which satellite syndicated programming is on.

"The indies and NBC will be left out in the cold. However, the independent stations have always been very aggressive in installing their own antennas, which are steerable, so they probably have more penetration in some areas than do the other two networks. I imagine that NBC will probably follow the ABC and CBS direction, although any station that doesn't have a steerable antenna will be crazy. There may be 10 or 12 different programs a day on various satellites, so flexibility is important, and the more flexibility they have the more independence they have."

'Instant' webs

At RCA, Rice points out that not only do the independents get syndication on the bird, but network affiliates get some of the product as well. Also, he adds, other "networks,"such as Metromedia's, "which we call 'instant' networks, are growing as well. And, as more antennas are put in, the capability of transmitting live shows increases. GTE's Waylan sees not only syndication as an area which will grow vastly in video but in the area of transportable special-event newsgathering as well.

He notes that GTE is trying to offer a transportable newsgathering specials service on occasionally used transponders on C-band as well as Ku-band. "We wee the news specials area going principally to the Ku-band, and we are trying to stimulate growth in that area."

Another large growth area forecast by most of the sources and one which is ex-

(continued on page 120)

In the Picture

Bruce D. Goerlich

Manager of the Media Information and Research Services Department, and now a vice president at D'Arcy MacManus Masius in St. Louis, examines the new single source viewing/brand purchase test marketing systems and describes some of the projects he has in progress at the agency.

Even in the best of all possible worlds, assuming that the new single-source viewing/brand purchase measurement systems like BehaviorScan, Nielsen's ERIM, and the Arbitron-Burke ScanAmerica system work just the way their designers hope, and manage to integrate all household viewing with brand purchase, "It still wouldn't give us the magic box," says Bruce Goerlich, manager of the Media Information and Research Services Department, and newly elected vice president at D'Arcy MacManus Masius, St. Louis.

But Goerlich does see such systems as offering the potential to build a data base that media planners "could access the way they can now access Simmons. Planners could ask a system like this to do things like letting them look at a list of the primetime programs watched most by users of widgets."

But even then, he adds, "We're still a long way away from this with any of these systems. And I think buyers could use the results only as guidelines." That, he says, is because "I doubt that any network or station would ever be willing to negotiate on the basis of product use instead of demographics. I think both sides are afraid the other side would only try to use the data to their own advantage. The stations would figure that the buyer would go to a competing channel with lower CPMs, even though the other channel's audience may have fewer widget users. And the buyers would assume that only those stations that don't look too good in the demographics would fall back on product use—just as magazine salesmen who don't have the biggest numbers try to get buyers to concentrate on editorial factors, instead. So like my boss (Bill Benz, senior vice president, director of media research) says, this business is still a craft, because it's still pretty far away from being either an art or science."

Goerlich points to some of the imperfections of the single-source systems currently available or in development:

"BehaviorScan has—so far anyway—been limited to cable-only households, though it has proved to be a fairly good test-marketing tool anyway. ERIM is also primarily a test marketing tool rather than a media measurement tool. And it does reach into non-cable homes. But in order to do that, it requires a special external antenna to be installed on its panel households. That could enable competitors to spot the sample homes and target them with all kinds of direct mail or other gimmicks that could tilt the scales and confuse the test results."

As for ScanAmerica, Goerlich observes that this system requires the viewer to punch her age, sex and position in the household into the system before she can change channels. "This could become an irritant," fears Goerlich, "and on the product purchase end, I keep wondering how religiously and accurately shoppers will wave their wand over the UPC squares on every single box and can they bring home from the store.

In his own specialty of information systems management, Goerlich splits the topic into centralized and the decentralized system used by D'Arcy's regional spot buying groups under Sharron Lalik in the agency's various buying centers across the country. He explains that, "While Sharron currently uses the Market Buy Market system for local buying, she's constantly evaluating what other systems can do."

The centralized system is Goerlich's baby, and he says that D'Arcy's new Comet broadcast management system was designed by Benz and by the people at Anheuser Busch, is currently operational for Anheuser-Busch, and is scheduled to go on line for all other D'Arcy clients in second quarter 1985.

Comet, he explains, integrates Nielsen and BAR data "to permit planning, competitive tracking and post-evaluation. We can also look at competitive rating point comparisons on a local market basis. We feel that's more reflective of what's actually happening in the marketplace than dollar expenditure estimates."

Goerlich got into the agency business when he took a year off from college and went to work in the accounting department at Jordan, Case & McGrath in New York. He left to join D'Arcy in St. Louis last April.

Bird *(from page 118)*

pected to turn the business towards the sellers' side is the "private networks." RCA's Rice envisions movie houses being hooked together through high-definition systems, for transmitting movies, similar to the method now employed by several hotel chains such as Holiday Inn.

