BASEBALL PREVIEW
Rights fees in '85 to remain at $275 million/31

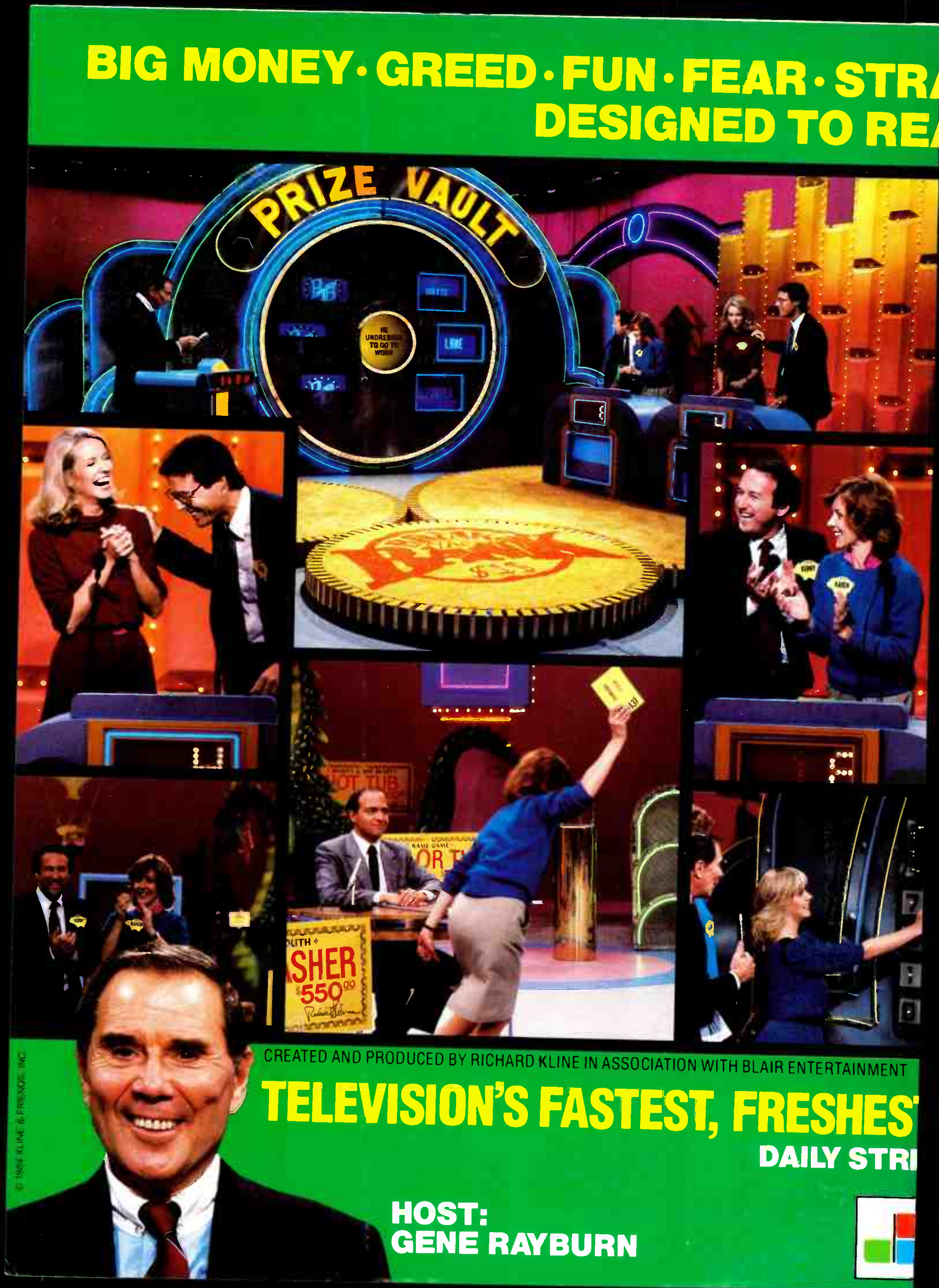
LOCAL TV BUSINESS
Media buyers stress quality of sales force/37

MICRO EXPLOSION
Computers are basic at most TV stations/40

BLACK BROADCAST
Growing ad interest; station competition/B-1

Television/Radio Age

Incorporating CableAge
February 18, 1985 $5.00


BIG MONEY · GREED · FUN · FEAR · STR
DESIGNED TO RE
PRIZE VAULT
CREATED AND PRODUCED BY RICHARD KLINE IN ASSOCIATION WITH BLAIR ENTERTAINMENT
TELEVISION'S FASTEST, FRESHES
DAILY STR
HOST:
GENE RAYBURN
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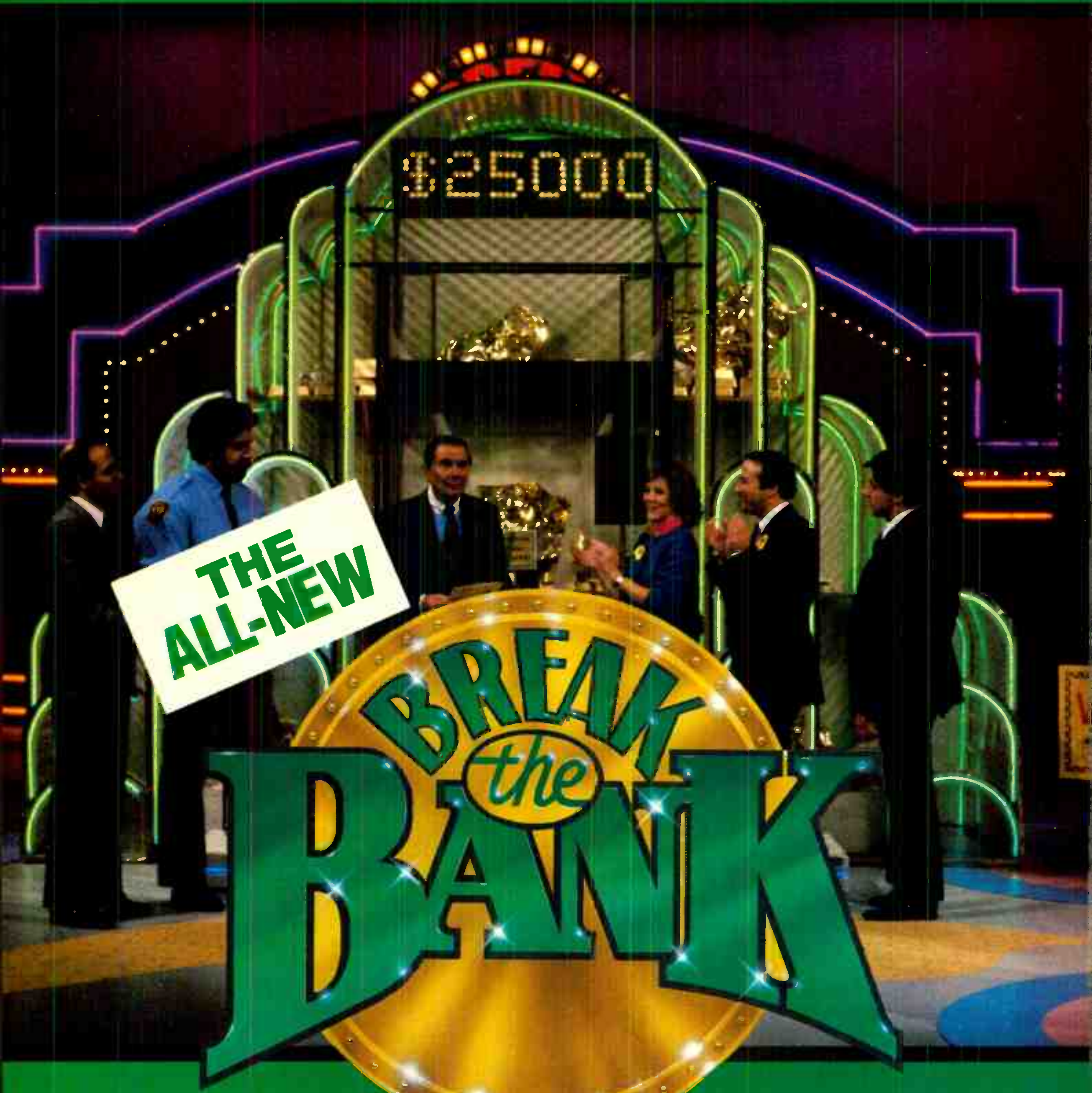
CH YOUNG DEMOS



ND MOST ADVENTUROUS GAME SHOW!

OR SEPTEMBER '85

FIRM GO!

BLAIR ENTERTAINMENT

1290 Avenue of the Americas • New York, NY 10104 • (212) 603-5990

Volume XXXII, No. 16
February 18, 1985

Television/RadioAge

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If you can't beat 'em

The #1 rated action series in all of television.
The #1 action series among 18-49 women.
The #1 summer rerun performer in all of television.

You better buy 'em!

Simon & Simon

MCA TV

Source: NTI Season averages through week ending 1/20/85. NTI Season averages through 2nd Dec. 1984 report.
NTI June, July and Aug. 1984. Subject to qualifications available on request.

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He's an American cop. She's a British cop.
They've just been handed
their toughest assignment,
...they must work together.

Tribune Entertainment Company Presents

DEMPSEY & MAKEPEACE

A new action-adventure series.

They're the most explosive cross in personalities Scotland Yard has seen since Jekyll and Hyde. They're "Dempsey & Makepeace," an exciting new 1-hour weekly series from Tribune Entertainment Company.

"Dempsey & Makepeace" is targeted to reach Men and Women 18-49 with a proven prime time format and proven talent. It features popular actor Michael Brandon (who's played opposite Jacqueline Bisset, Shirley MacLaine and Valerie Bertinelli) and one of Britain's hottest new stars, Glynis Barber. Now being shot on location in London "Dempsey & Makepeace" (with a special 2-hour premiere) is available on a cash basis for airing in the Fall 1985.

So call now to see if "Dempsey & Makepeace" is available in your market. It's an action-packed series that's sure to move fast.

In New York call (212) 557-7800, in Chicago call (312) 222-4474, in Atlanta call (404) 980-9760, in Los Angeles call (213) 277-3618.