"The problem at this point regarding private networks is how fast antennas can be put in, so there can a network of earth stations." The longer the satellites are not being used, the more the pressure is for them to be utilized, he points out. Bonneville's Whipple says the company will emphasize private networking, "in addition to having a strong base as a distributor of video services."

Videoconferencing, another form of private networking, gets the majority vote in terms of growth potential in the video end, although one or two of the sources are only lukewarm on its chances. On the more optimistic side, Netcom's Tillson says that videoconferencing has been growing steadily since the early 1980s, somewhere around 20–30 per cent each year, and he sees the growth continuing at the same pace over the next three or four years. "I think you will see a lot of corporations installing their own networks as well. It doesn't take too many hours of ad-hoc teleconferences before a company can pay for their own."

Tillson adds that the customers of the private networks are more sophisticated than before, "which makes it easier for everyone to work together."

GTE's Waylan notes that while the company doesn't offer video conferencing as a service, the transponders are used by outside sources. But GTE plans to put in videoconferencing facilities for its internal use.

On the other side of the coin, TVSC's. Sperry says that while the company did some videoconferencing last year, "it has gone softer than I expected." Also, he points out, AT&T has recently announced it has scrapped its service in six of the 11 cities it had been doing videoconferencing. On the other hand, he sees such things as data streams blossoming and there have been uplinks recently installed in Pittsburgh for Muzak.

International business

Meanwhile, another growing area for the industry is international distribution. Netcom's Tillson says he expects the international marketplace to "explode" this year in terms of cross-Atlantic feeds by satellite. He notes that France and Belgium, among other countries, have made tremendous strides in being wired, "making it easy to work with them." Also, he points out, the company beamed 4,000 hours of coverage of the Democratic and Republican conventions and the Olympics last summer to all the major countries of Europe.

He says this taste of live TV generated additional business from the foreigners, including presidential election coverage and other work on an occasional and irregular basis. Also, the international realities are such at this time that the ordering and utilization of satellites have progressed to the point whereby "it's no longer a large event. Now, all that's necessary is for a foreign broadcaster to just pick up the telephone, and we can have them in the air in a matter of five or six hours."

Netcom's Tillson is so bullish on the foreign market that he is working on establishing a Netcom channel across the Atlantic Ocean. He says the international arena is similar to the domestic of several years ago. "International facilities are much more limited than the capacity demands at this point. So you will see a tight international market for three or four years, then other competitors will be allowed to come on board and you will see an excess of capacity, as there is at present domestically."

TVSC's Sperry adds that, to meet the potentially high demand in the international scene, the company is setting up a complete standards conversion plant for the world market. "We are a little different in this regard from Wold and Bonneville. They have to go to other vendors, but we have all the hardware facilities under one roof—both for tape and satellite. We are enlarging the facility in Pittsburgh because I'm very optimistic about the international arena."

Network pre-release

He notes that the SYNSAT division is doing a landmark business in pre-releasing all the major network shows from U.S. producers to some 30 Canadian television stations. The shows include network series from Paramount, Viacom and other producers. An example is *The Bill Cosby Show*, which is sent to Canada 24 hours before it is aired on NBC. "We are now doing more trans-border feeds than ever, especially since both the Canadian and U.S. governments have begun easing some industry regulations.

RCA's Rice notes that one of the company's new applications to the FCC is designed to put up Satcom VI, which will be fed to Europe. At this point, he says, all that's available for TV customers is Intelsat. From a TV viewpoint, the Intelsat channels are very expensive and you have to go into some big gateway earth stations overseas. It costs the same amount of money on Intelsat going from New York to London as it does from New York to Los Angeles."

When it comes to prices, it's apparent that they reflect the supply-and-demand situation in the industry. Rates by the resellers have generally stabilized or softened, depending on frequency, time, volume, number of stations to be fed, etc. Netcom's Tillson says that he has recently reduced the price of satellite time, in keeping with the market's demand, to the point where he believes it now is the lowest fee in the industry.

Customers using time on Wold's transponders are paying about $450 per half hour, according to Worth. But Tillson says that his rate is somewhat lower than that at present. Worth notes that a half-hour strip may be sold on a per-station basis as well, in which case the charge ranges from $10–15 per day per station.

At TVSC, Sperry says that the rate being charged by Worth on a per-day, per-station basis is similar to TVSC's, which is about what the market bears at this point. But it depends on how many stations are accepting the program on tape, how many feeds are required and other variables. In some cases, he points out, shows may get as little as one feed.

As far as prices for time are concerned, they are also quite similar in the industry. Generally, primetime can be bought, depending on the total number of hours bought per week or month, from a low end of $450 to $600 per hour. On the other hand, Sperry continues, a client going on the Galaxy I bird, the cable-used satellite, will have to pay about $300 more.