TRIBUNE ENTERTAINMENT Company
A subsidiary of Tribune Broadcasting Company

Publisher's Letter

Increase in local television and radio baseball rights is significant

Readers will note a "new dress" in this issue. The redesign will incorporate more graphics, and wider use of color. The body copy is century, a very readable type. The heads are franklin gothic, a bolder type than we have been using before. The overall objective of the redesign is to make the publication easier to read.

What is significant about the new baseball rights fees for 1985 is the increase in the local television and radio rights (see page 31). TV/RADIO AGE estimates that these rights will increase sharply from last year's $74.9 million to $88.9 million, an increase of almost 19 per cent. Of all the professional sports, baseball provides the largest number of programming hours. Each of the 26 clubs is on the air almost 500 hours on either television, cable or radio from April-September, with the playoffs and World Series providing another two weeks of programming the first part of October.

The outgoing commissioner, Bowie Kuhn, left a neat network television package for his successor, the ubiquitous Peter Ueberroth. The networks, ABC and NBC, will pay major league baseball $1.1 billion over a six-year period which began last season. On a pool basis, this will mean about $7 million a year at each club. The local rights for radio, television and cable average approximately $3 million for each ball club. Therefore, the total income in 1985 should average out to about $10 million per club.

Satellite capability. One of the interesting aspects of the new contract is the ability of a club to pick up a satellite feed of a game in another city in the event of a postponement or a game not scheduled locally. For example, if a Boston Red Sox game should be called on account of weather, the station could (for an agreed-upon fee) pick up the California Angels. Last year there were 37 postponements in the American League and 35 in the National League. Ueberroth is a product of the television age. He comes off a highly successful stint as president of the Los Angeles Olympic Organizing Committee and has been widely publicized as *Time's* "Man of the Year." It stands to reason that there will be closer cooperation between the television medium and the commissioner's office. He has already engineered an arrangement with three of the five clubs which are carried via superstations.

With some exceptions, baseball has lagged on marketing and merchandising its own product, but it has learned a great deal from the National Football League. Although the baseball owners continue to be adamant about pooling their local rights, it would certainly strengthen all of baseball. The owners from the larger markets, specifically, resist this suggestion, which was made originally some 40 years ago by a young baseball executive named Gabe Paul, who was then running the Cincinnati Reds. It was not until John Fetzer came along some 20 years ago and showed baseball how to package its wares via the *Game of the Week*, the All-Star Game, and the World Series, with a $50 million rights contract.

Meanwhile, the baseball owners are ambivalent about cable, looking to increase their own take, while seeking to maintain or keep increasing their revenues from broadcast. On the regional cable level, the new services have found the going tough, and most of these networks stumbled in their first year. One major network, SportsVue, has already closed up shop quite suddenly. In any case, major league baseball this year promises to be one of the more interesting seasons in several years.

IF YOUR 3 GREATEST WISHES FOR SITCOMS ARE:

☆ ***major stars***

☆ ***over 90 half-hour episodes***

☆ ***no out-of-pocket cost...***

Letters

Sensitively interpreted

I was very pleased with the sensitive story in *Sidelights* you wrote about George Koehler and me ("Changing of the guard," January 21). You certainly captured my feelings.

LEWIS KLEIN
Executive vice president,
Gateway Communications, Inc.,
Cherry Hill, N.J.

Retail advertising

What a splendid article and a nice surprise your *Retail Report* column of January 21 ("A winning combination") was. You made me and Muse's look very good.

DON BARLOW
Advertising director,
Muse's
Atlanta

NATPE coverage

Thanks for your complete and always thorough coverage of NATPE as an organization.

I always enjoy reading your *Road to NATPE* series, which has become the most in-depth preview of the NATPE market.

JOHN VON SOOSTEN
President,
NATPE International,
New York

Wow! Three hundred eighty pages of *CableAge* and NATPE issue—weight about five pounds, information about everything in syndication!

What a job you did, and over the busy holiday season, too.

Congratulations!

DONALD D. DAVIS
Tucson, Ariz.

Cable ad sales

It was great to see your recent *CableAge* article on cable advertising sales, (*System ad sales to gain faster than networks' in '85, January 7*), but your story totally overlooked a leader in the ad sales arena: Warner Amex.

Warner Amex Advertising Sales has been in business for over three years. During that time we have consistently exceeded our annual projections and generated steady profit. For example, our 1984 revenues totaled almost $7 million.

This reflected advertisers' confidence in our ability to effectively deliver their messages to over 900,000 households.

That kind of success, and the ad sales professionals who made it happen, deserves recognition.

Warner Amex has been a pioneer in the emerging business of cable advertising, leading the way in the areas of commercial insertion, computerized trafficking, billing and affidaviting; AE support and training; quality local market research; and system interconnects. Other MSOs recognize our expertise and have elected to follow our lead with interconnects in markets like Dallas, Houston and Columbus.

Articles like yours help the whole industry, but a status report on cable advertising sales which fails to include Warner Amex isn't telling the whole story.

MICHAEL D. MAHAFFEY
Vice president,
Warner Amex Advertising Sales,
Columbus, Ohio

Ad production costs

Your article on production (*Ad production activity brisk; lots of special effects*, December 24) is generally correct.

The one thing that cannot be overemphasized is client concern about the cost of production, which is still rising at an incredible rate. Some of this increased cost can be justified in terms of increased competition, special effects and a seller's market for top directors.

But it seems to me that the biggest reason for increased cost is the use of production to make up for a paucity in good and clever ideas.

JEAN-CLAUDE KAUFMANN
Senior vice president,
head of television production,
Dancer Fitzgerald Sample, Inc.,
New York

Hispanic issue

I found your *Hispanic Market* section (December 10, 1984) very well done—an excellent overview of what's taking place in the marketplace.

Thank you for using my comments; I'm always proud to be quoted in your publication.

HERBERT M. LEVIN
President,
WSUA,
Miami Beach

Consider them granted!...

...when you join the DFS Program Exchange.

"The Partridge Family"
(96 half hours)

Here's what you'll get: Three exciting programs, each with over 90 half-hour color episodes, major TV stars, proven track records, advertiser support and daypart flexibility.

"Bewitched"
(172 half hours)

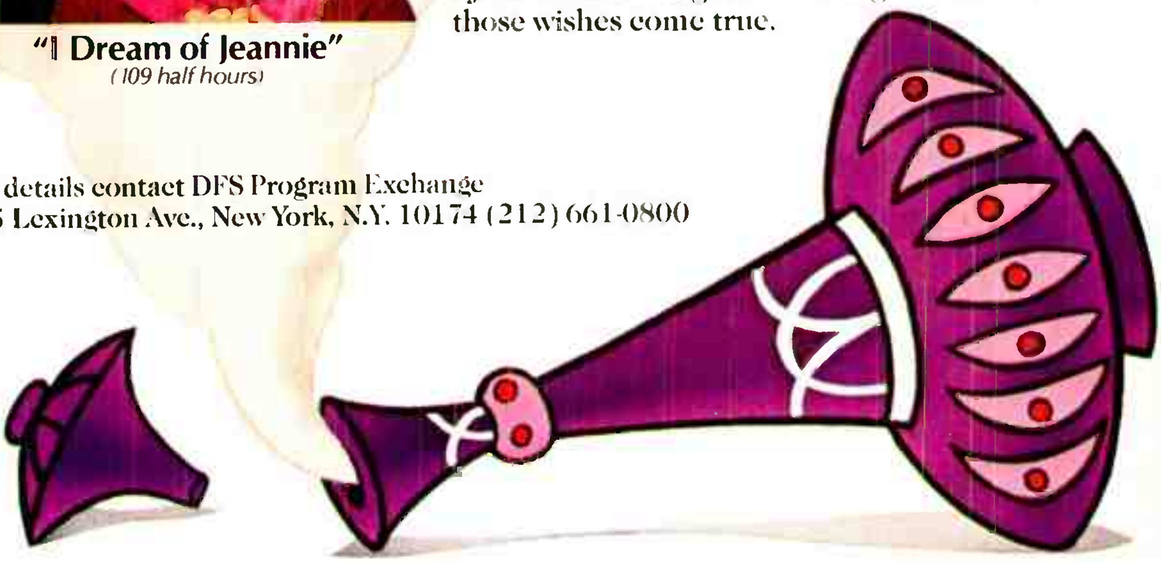
"I Dream of Jeannie"
(109 half hours)

The DFS Program Exchange is offering these popular TV stars featured in three family favorites...enchanting Elizabeth Montgomery in *Bewitched*, and *I Dream of Jeannie* with the magical and funny Larry Hagman and Barbara Eden. But that's not all. You also get everyone's favorite singing siblings, *The Partridge Family*, starring Shirley Jones and David Cassidy.

So don't just wish for great TV programming ...join the DFS Program Exchange and make those wishes come true.

dfs PROGRAM EXCHANGE

For details contact DFS Program Exchange
405 Lexington Ave., New York, N.Y. 10174 (212) 661-0800



KNOTS LANDING

It's Sizzling • It's Explosive • It's Provocative

It's Sold!

CHICAGO
JACKSONVILLE
MEMPHIS
CEDAR RAPIDS
SAVANNAH
TALLAHASSEE
SPRINGFIELD-DECATUR
CHARLESTON-HUNTINGTON
HARTFORD

DALLAS
GREENVILLE-ASHEVILLE-SPARTANBURG
NORFOLK
W. PALM BEACH
COLUMBUS, GA.
LEXINGTON
DES MOINES
MOBILE
TAMPA

130 HOURS–FALL '85

LORIMAR®

Sidelights

Teaching tool

Every Sunday from February through May, WDCA-TV Washington, will be showing a series of programs it says is aimed at allowing students "to participate in creating and producing television" as part of an effort to teach "critical television viewing skills to children." Using its own studio, writers and on-camera personnel, WDCA-TV illustrates in the programs how television operates, how programs are put together, how some of the special effects on television work and how commercials make it all possible.

WDCA-TV's new Sunday project is aimed at allowing students "to participate in creating and producing. . ."

From student to movie ape

Fourteen area schools are participating in a pilot project, using study guides produced by the station. The guides also are being made available to other school systems and public libraries in the capital area. In conjunction with the series, which will run on Sunday evenings, Monday afternoons and Wednesday mornings, a commercial-writing contest will be operated in the pilot schools.

The WDCA-TV venture began as a project of *W.A.T.C.H.*, a local citizen's group involved in teaching children to be critical about the television they watch. John Rose, vice president and general manager at WDCA-TV, says he reviewed a W.A.T.C.H. program that his children had seen in school, and noticed the impact it had on them.

Black believability

Black ad agency executives cite believability and pride as among the more effective ingredients in helping get clients' sales messages across to black listeners and viewers.

Thomas Burrell, president of Burrell Advertising in Chicago, recalls that before television, "Most black roles in the movies were essentially clown roles, inserted for comic relief. Blacks weren't people with families and ambitions you saw them working hard to realize, or people who fell in love like Hollywood's white stars. And except for a relatively few star athletes, neither do blacks see themselves very often in the other mass media in the positive way they need, in order to feel like they belong to the rest of our society."

'Positive realism.' Advertising can help make up for this void, says Burrell, "by what I call positive realism. Sure, poverty is part of realism for many blacks. But they've seen enough of that. So I see part of our job as being able to look at black life styles and pull out those elements that can tap an emotional chord that can make blacks feel good about themselves in a positive, but realistic and believable way. This is one kind of envelope we use to wrap the product in for delivery to the consumer."

As an example, Burrell describes his "Concert" commercial for Crest toothpaste. It's based on the close family relationship between a man and his son. It opens on a little boy on the phone to his father at the office, pleading with him to come to his school concert and not miss his solo. At that point, says Burrell, "We see how much work his father has piled up, but he'll break his neck to try to make it anyway, because he *is* a father, so he'll go to any length not to disappoint his son and make sure the kid takes good care of his teeth, and studies hard and all the rest of it. So he struggles to hurry to the school and makes it, just in time to see his son's solo—one big clang on the cymbals."

Thus, explains Burrell, "We have realism, and we have emotion—the father's tremendous effort and pride for his son. Not all of our advertising is this realistic. Sometimes we deal in fantasy. But there's emotion in those messages, too. It doesn't always have to be pride. It can be fear, or snobbery, or some other emotion. But there has to be some emotion to make the advertising stick in the consumer's head and heart."

Ron Harris, senior vice president and director of client services at Lockhart & Pettus, New York, is also convinced of the value of realism. Creatively, he explains, "We've found that a key element in approaching the black consumer is

Burrell Advertising's Thomas Burrell believes his "Concert" ad for Crest has "realism" and "emotion."

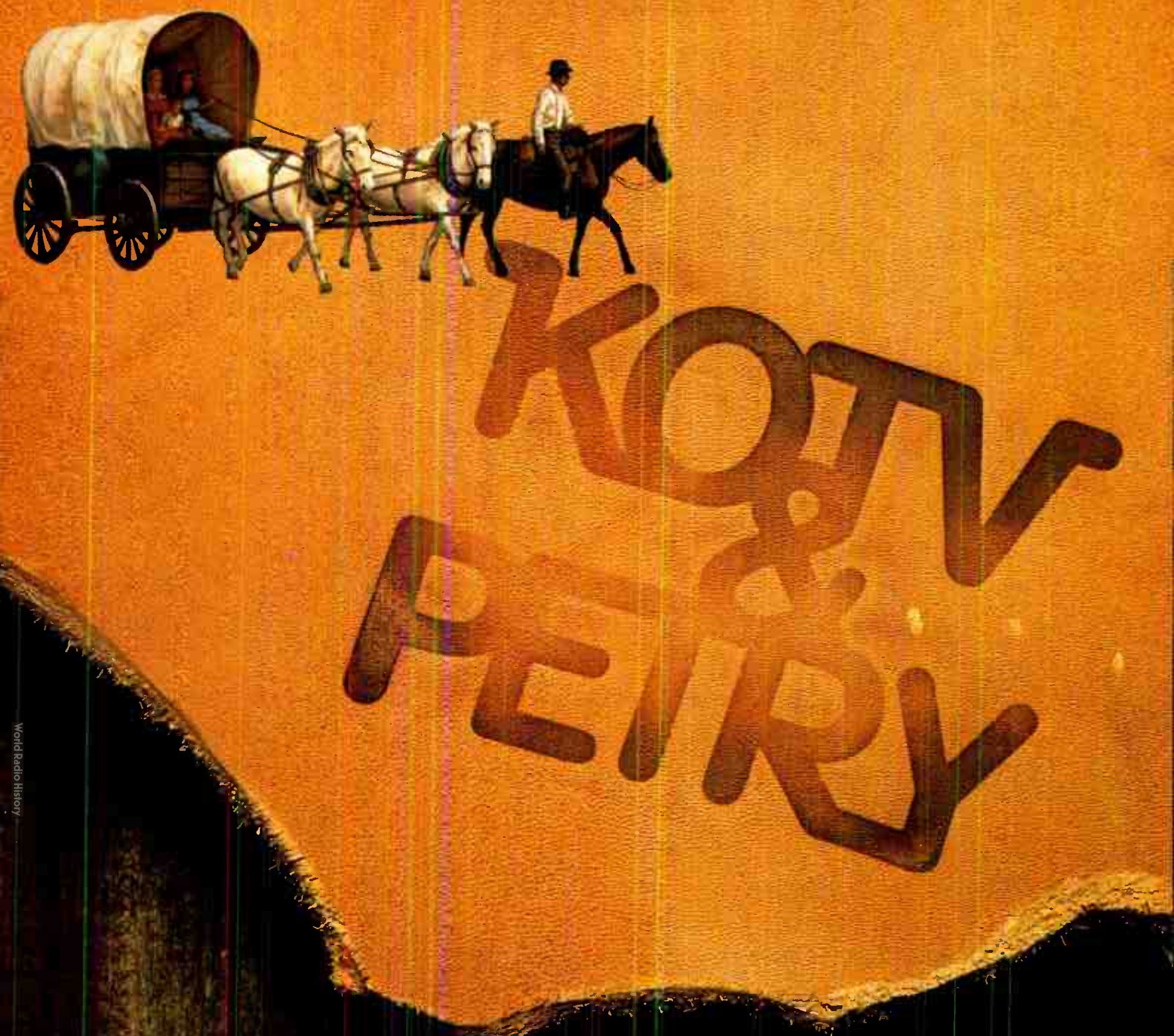
Crest commercial

Burrell

believability. Both our research and our clients' success support this conclusion."

This, he continues, "is one reason that Dark & Lovely's Cream Relaxer is now Number 1, having passed both Johnson Products and Revlon in the black market." Their advertising, he notes, "features glamorous models who were lucky enough to be born beautiful. But most consumers aren't that lucky. So our advertising concentrates on average looking women who become much more attractive with the help of Dark & Lovely. We also use an authoritative spokesman. He's authoritative because he's an actual hair care professional who knows what he's talking about when he approaches hair care from a therapeutic point of view in explaining the benefit of the product's impact on the skin of the scalp."

All this, explains Harris, is because black consumers "want useful, factual product information delivered in a serious way. Our advice is to stay away from depicting blacks only as tap dancers, be serious, and appeal to consumers' intelligence instead of insulting it." Adelante's Krieger also believes in building pride. The agency won a CEBA (Communications Excellence to Black Audiences) award for its *Black Presence*



A SIZZLING COMBINATION

Tulsa's Number One Station in Early Fringe and Prime Access, KOTV 6, a CBS Affiliate, is now represented by Petry Television, along with WFAA, Dallas and WVEC, Norfolk, all Belo Corporation Stations.

PETRY

Petry Inc., the Original Station Representative

Source: ARB Nov 84

Sidelights

Continued

posters and booklet for Pepsi, which it promoted on black radio stations. The series features black pioneers in education, invention the military and sports, such as Jackie Robinson, Harriet Tubman and Air Force ace Daniel (Chappie) James, leader of the Tuskegee Airman of World War II.

Also building on pride is Miller Lite Beer, via Mingo-Jones Advertising and its radio salute to Black History Month this month. Mingo-Jones creative director Caroline R. Jones says the centerpiece of this tribute to the heritage and traditions of Black America is a vocal arrangement of *Lift Every Voice and Sing*, "often referred to as the 'Black National Anthem'."

The commercials, featuring such major artists as Ossie Davis, Ruby Dee, Roberta Flack, Melba Moore, Patti Austin, Al Green and Deniece Williams, are backed by a poster being used as a direct mail piece for distribution to consumers by black businesses.

Mingo-Jones' Miller Lite commercials feature 'Lift Every Voice and Sing,' also known as the 'Black National Anthem."

L. to r.: Roberta Flack, Deniece Williams, Lite's Ralph Kytan, producer Deborah McDuffie, M-J's Martin Fortes, Patti Austin, arranger Leon Pendarvis and Melba Moore.

MBS' MultiComm

When the FCC decided in 1983 to deregulate the use of FM subcarriers, Mutual Broadcasting System (MBS) saw an opportunity to expand the use of the satellite system it already had in place to serve its 850 Mutual Radio Network affiliates and other radio clients. Fortunately for Mutual, it did not lease FM subcarriers at that time.

Jim Kozlowski, vice president for telecommunications marketing for Mutual, says that right after deregulation, most stations "thought their subcarriers were worth 10 times what they were worth."

The bottom soon fell out of that market, he points out, and "we come to them now on a solid business basis and provide revenues for them," indicating that Mutual is leasing the subcarriers inexpensively, although Kozlowski would not reveal the average price that is negotiated by the network.

Now MBS has created the new Satellite Services division to deliver MultiComm, which will be in the business of transmitting data or sound to any place in the country for businesses now confined to telephone lines and mail. The service combines the use of spare space on Mutual's transponders to send out a coded signal, and the leased subcarrier space to retransmit it locally to the receiving client through a desktop decoder/receiver. (Another part of the division is MutuaLink, already serving the two major wire services and others.)

DALLAS POWER FOR AFFILIATES!