The price to the services of a transponder has plummeted, also in keeping with the marketplace, notes Sperry. He says that leasing a transponder on RCA costs less than $6,400 per month, compared to several years ago, when the price was between $20,000 and $25,000.

Yet despite the softening of prices in some situations by the services, industry estimates are predicting an average growth rate of about 19 per cent in revenues over the next 10 years, to about $5.5 billion.

In addition, projections are that the number of satellites will triple during the same period.

Interestingly, while the services are heavy competitors, they frequently give business to each other. TVSC's Sperry notes that "we all buy from each other. I have Tillson (of Netcom) buying transponder time from me and vice-versa.

"And both Wold and Bonneville are clients. If I don't have space segments available, I may buy it from one of the other players, or I may buy transportable time which they control." □

Inside the FCC

The following is excerpted from a speech given by FCC Commissioner Henry M. Rivera before the recent Conference on Television and Ethics sponsored in Boston by the National Academy of Television Arts and Sciences and Emerson College.

Historic relationship between broadcasters and FCC has been comfortable

Henry M. Rivera

The historic relationship of the FCC and broadcast industry resembles that of two long time, sometime contentious, mates. The thrill is gone, but at least we both know what to expect. Some people have gone further and said that the commission has been a captive of the broadcast industry. Whether or not that is true, the relationship between the FCC and broadcasters has been quite comfortable. Broadcasters have generally regarded the commission as a benevolent dictator and the regulations the FCC promulgated over the years usually seemed to fit quite nicely, thank you—something like an old shoe.

If one looks at the history of regulation in this country, one will find that the system of regulation emanating from the Communications Act of 1934, and the Act itself, are products of the time in which they were enacted. The frame of reference for political decisionmaking at that time was the great depression. Government was supposed to make certain that another depression never recurred. The New Deal's approach to regulation was one that sought to ensure the continued existence of regulated businesses because viable businesses provided jobs.

Given this framework it is easy to see why, under the old approach (which was designed to assure the continued viability of the industry) broadcasters had such a high profile and influence over the actions of the commission. And that is why the traditional relationship between the FCC and the industry, though supposedly that of regulator and regulatee, was more akin to self regulation by broadcasters. In other words, the FCC could only regulate an area of conduct if the industry didn't strongly object. (Generalizations like this are dangerous. But for the sake of brevity I make them here. I realize there may be some exceptions to the general rule).

Ethical problems of today require different thesis

Whatever the historic relationship has been, the ethical problems faced by today's broadcast industry require a new thesis. My thesis is that we all ought to share the responsibility for determining the ethics of the broadcast industry: Industry ought to have primary responsibility; government ought to have an oversight responsibility, at least at the present time; but the ultimate responsibility ought to lie with the general public.

A perfect paradigm for the theme of this conference, and to illustrate my thesis, is children's television. I have long had a fire in my belly about this issue. As a result, some have referred to me as the conscience of the television industry. Others have been less polite.

For those of you who have not followed this issue closely, let me quickly review it for you. Broadcasters sell audiences to advertisers. Advertisers sell products to consumers. Children are poor consumers because they do not buy many types of products. Children don't buy beer, deodorant, pantyhose or used cars. Therefore, children are an audience that a broadcaster has a great deal more trouble selling than most. So, if a broadcaster can program for an audience other than kids, he'll do that because its easier to sell advertisers almost any other audience.

Condition of children's television is sadly deficient

I think most objective observers will agree that the present state of children's television is sadly deficient. The unregulated free marketplace approach produces little more than Saturday morning cartoons for our young, despite the fact that the average child spends almost as much time watching television as he does in school. It is an unfortunate commentary on the ethics of this important industry in the greatest country in the world that so little is done to nurture this precious natural resource.

I believe that industry should have corrected the children's television problem on its own. And it is a problem. Some industry spokesmen have made feeble attempts to defend the current state of affairs. But no one has argued, nor indeed could they argue, that our country has a first rate children's television system. Apart from any *legal* duty broadcasters have breached in this regard, I'm prepared to indict the industry for having breached its social compact with the children in its audience to enrich, to entertain and to educate.

Commission shares blame for this serious shortcoming

But can this national failure be laid entirely at the doorstep of industry? I think not. The FCC knew that industry faced a fundmental conflict of interest on this issue. The record was enormous. The conflict was enormous. The conflict was between doing what was ethically preferable and doing what was financially preferable. And broadcasters being businesses, and businesses being, after all, profit-driven entities, found the financially preferable course of conduct largely irresistable. The FCC, then, also shares the blame because it did nothing to rectify this serious industry shortcoming. This is a marketplace failure that government is required to deal with under its congressional mandate to guard the public interest until the structure of the television market changes.