MARKET	STATION	MON—FRI	RTG	SH	RANK IN TIME PERIOD			
					RTG	SH	WOMEN 18-49	WOMEN 25-54
Dallas**	WFAA/A	3:00–4:00pm	11	35	1	1	1	1
Phoenix**	KPNX/A	3:00–4:00pm	6	26	1	1	1	2
Nashville**	WKRN/A	4:00–5:00pm	8	21	2	2	2	2
Memphis**	WHBQ/A	3:30–4:30pm	9	24	1	1	1	1
Albany*	WTEN/A	4:00–5:00pm	8	25	2	2	1	1
Tulsa**	KOTV/C	3:00–4:00pm	9	36	1	1	1	1
Richmond*	WXEX/A	4:00–5:00pm	8	29	1	1	1	1
Flint*	WJRT/A	4:00–5:00pm	8	26	1	1	1	1
Wichita-Hutchinson**	KAKE/A	3:30–4:30pm	6	25	1	1	1	1
Knoxville**	WTVK/N	5:00–6:00pm	7	17	2	2	2	2
Paducah**	WPSD/N	3:30–4:30pm	7	24	2	2	1	1

First DALLAS... Now KNOTS LANDING!

LORIMAR®

Source: *NSI Nov '84
**ARB Nov '84

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS 1985*

Mar. 14–17	NATPE International Production Conference, New Orleans Hilton March 4, 1985 Issue
Mar. 26–27	Cabletelevision Advertising Bureau's Annual Advertising Conference, Sheraton Center, New York March 18, 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 8–15	The Golden Rose of Montreux International Program Contest, Montreux 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.

DALLAS POWER FOR INDEPENDENTS!

MARKET	STATION	MON—FRI	RTG	SH	W18-49 (000) % INCREASE 11/84 VS. 11/83
New York*	WOR	7:00–8:00pm	5	8	+34
Los Angeles*	KHJ	7:00–8:00pm	6	9	+63
San Francisco**	KTZO	7:00–8:00pm	3	5	+44
Detroit*	WXON	7:00–8:00pm	4	7	+37
Cleveland*	WCLQ	7:00–8:00pm	3	5	+85
Houston**	KTXH	7:00–8:00pm	8	12	+229
Miami*	WDZL	7:00–8:00pm	3	5	+175
Tampa**	WTOG	12:00–1:00pm	4	14	+100
Sacramento**	KRBK	7:00–8:00pm	6	9	+62
San Diego*	XETV	7:00–8:00pm	6	11	+75
Orlando*	WOFL	8:00–9:00pm	4	6	+150
Oklahoma City*	KAUT	6:00–7:00pm	7	12	+250
Birmingham**	WTTO	7:00–8:00pm	7	10	+90
Salt Lake City**	KSTU	10:00–11:00pm	2	5	+14
Grand Rapids**	WXMI	7:00–8:00pm	4	8	+15
Louisville*	WDRB	7:00–8:00pm	7	12	+83

First DALLAS... Now KNOTS LANDING!

LORIMAR®

Source: *NSI Nov '84
**ARB Nov '84

Tele-scope

Union talks on three fronts presage 'turmoil' in '85

A spate of negotiations with entertainment unions now going on or scheduled during the first half of this year has already generated signs of future labor trouble.

One highly-placed union source predicts "considerable labor turmoil" in 1985. Talks now going on between SAG/AFTRA and the Joint Policy Committee of the ANA—together with the 4As—over terms of a new commercials contract are expected to run into negotiating roadblocks. Issues include commercials made for cable, broadcast commercials used on cable and 15-second blurbs. Both unions have voted on the issue of a strike authorization (as a protective device), with results to be announced next Monday (February 25).

Other sticking points are advertiser/agency demands for "rollbacks," in addition to the concept of a "discount" in the session rate for split 30s. The rollbacks, according to one source, would cut network and "wild spot" rates 10 per cent. The unions are asking for a 15 per cent hike in session rates, a 10 per cent increase in the network use rate, a 30 per cent increase in the wild spot rate and a 20 per cent rise in the cable commercial rate. The latter is tied to a restructuring of the cable agreement for which the unions are reportedly pressing. Talks began in New York January 7 and the contracts, which expired February 6, have been extended.

Negotiations are also going on with the Writers Guild, whose contract runs out February 28. Payments to writers for sales of videocassettes have been described as a major obstacle to a settlement.

Coming up in April will be the start of negotiations with IATSE, whose contract ends July 31. A IATSE leader predicted a "tough negotiation." One observer noted that while a writers' strike or a walkout by commercials actors could be very damaging, a strike by IATSE members, who represent the majority of Hollywood's labor force behind the camera, could bring the industry to a halt.

NBC hits barter CPM claim

NBC-TV is making the agency rounds with its anti-barter syndication presentation, but has not made such a presentation to affiliates yet, according to Bill Rubens, NBC research vice president.

According to the network's findings, barter revenue accounted for about $300 million last season, excluding sales derived from kid syndicated programming, or about "only" 5 per cent of the total broadcasting pie.

In its presentation to ad agencies, which Rubens maintains has gotten "very positive reaction," the network makes the following points: (1) there is virtually no barter in primetime (thus the presentation itself concentrated on early fringe on stations); (2) there is more variability in ratings of barter programs on a market-by-market basis than of network fare; (3) CPMs on the networks are comparable to barter's when taking into consideration the different dayparts involved—early fringe for barter and primetime on the network and considering that the network has better efficiencies outside primetime than it does in primetime; (4) there is more commercial time in barter in early fringe than allowed by the networks in their primetime programs, (5) with only a few exceptions, distributors have only one or two barter programs, making it difficult for them to offer make-goods when they don't achieve their audience objectives. At this point, Rubens says, affiliates have not been given a barter syndication presentation, "although it has had opportunities to do so."

'World War III.' To one major distributor, Telepictures, the issue of barter and the affiliates is not readily dismissed. Dick Robertson, executive vice president, Telepictures Corp., in fact is predicting that "World War III" is about to break out between the networks and stations over barter programming. "In my opinion, we are sitting on an issue—the issue of barter and network television—and the lid is about to blow off this industry.

"It's going to be World War III. Now the majority of money coming into barter is late-night, daytime and Saturday morning. Basically, what (the networks) want to do is stop it before it gets any bigger. They're bringing out their howitzers. They're going to go to their affiliates and say, 'You're going to kill yourself by clearing their barter shows.' The affiliates will say, 'We are not.'

'All of us are looking at how the networks will conduct themselves in this."

Mag revenues up 16.5%

For the second consecutive year, and for the 24th straight month magazine advertising revenues and pages increased, according to Publishers Information Bureau president William F. Gorog. Revenues for 1984 climbed to $4,667,984,386, up 16.5 per cent from 1983. Pages for the year totaled 153,803.49, up 8.5 per cent or 12,031.30 over 1983.

Time magazine topped the revenue leaders for the year, followed by *TV Guide*, *Newsweek*, *People Weekly*, *Sports Illustrated*, *Business Week*, *Good Housekeeping*, *Family Circle*, *Better Homes & Gardens* and *Reader's Digest*. Only 15 magazines sustained revenue losses during the year, according to the PIB, while 48 books posted revenue gains of 20 per cent or more.

Revenues for December reached $437,814,778, up 15.8 per cent or $59,782,039 over December '83. Page count for December was 13,673.40, up 5.7 per cent.

TELEVISION'S MOST DURABLE FIRST-RUN FRANCHISE!

ET stands taller than ever, others just shrink and fade away.

ET IN ACCESS.

WABC, NEW YORK, 7:30PM. # 1 in Adults 18-34 and Adults 18-49! Beats WHEEL OF FORTUNE, DALLAS, FAMILY FEUD and ALL IN THE FAMILY! Already renewed for 1985-86.

KNBC, LOS ANGELES and WMAQ, CHICAGO. Bought by NBC O&O's for access in the 1985-86 season!

WSVN, MIAMI, 7:30PM. # 1 Rating and Share (14/24), and # 1 in Adults 18-34, 18-49 and 25-54! Beats WHEEL OF FORTUNE.

KSTP, MINNEAPOLIS, 6:30PM. # 1 in Adults 18-49 and 25-54. Beats WHEEL OF FORTUNE and NAME THAT TUNE.

WTVT, TAMPA, 7:30PM. # 1 Rating and Share (18/30) and *every* adult demo! Beats PEOPLE'S COURT and FAMILY FEUD.

WHAS, LOUISVILLE, 7:30PM. # 1 Rating and Share (14/25), and # 1 in Adults 18-34, 18-49 and 25-54! Beats WHEEL OF FORTUNE, DALLAS and NAME THAT TUNE.

ET IN LATE FRINGE.

WFAA, DALLAS, 10:30PM. # 1 Rating and Share (11/24), and # 1 in Adults 18-34, 18-49 and 25-54! Beats ALL IN THE FAMILY and THE TONIGHT SHOW.

WJZ, BALTIMORE, 11:30PM. # 1 Rating and Share (7/27)! Beats M•A•S•H, BENSON and THE TONIGHT SHOW.

KTSP, PHOENIX, 10:30PM. # 1 Rating and Share (7/23)! Beats THE TONIGHT SHOW and ABC's NIGHTLINE.

Cleared in Prime Access in 8 of the Top 10 Markets for 1985-86

Paramount

DOMESTIC TELEVISION AND VIDEO PROGRAMMING

Source: NSI, November, 1984.

TV Business Barometer

December local billings up 13.5%

Local TV billings in December rose by a slightly smaller margin than did spot. While the difference was not great, December still represented only the second month in 1984 during which the year-to-year percentage increase for local was less than that for spot.

The December rise in local billings came to 13.5 per cent over December of 1983. This compares to the 14.3 per cent increase for national and regional spot during the last month of last year.

Local TV volume in December was $374.8 million, up from $330.2 million the year before. Thus, local billings were only about $22 million less than spot.

Local billings for the final '84 quarter were $1,244.9 million, up 13.3 per cent from the corresponding quarter in 1983. As it turned out, it was the weakest quarter for local business during 1984.

For the full year, local volume hit $4,215.6 million, compared with $3,610.5 million in '83. This represents an increase for the year of 16.8 per cent.