But who let the FCC get away with it? Is it entirely the commission's fault? Again, I think not. The ultimate responsibility lies with the public. Does this country care about its youth or doesn't it? If it does, then it must take the necessary steps to ensure that it elects government officials like Congressman Tim Wirth of Colorado and Senator Frank Lautenberg of New Jersey, who will force government agencies to guard the public interest in this regard. Have we become so cynical as a society that we will allow the laws of economics to govern in every instance?

FCC united on the need to enhance competition

Perhaps government is fundamentally incapable of resolving ethical issues like children's television. If so, maybe government should get out of the business of regulating a broadcaster's conduct altogether. Well, that's a subject the commission itself has been seriously mulling over since the late 1970s. But the commission cannot do that, as a matter of sound public policy, unless it is sure the public interest will be adequately protected. So when the deregulatory fever began in the late 1970s, the FCC decided to attack the basis on which the government has built its rationale for regulating the broadcast industry. That premise is that television is an industry marked by technical scarcity. Attacking this premise requires the commission to do everything possible to diversify the structure of the television industry. Primarily, this involves authorizing new television services while retaining effective restraints on multiple ownership to facilitate the entry of new players into the market. This approach enhances competition and diversity, which are essential to the First Amendment goals at the heart of most of FCC nontechnical regulations. While the present commission majority does not seem to adhere to the notion of spectrum scarcity, and does not believe elimination of scarcity is a precondition to full deregulation, fortunately, the commission is united that there is a need to enhance competition in broadcasting.

Rules that advance media diversity should be retained

I cannot overemphasize the importance of retaining rules that advance media diversity. The greater the diversity in television, the greater the case for the FCC to withdraw as the industry's ombudsman. If consumers have many alternatives, they are less likely to turn to the government to solve complaints about the shortcomings of a particular licensee. Similarly, if women and minorities have greater ownership of the media, the steady drumbeat of criticism from these underrepresented groups for increased media accountability is bound to diminish.

The sooner existing barriers to entry to the television marketplace are removed and diversity is achieved, the sooner the FCC can make a convincing case for true deregulation of television. As the number of services and service providers increases, many of the ethical issues that have traditionally concerned the FCC can be responsibly left to resolution by the marketplace.

In conclusion, reduction of the FCC's role in the regulation of television seems inevitable—subject, of course, to an occasional outcry from Congress. In the new environment, the role of industry and the role of the general public will increase. Industry will have to shoulder an increased burden of policing itself, and the general public will have to speak out more vigorously.

610 Goes The Distance

Listeners in the San Francisco Bay Area usually dance to the beat of station KFRC's programming. But each year, thousands of them walk to it, as well.

In 1976, KFRC began serving as the exclusive radio sponsor of WalkAmerica to benefit the March of Dimes. This sponsorship continues today with the active participation of the entire KFRC-AM staff, a five week public service campaign to promote the event. Last year there were 27 walk locations with nearly 20,000 fans joining in the walkathon.

The station salutes their efforts by sponsoring a free concert following each march. Huey Lewis, Andy Gibb, Robin Williams and the Doobie Brothers are only a few of the stars who have donated their talent to the event.

After eight years, KFRC-AM still remains out front, leading in the March of Dimes' race to find a cure for birth defects.

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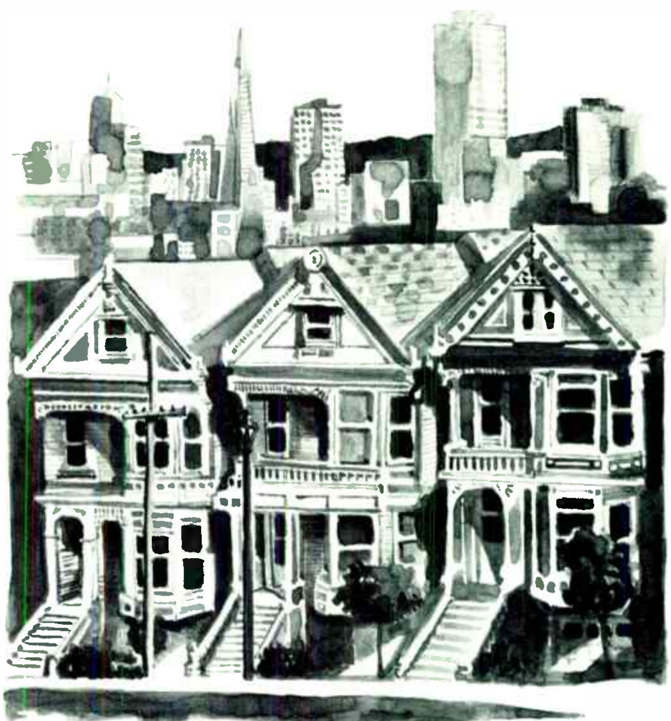

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