Comp: +4.9%

Network compensation rose 4.9 per cent in December, the second largest monthly percentage hike in '84, topped only by the 7.0 per cent jump in April. That month, however, was a five-week Standard Billing Month vs. four weeks in '83. The December take for affiliates came to $38.5 million, the second biggest monthly comp total for 1984. Again, it was topped only by April, when the networks paid out $41.3 million.

There were increases, however modest, in every month during the last quarter. This is worth noting since there were *decreases* during every month in the third quarter. The final quarter was 3.1 per cent up, compared to 1.5 per cent down during the July–September period. The total for the final quarter came to $105.8 million and for the year the grand total for network comp was $423.7 million, up only 1.8 per cent.

Putting it all together: The total of spot time sales plus network compensation came to $9,353.8 million in 1984, compared with $8,237.4 million. The increase of $1,116.4 million is equivalent to 13.6 per cent.

The miniscule increase in network compensation caused it to drop below 5 per cent of the time sales-cum-comp total for the first time.

The share was 4.5, while local's share rose from 43.8 in '83 to 45.1 in '84. Spot's share dropped from 51.1 to 50.4

Local business +13.5%

(*millions*)
1983: $330.2 **1984: $374.8**

Changes by annual station revenue

Under $7 million	+17.6%
$7–15 million	+24.1%
$15 million up	+9.7%

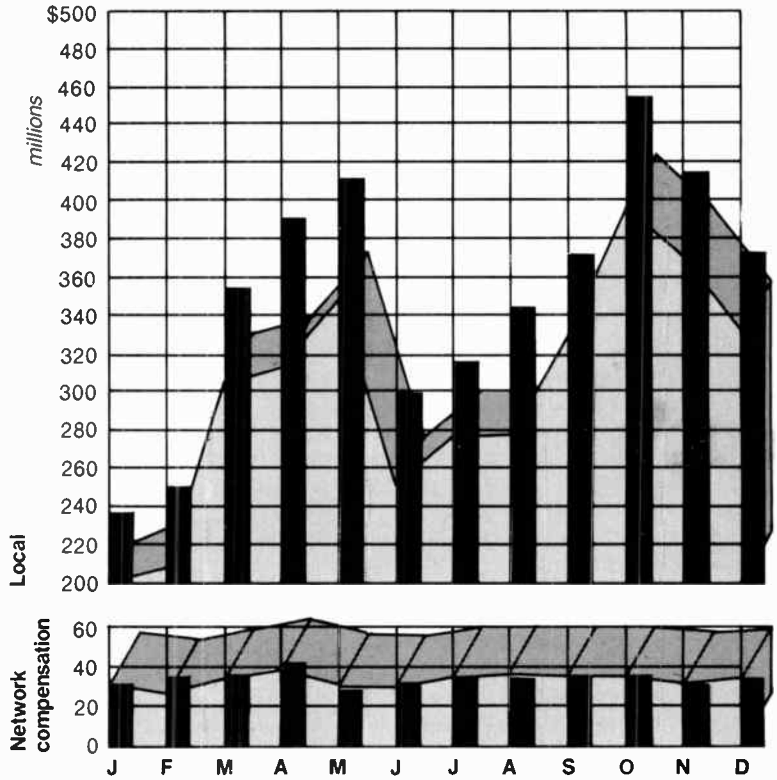
Network compensation +4.9%

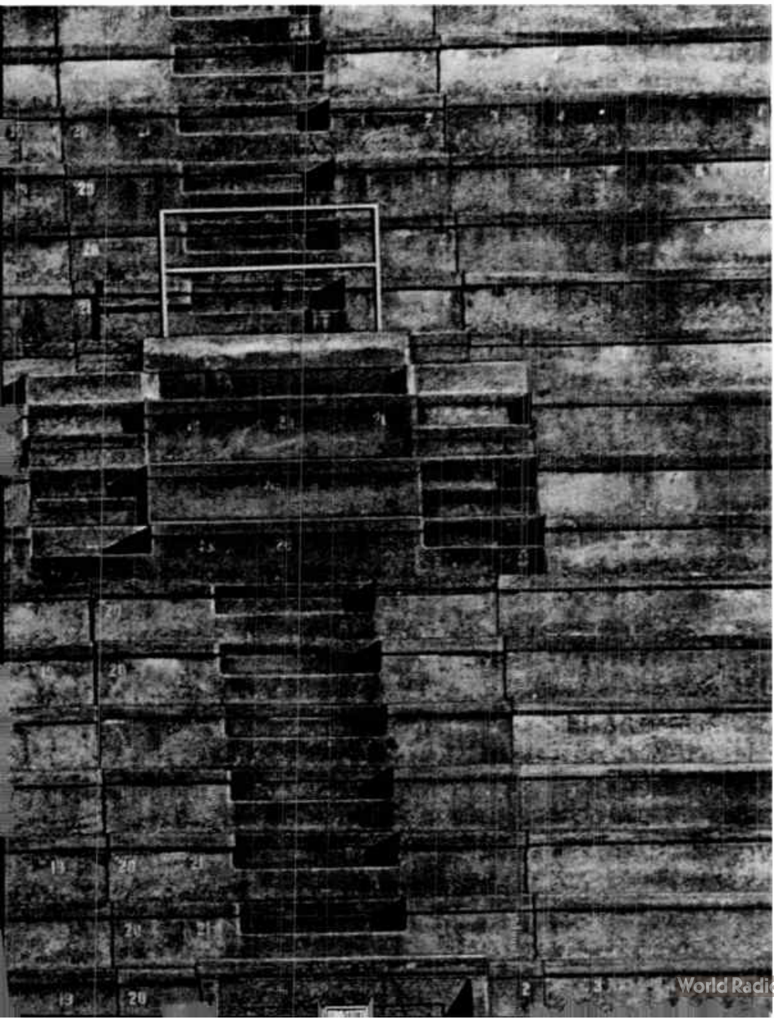
(*millions*) **1983: $36.7** **1984: $38.5**

Changes by annual station revenue

Under $7 million	−2.2%
$7–15 million	+1.8%
$15 million up	+7.5%

December





Talking about winning doesn't make it happen. You've got to go for it. Blair people train to win. At Blair, we prove our record weekly with a computerized Sales Activity Report that tracks every piece of business until it is resolved. Only Blair is organized to sell with knowledge, consistency and believability. Separate network and independent teams sell in New York, Chicago and Los Angeles. Regional specialists are ready to close when money's on the line in their markets. Every Blair salesperson is backed up by a trained sales assistant. Each sales team is supported by its own research group. Experts in sales promotion, agri-marketing, sports, market development and programming to boost station sales. When it comes to competing for Spot TV dollars, there's only one winner.

BLAIR. ONLY BLAIR.
Television

Radio Report

Radio's computer business reflects competition

The fierce competition that brought Excedrin headaches to so many marketers in the swiftly evolving computer industry last year also brought more dollars—including more new dollars—into radio. Kenneth J. Costa, vice president, marketing information at the Radio Advertising Bureau, points to first nine months figures from Radio Expenditure Reports showing Apple, IBM, Fujitsu, Automatic Data Processing and Coleco as the top five hardware and/or software companies in radio, with the leader, Apple, introducing its MacIntosh and boosting its 1983 radio investment of $78,000 for the first nine months to $5.3 million.

IBM was next, represented by a $3.4 million outlay, followed by Fujitsu's $1.6 million of new-to-radio dollars and an investment of nearly $1.3 million by ADP.

Coleco's first nine month ante was $979,000, which were also new dollars for the audio medium to sell its Adam model.

Sixth place radio investor in the category, according to the RER data, was Franklin, whose fight for survival included putting up $814,000, a big increase over the $71,000 Franklin placed in radio between January and September, 1983. Radio investors next in line in the category were IT&T with $680,000, Computer Showcase investing $613,000, Businessland, which put up $542,000, and Digital Equipment with a radio investment of $461,000. The IT&T and Businessland investments were also new-to-radio dollars, says Costa.

Costa emphasizes that "When we consider that this data does *not* include the industry's major fourth quarter, pre-Christmas consumer sales effort, we can begin to gage the significance of this relatively new category to radio."

Adults advance as demo

Torbet Radio's breakdown of national spot business for the full year 1984 shows buyer requests for adults continuing to outdistance and pull farther ahead of the number of buys targeted either to women only or solely to men.

The number of spot radio requests for adults, reports research supervisor Cathy McDonough, who prepared the report, has shown continuous growth since 1980. Requests for adult audiences accounted for 45.2 per cent of Torbet's spot activity last year, against 22.9 per cent for men and 22.7 per cent for women only. And that 45.2 per cent figure is up from 40.6 per cent in 1983, 39.5 per cent for '82 and 38.3 per cent in 1981. McDonough adds that adults maintained their Number 1 position in all regions, with the Midwest turning in more male-targeted business than any other region, and female requests peaking in the West.

Torbet also finds almost two-thirds of its business continues to be made up of short flights of four weeks or less, with just over 29 per cent calling for exposure of only one week's duration. Another 17 per cent of the business was for two-week flights and 15 per cent of the requests were for four-week campaigns.

Other results of the spot business analysis turned up more of the same. Requests based on metro area audiences continue to dominate overwhelmingly, accounting for more than 91 per cent of total business, with ADI requests continuing to slide and TSA business showing a slight increase, to 3.9 per cent of the total.

And, as usual, 25-to-54 is once again the most prevalent age cell, adding up to over 36 per cent of Torbet's 1984 business activity. The 25-to-54 age range was Number 1 in all regions, with 18-to-49 turning up Number 2 in the Midwest, South and East, and 25-to-49 in second place in the West.

Radio tops among blacks

A recent study by The Wellington Group confirms several of the key points turned up by this magazine's latest report on the growing potential of America's black consumer market (see page B-3) and its buying and media use patterns. Wellington, a market research firm based in Haddon Heights, N.J., finds that brands advertised in black media "enjoy a significantly higher consumption and response" by blacks. John Baker, vice president, marketing, reports that 79.4 per cent of the programming listened to by black persons is music reflecting black culture. An additional 5.8 per cent of the programming listened to was devoted to news and talk.

Baker also notes that these findings are similar to those of a study by Yankelovich, Skelly & White reported in the August/September, 1983, issue of *Dollars & Sense*. Yankelovich concluded that "While the black community watches television, listens to radio and reads mass publications, its closest ties and relationships are with its own black media. (The empathy the black community feels toward its own media far outdistances any of its feelings toward white media.) Specifically, this empathy factor was found to be 53 per cent more for black newspapers, 58 per cent more for black magazines, and 61 per cent more for black radio."

RAB honors auto dealers

Hanley Dawson Chrysler Plymouth and WMAQ Chicago, copped first place honors in the Radio Advertising Bureau's Eighth Annual Automobile Dealer Awards. The criterion is creativity in radio commercials, and while the dealer and station won in the large market category (population 500,000 plus) Woods' Buick-Opel and McCann-Erickson in Troy, Mich., took top honors in middle markets (population 100,000–500,000) and in small markets (population 100,000 or less) McCann Erickson's Troy office repeated with a different (Knapp Motors, Inc.) dealer.

Presented at the opening of the National Automobile Dealer's Association in San Francisco, the awards program is designed to recognize and honor locally produced radio commercials by spotlighting dealers and their local radio stations.

Local automobile dealers are the third largest user of radio (after banks and department stores) for selling cars, accounting for approximately $385.6 million in radio advertising revenue in 1983 or 24 per cent of dealers total advertising expenditures. Auto dealers, says the RAB, spends twice as much in radio advertising than do any other retail merchants.

M-E's Troy unit, which has begun to specialize in car dealer advertising won three awards this year, grand honors in the middle and small market categories and an honorable mention in the small market competition.

More than 300 commercials were submitted in the three categories.

Motorola and AM stereo

Motorola Corp. continues to flex its muscles regarding its C-Quam chip. Last month, following earlier reports that it had tied up most of the automotive manufacturers, Ford, Chrysler, General Motors, BMW, Mercedes-Benz and Audi (the latter three via manufacturer Becker) and some consumer receiver manufacturers, including Pioneer and Sherwood, Motorola published an updated list of stations using the C-Quam system, claiming 220 were on the air. The list included approximately 47 located outside the U.S.—in Canada, Australia, South Africa and Venezuela—with 175 located in the U.S.

Of the 175, 12 are in the top 10 radio markets, with four in Los Angeles, one in San Francisco, two in Chicago, one in Boston, one in Detroit, two in Dallas and one in Houston.

The stations are as follows; in Los Angeles, KFI, KZLA, and KLAC; in San Francisco, KSFO; in Chicago, WAIT and WGCI; in Boston, WBZ; in Detroit, WJR; in Dallas, KMEZ and KRQX; in Houston, KRBE.

Motorola is also anticipating a major switch of allegiance from stations currently aligned with the Harris Systems (TV/RADIO AGE, February 4) but, thus far, that has not materialized. Meanwhile, Sony has manufactured a chip that will accommodate all systems, and Kahn Communications continues to be the one remaining contender with Motorola for the AM stereo system franchise.

Despite the best efforts of Motorola to close the competition, the stations remain circumspect. Those polled believe AM stereo technology is still unfolding, and plan to wait and see what develops, unless it becomes overwhelming apparent that Motorola's dominance makes any further delay all but academic. Saying that he has shipped "about 120 systems," Kahn declines to publish a list. "I won't play Motorola's number game," he says, noting he has some big outlets in New York, Chicago and Los Angeles.

Largest state web

Following the dissolution of the Georgia Network, 40 former GN stations signed with Meredith's Broadcasting's Georgia Radio News Service, bringing its total of commercial affiliates to 140. This makes it, according to John Lauer, vice president and general manager of GRNS, the largest state radio network in the U.S.

Lauer reports also that Georgia Radio News has secured the services of Larry Munson, University of Georgia sportscaster for two commentaries each weekday for the network via its AM flagship, WGST Atlanta.

Launched on Apr. 15, 1980 by WGST, Georgia Radio News Service has grown steadily to encompass stations in every major Georgia city. In addition to programming for member stations, *GRNS* distributes Atlanta Braves baseball, football from the University of Georgia and the *NFL*'s Atlanta Falcons and Georgia Tech football and baseball.

N.C.: most religious outlets

If you go by radio stations, North Carolina's got more religion than any other state, according to the newly released *Directory of Religious Broadcasting*. North Carolina has 54 stations cast in the religious format, according to the 419 page directory. The top four runners-up in that category are California with 52 outlets, Texas with 49, Pennsylvania with 47, and Georgia 46.

"Out of 9,431 radio stations in America, 1,043 broadcast a full or part-time religious format," according to Dr. Ben Armstrong editor of the directory.

Other statistics compiled in the directory show that there are 101 new radio listings, and reflect a growth of 16.5 per cent in the U.S. religious television stations during last year.

In 1983 there were 65 television stations with a full or part-time religious format; 79 in 1984 and 92 this year. Of those 92, the directory indicates that 11 are on the regular frequency and 7 are low power.

National Religious Broadcasters has published the Directory of Religious Broadcasting since 1969. According to NRB, it is the only directory compiled exclusively for religious broadcasters, representing Protestant, Catholic and Jewish organizations.

The directory may be purchased for $39.95 per copy, by placing a call to Marj Stevens at (201) 428-5400, or by writing NRB Directory/CN 1926/ Morristown, NJ 07960.

Radio Business Barometer

December billings were up 22.3%

Network radio ended last year with very upbeat figures on billings (see also *Radio Report* in February 4 issue), according to data from the Radio Network Association as compiled by the accounting firm of Ernst & Whinney. The increase for December over the year before came to no less than 22.3 per cent, by far the best month of 1984.

As RNA president Jack Thayer said late last month: "The radio networks really wrapped up 1984 with a huge surge of advertiser interest. Now we are in 1985 and, from all indications, the sales pace we experienced during the last quarter of 1984 is continuing in the new year."

Radio network billings in December amounted to $19,469,225, compared with $15,914,617 during the corresponding month in '83.

For the full year, however, the increase came to only 5.5 per cent. Total billings for the year were $267,439,055 as against $253,492,687 during 1983.

For the final quarter, total billings came to $71,328,573, and, as might be expected, it was the best quarter of the year, up 13.6 per cent. This was achieved with a 14.8 per cent increase in November and a 7.5 per cent rise in October.

Overall, the year was hurt by the slow first quarter, which was down 1.9 per cent from '83; the second quarter showed a 6.8 per cent increase, helped by an active June, during which business increased 13.4 per cent.

The third quarter registered a 2.5 per cent increase, but that was only achieved because of August billings, which climbed 14.6 per cent. The other two months of the quarter were down, July by 2.5 per cent, and September, by 3.1 per cent. It was clearly an up and down year for network radio. Four of the months were downers, including the 11.2 per cent drop in January, while in the same year four months showed double-digit increases.

Offices mixed

The four major network radio sales offices reported a mixed billings situation in December. The Big Apple's December billings rose 41.1 per cent, while Detroit was also up, though primarily because December of '83 was a very slow month. Both Chicago and Los Angeles were down.

For the year, three of the four selling centers showed increases, with Los Angeles, down 22.4 per cent to $14,604,570, being the exception. New York was up 8.8 per cent to $170,504,312; Chicago rose 3.7 per cent to $63,344,407, and Detroit climbed 12.9 per cent to $18,985,763.

Network +22.3%

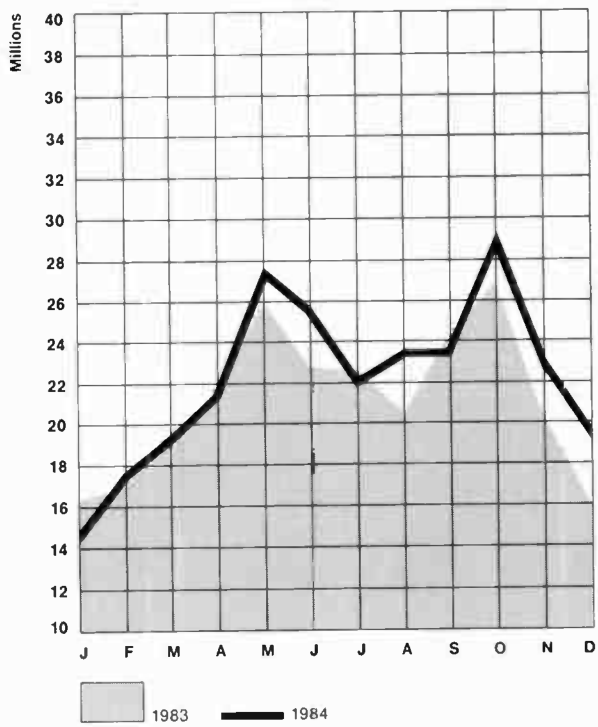
(*millions*) **1983: $15.9** **1984: $19.5**

Changes by sales offices

City	Billings (000)	% chg. 84-83
New York	$13,884,280	+41.1%
Chicago	2,895,200	−10.7
Detroit	1,390,527	+79.7
Los Angeles	1,299,218	−37.0

Source: Radio Network Association

December



REACH FOR THE STARS


Joan Collins


Sophia Loren


Ellyn Burstyn


Vanessa Redgrave

Christopher Reeve
Vanessa Redgrave
Jessica Tandy
Linda Hunt
Joan Collins
Genevieve Bujold
Michael York
Burgess Meredith
Colleen Dewhurst
Giancarlo Giannini
Sophia Loren
Marcello Mastroianni
Yves Montand
Laura Antonelli
Liv Ullman
Romy Schnieder
Albert Finney
Martin Sheen
Susannah York
Beau Bridges
Fred Williamson
Jim Brown
Richard Roundtree
Cloris Leachman
Patricia Neal
Ron Howard
Rex Harrison
Victoria Tennant
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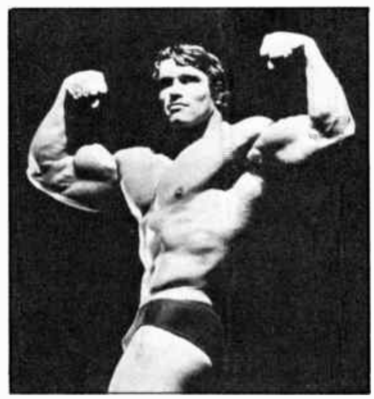
Christopher Reeve


Albert Finney


Arnold Schwarzenegger


Martin Sheen

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Volume XXXII, No. 16
February 18, 1985

Television/RadioAge

The TV networks will shell out $155 million in the second year of their six-year contract.

Local payments to increase sharply; some regional pay-TV rookies hurt

Baseball rights fees in 1985 to remain at $275 million

BY ROBERT SOBEL

Baseball on television this coming season will comprise a number of "second seasons." It will be the second year into the rights contracts under which ABC-TV and NBC-TV carry major league baseball. It will be the second key season in which the clubs are seen as taking more control of their broadcast business affairs. And it will be the second time around for the six regional pay-cable "rookies" (who launched their network services last year), with four of the six looking for a comeback after driving in few hits while making some costly errors.

Meanwhile, total broadcast rights fees for major league baseball are expected to run about the same as last year—$275 million. This includes an estimate of the value of rights in cases where the clubs sell the TV and/or radio time themselves. The TV networks will shell out $155 million of the total in the second year of its Major League Baseball contract spanning six years and which will cost ABC and NBC $1.1 billion over the full contract term. This is $20 million less than the figure for the 1984 season because of the payout terms, but other fees to the baseball clubs offset the drop. CBS Radio will pay roughly $7 million in the first year of a five-year deal with MLB, costing a total of $32 million.

As for local television and radio rights, TV/RADIO AGE estimates they will increase sharply from last year's $74.9 million to $88.9 million, a rise of 18.7 per

Detroit's Alan Trammell in '84 World Series

Atlanta's Chris Chambliss in game carried by WTBS

Under the agreement with the commissioner, the Braves, Yankees and Rangers will compensate all clubs equally for distant signal cablecasts.

cent, due mainly to several new contracts and new station-club ties this season. Among the new signings are the St. Louis Cardinals with Multimedia's KSDK-TV and CBS' KMOX, both St. Louis; the San Francisco Giants and NBC's KNBR San Francisco, on the radio side. Most of the other activity is in the American League sector. The Seattle Mariners are negotiating a new deal with Gaylord's KSTW(TV) Seattle, although there is still one year to go on their present television contract. But the Mariners have a new contract via Bonneville's KIRO on the radio end; last season the games were on KVI.

Also, on the American League side, the Oakland A's have a new television contract with Group W's KPIX(TV) Oakland, as a result of its switch from KBHK-TV. The same is true of the Texas Rangers, which jumped from KXAS-TV to Gaylord's KTVT(TV) Dallas-Ft. Worth, while taking the radio rights from in-house to selling the rights to Capcities' WBAP; the Kansas City Royals have renewed its pact with Taft's WDAF-TV Kansas City; and the Minnesota Twins have renewed their broadcast deals with United's KMSP-TV and WTMJ. All other contracts remain intact this year, except possibly the Baltimore Orioles and the Detroit Tigers, whose arrangements could not be ascertained at this time.

With regard to pay-cable and STV rights, payments this season will be about on par with 1984's and perhaps even show a dip because Warner-Amex Cable, which was delivering games of three teams via its Home Sports Entertainment—the Pittsburgh Pirates, the Houston Astros and the Texas Rangers—has either shut down the division or sold it. The Pirates, now without pay-cable, are still looking for an HSE replacement.

Pending deals

Contributing to the downward projection of pay-cable rights to club owners is the fact that some deals are still pending and may not go forward because several of the regional pay networks foundered in their rookie year.

Estimates this year, therefore, on pay-cable rights payouts will be about $17 million, down about a half-million from 1983's estimates by TV/RADIO AGE. However, basic cable, by way mainly of MLB's five-year deal with the Atlanta Braves and the smaller deal with the New York Yankees, will pour some $6 million plus into the club owners' pot (see separate story).

Bryan Burns, Major League Baseball's director of broadcasting, however, maintains that "it is impossible to estimate a total rights fee for all of baseball. We have an increasing number of clubs which are keeping their rights in-house, buying and selling the time on stations, which means there are no rights fees involved in these cases."

Burns believes that more and more of the clubs are going that route, eliminating the middle man and taking control of their own broadcast business destinies. "Also, they can package their radio or TV rights with other things. A club that retains in-park advertising rights can package them with TV or radio as a better way for it to do business." Also, arrangements for carriage between clubs and the stations, when a station doesn't own the rights, may be complex, so rights estimates are also hard to come by, according to Burns.

At this point, six clubs have in-house radio rights: Atlanta Braves, Cincinnati Reds, Houston Astros, Los Angeles Dodgers, Milwaukee Brewers and Chicago White Sox. In TV, Houston, L.A. and the White Sox retain in-house rights. In some other cases, the team and the station may share advertising chores in one combination or another.

(continued on page 34)

Assessing Ueberroth's superstation arrangement

The move by Peter V. Ueberroth, the commissioner of baseball, to set up an arrangement whereby club owners will be compensated by three of the ball clubs whose games are carried by superstations, is seen as a major achievement for the new baseball chief. The commissioner's action is perceived by many broadcasters and others involved in baseball as especially impressive in that Ueberroth has succeeded in accomplishing such a feat after being in office only three months. It is considered a major step in resolving an enduring headache among club owners in their battle to thwart superstations.

But while, ideally, the compensation agreements will obviously be another source of revenue for the club owners who are not involved in superstation transmissions, and will be especially helpful for clubs in financial straits, it is uncertain just how much money the owners will get. In one or two instances, no money will be going into the baseball coffers for some time. Also, it doesn't appear to have cooled Gaylord Broadcasting's desire to obtain a minor partnership in the Texas Rangers, which will now be carried on as a superstation as a result of Gaylord's KTVT(TV) having been awarded the television broadcast rights for some 50-odd games of the team this season.

Under the present formula arrived at between the commissioner and the three clubs, the Atlanta Braves, the New York Yankees and the Texas Rangers, they will compensate all clubs equally and annually for cablecasts which are picked up beyond their market area.

Five-year pacts

Although actual terms of the deals have been kept under wraps, the Braves and Yankees agreements are said to be for five years, payable under a formula based on the number of cable subscribers who can receive the broadcasts. The Rangers payout formula is said to be similar, and should the Chicago Cubs and the New York Mets, also carried by superstations, sign an accord, they, too, are expected to be participants in a similar payout.

In the case of the Braves, owned by Ted Turner, who also owns the superstation WTBS(TV) Atlanta, which airs the Braves, it's understood that the ballclub will shell out about $30 million over the next five seasons, beginning with this year, based on a national satellite penetration of more than 30 million homes.

The payments, which will go to the Major League Central Fund, with each of the 26 clubs getting an equal share, including the Braves, portends a revenue of about $230,000 per year for each.

Regarding the New York Yankees, there are, of course, differences between its operation and that of the Braves. Unlike the joint Braves WTBS combination ownership, the Yankees' owner, George Steinbrenner, has no broadcast interests, and the broadcast rights are held by WPIX(TV) New York, vis-a-vis The Tribune Co. Also, Yankee payments are expected to be far less than the payout coming from the Braves, simply because WPIX's cable penetration is appreciably less than WTBS'.

The commissioner's action is considered a major step in the resolution of an enduring headache among club owners in their battle with superstations.

Estimates of Yankee cable penetration via satellite on WPIX are put at about 5 per cent more than the station's "normal" reach, said to be about 12 million homes. Using the 20 cents per-home per-year formula of the Braves, the Yanks would have to pay the MLB fund only $120,000 per year. However, it's believed that the Yankees' arrangement with MLB entails a much smaller per-home payout per year, presumably because ad revenue due to cable penetratial is miniscule compared to WTBS.

The payout is also likely to be smaller than the Braves' arrangement in the case of two other clubs carried by superstations, the Chicago Cubs and the New York Mets, also because their cable penetration is not in the same ballpark as WTBS'. While both clubs are still in the talking stages with MLB on a compensation arrangement, it's almost certain they will reach an accord with the League before April.

In any case, conjectures one high industry source, neither Turner nor Steinbrenner will come out on the losing side of their deal with the MLB. He says that both owners yielded because of several considerations: They didn't want to rock their standing with the other clubs. They felt that if they didn't sign a compensation agreement, "the other clubs would make it tough for them." They wanted to head off any possibility of MLB imposing restrictions on the number of telecasts permitted all club owners as a wedge for an agreement. And they didn't want the MLB to go to Congress to bar the use of games via satellite, as the office had hinted it might do.

But besides these factors, the primary reason for Turner to sign a cable deal with MLB, complains one source, is that it gives him a "free license to sell the games nationally without looking over his shoulder, worrying about the possibility of any constraints." Also, reasons the source, with the commissioner giving Turner full clearance, "he can now go ahead and raise his advertising prices nationally, as an excuse for offsetting the fee he will pay the clubs."

As for the Yankees, although they may have to shell out as much as $120,000 per year, (as noted previously), the ballclub, nevertheless, will collect from Turner and the other clubs involved with superstation transmissions, which will more than offset their own payout. This possibly will be the case with the Mets, via its superstation WOR-TV New York, owned by RKO neral, and the Cubs, via WGN-TV Chicago, superstation owned by Tribune Broadcasting. United Video is the common carrier of WGN-TV, WPIX and the new superstation KTVT(TV), Dallas-Fort Worth. Southern Satellite Systems is likewise for WTBS.

Three, WPIX, WGN-TV and WOR-TV, have classified themselves as "passive" superstations, in that they maintain they have no control on how many or which cable systems import their signals, for which they receive no compensation. Also unlike WTBS, they do not sell nationally and it's not likely this will change in the near future.

Gaylord's KTVT Dallas-Fort Worth has taken over the broadcast rights this season from the Rangers, while WBAP did likewise on the radio side. It signed an agreement with MLB based on the contingency that it would acquire a part interest in the Rangers. The Rangers are owned by a local oilman, who is willing to sell 30 per cent of the club, with Gaylord having an option to buy the entire interest in the Rangers.

Gaylord made one attempt to acquire minor ownership of the Rangers several months ago, but lost out because it didn't get approval from enough members of the American League club owners. Under the owners' rules, any new ownership proposal must be approved by 75 per cent of the AL owners and 50 per cent of the NL owners. However, Ueberroth recently approved the sale under his "best interests of baseball" authority. □

Estimated rights costs and broadcast stations carrying baseball in 1985

American League

	Originating TV/radio stations	Total broadcast cable rights (000)	Telecasts H	Telecasts A	Rights holders: TV; radio; pay-cable; STV
Baltimore Orioles	WMAR-TV WFBR	1,600	2	43	WMAR; WFBR; Home Team Sports (56 home games, 24 away).
Boston Red Sox	WSBK-TV WPLM	2,900	20	56	WSBK-TV; WPLM (Campbell Communications); New England Sports Network (46 home, 41 away).
California Angels	KTLA(TV) KMPC	3,450	2	38	KTLA; KMPC; SportsVision (63 home, 38 away) On-TV (17 home).
Chicago White Sox	WFLD-TV WMAQ	2,700***	14	41	White Sox; White Sox; SportsVision (135 games); On-TV (50 games).
Cleveland Indians	WUAB(TV) WWWE	3,220	0	50	WUAB; WWWE; Sports Time (not in Ohio).
Detroit Tigers	WDIV(TV) WJR	2,780	8	37	WDIV; WJR; Pro-Am Sports (87 games)
Kansas City Royals	WDAF-TV WIBW	1,300	0	38	WDAF; WIBW (Stauffer Communications); Sports Time (52 games)
Milwaukee Brewers	WVTV(TV) WTMJ	1,950	0	38	WVTV; Brewers; SportsVue.
Minnesota Twins	KMSP-TV WCCO	1,550	4	64	KMSP-TV; WCCO
New York Yankees	WPIX(TV) WABC	14,000	50	50	WPIX; WABC; SportsChannel (40 games)
Oakland A's	KPIX(TV) KSFO	1,725	8	25	KPIX; KSFO.
Seattle Mariners	KSTW-TV KIRO	1,150	1	49	KSTW-TV; KIRO
Texas Rangers	KTVT(TV) WBAP	3,650	0	50	KTVT; WBAP Home Sports Entertainment (50 games)
Toronto Bluejays	CFTO** CJBL	4,200	19	16	Labatt Breweries; Telemedia Broadcast Services

Baseball *(From page 32)*

Meanwhile, of the three baseball "jewels," the World Series, the All-Star Game and the championship playoffs, only the playoffs came out on the plus side in audience terms. Carried in 1984 by NBC, the five World Series contests, which pitted Detroit against San Diego, averaged a 22.6 rating and a 40 share, down from the 23.4/41 for a similar number of contests aired by ABC in 1983. Only the last Series game registered an increase last year, getting a 22.7/42, a rise from ABC's 21.0/39, during similar Sundays. Of the five NBC games, the three primetime contests averaged a 25.1/40, while the two weekend games averaged a 20.1/40, according to ABC estimates of Nielsen figures.

The All-Star clash on ABC got a 20.1/35 in 1984, while the 1983 airing on NBC received a 21.5/39. In 1982, also on ABC, the All-Star contest got a 25/44, illustrating the game's recent deterioration. In the ABC playoffs in '84, the American League's three contests posted an average of 16.6/28, bettering the 13.5/30 of NBC in 1983, and the five National League events registered a 15.7/34 vs. the 15.3/28 incurred two seasons previous. However, it should be pointed out that the 1983 season was a real downer regarding the playoffs, considering that the ratings dip that year averaged some four or five points in each league compared with 1982.

Ratings of regular season games last season exhibited a turnaround from the 1983 period, when telecasts on both networks dipped somewhat. In 1984, the 30 NBC Saturday afternoon contests averaged a 10 per cent ratings increase, going from a 5.8 rating and 19 share in 1983 to a 6.4/21, while the network's pre-season games went up 5 per cent, to 4.6/17 to 26 telecasts, according to Nielsen estimates. At ABC, the six *Monday Night Baseball* clashes were up 5 percent in ratings in 1984 as compared to the 1983 season, going from a 10.2/19 to a 10.7/19.

However, NBC's two primetime contests dropped from an 8.5/17 in 1984 from a 10.8/20 in 1983, while the two Friday primetime clashes on ABC registered an 8.2/17 during the past season. These were the initial airings of Friday night contests by the network. The two Sunday afternoon ABC telecasts showed no change from 1983 to 1984, both registering a 2.5/6. Regarding NBC's regular games, the *Game of the Week*, the network notes that when excluding baseball contests bumping up against the Los Angeles summer Olympics, the season average increased to a 6.5/21 share.

Also, the final NBC telecast, Kansas City vs. Oakland, was below season levels, averaging a 3.6/11, primarily because it was pitted against CBS Sports Saturday and ABC's coverage of CFA football, according to an NBC spokesman.

This coming season, while NBC will air the same number of regular season games, it probably will add a game to its primetime schedule, the spokesman says. At ABC, the Monday night contests will be increased by two, for a total of eight, and the Sunday daytime contests will go to three, on September 22, 29 and October 6, on a non-exclusive basis. In the 1984 season, ABC broadcast only two games on Sunday afternoon.

Meanwhile, it almost goes without saying that if efforts by some legislators in Congress and the campaigns being lodged by various citizens groups to prohibit beer and wine advertising on the broadcast media makes headway, it will impact negatively on baseball, as well as other sports. National spot beer billings for 1983 were $160 million, while the total for the first nine months of '84

National League

	Originating TV/ radio stations	Total broadcast cable rights (000)	Telecasts H	A	Rights holders: TV; radio; pay-cable; STV
Atlanta Braves	WTBS(TV) WSB	1,650***	74	76	WTBS & Braves; Braves
Chicago Cubs	WGN-TV WGN	2,750	81	69	WGN-TV; WGN
Cincinnati Reds	WLWT(TV) WLW	2,100***	5	42	Reds; Reds; Sports Time (deal pending)
Houston Astros	KTXH(TV) KTRH	3,500***	0	80	Astros; Astros; Home Sports Entertainment.
L.A. Dodgers	KTTV(TV) KABC	3,300***	50		Dodgers; Dodgers; Dodgers/Metromedia (20 home games, also 20 STV home games).
Montreal Expos	CBMT-TV* CFCF (English) French Radio	8,150	28	40	Carling O'Keefe; CFAC (English); CKAC (French).
New York Mets	WOR-TV WHN	6,500***	45	45	WOR-TV, Mets partnership; Mets; SportsChannel (25 home, 35 away)
Philadelphia Phillies	WTAF-TV WCAU	5,900	12	65	WTAF-TV Taft; WCAU; PRISM (30 home games).
Pittsburgh Pirates	KDKA-TV KDKA	2,600	3	37	KDKA-TV; KDKA.
St. Louis Cardinals	KSDK-TV KMOX	2,400	0	44	KSDK-TV; KMOX; Sports Time (50–60 games). [Anheuser-Busch holds rts]
San Francisco Giants	KTVU(TV) KNBR	2,200	0	31	KTVU; KNBR; KOFY, Spanish.
San Diego Padres	KCST-TV KFMB	1,750***	0	52	KCST-TV, Padres; KFMB; Cox/Padres, pay-per-view (40 home games).

*Telecasts include pre-season and regular games. *Part of Canadian Broadcast Network. **Part of Canadian Television Network. ***Estimated value of rights, because club keeps or shares rights and doesn't receive rights fees from station.*

was $144 million, with fourth quarter totals seen as bringing the annual total well over the previous year.

In network TV, billings were up 35 per cent to $290,649,700 for the first nine months of 1984, according to the Television Bureau of Advertising analysis of Broadcast Advertisers Reports (TV/RADIO AGE, February 4).

Peter V. Ueberroth, the baseball commissioner, recently made a strong statement against the proposed ban. In an interview on Cable News Network, he said, "I'm against taking it (beer and wine advertising) away. I don't think taking a cigaret ad out of a magazine will prevent people from smoking. That's pretty well proven."

On the broadcast level, there is much concern. For example, at MMT Sales, Jack Oken, president, believes that if a ban wins approval it will have a very big impact on independent stations which have a large chunk of their ad revenue predicated on sports, and in turn, on beer advertising. Historically, he points out, the bidding for rights by a station and the number of games it will air has been based on how much beer and automotive advertising is likely to be committed.

Meanwhile, on the pay-cable service front, at least four of the six regional sports networks launched last April—the New England Sports Network, Sports Time, Pro Am Sports System, and SportsVue Cable Network—experienced disappointing rookie seasons. In fact, SportsVue, owned by the Milwaukee Brewers and the Milwaukee Bucks, found the going so tough, that it has decided to close shop. At the New England Sports Network, John Claiborne, newly appointed vice president and general manager, notes that three problems hit the network after the April 4 blastoff: (1) putting the network on the wrong satellite, RCA's Satcom I-R, which caused reception problems for the operators because the dish had to be oriented at a low angle; (2) high fees to the operators ("they couldn't make their margin"), which amounted to $5 per subscriber; and (3) competition from SportsChannel New England, owned by Cablevision.

Sports Time, the most ambitious and largest of the pay-cable regional sports networks, which last season serviced the St. Louis Cardinals, the Cincinnati Reds, the Chicago White Sox, the Cleveland Indians, and the Kansas City Royals, is in a state of readjustment, which began in October regarding specific trouble spots. According to Jerry Lovelace, director of communications, the network has not yet totally resolved the problem of how baseball will be configured on Sports Time this coming season.

At presstime, the schedule of games and teams involved was tentative in some cases. The Cards' agreement calls for between 50 and 60 games, although Sports Time would prefer doing more. But the network ran into a problem because the Cards are increasing the number of contests on KSDK-TV St. Louis, "and there aren't that many games available," says Lovelace.

Tentatively, the Royals will have 52 games on Sports Time. The Reds' deal is still up in the air and under negotiation. Sports Time's deal with the White Sox is out, because of a switch to SportsVision, and the Indians' schedule is under negotiation.

Combination service

As part of its shakeup, Sports Time decided to become a combination pay-cable and basic cable network this past October, explains Lovelace. He says that the pay-cable operation will get all 100 games set so far by Sports Time, but basic cable will get less. The move to split its cable service means that in the three major ADIs in its operating territory, Kansas City, St. Louis and Cincinnati (and possibly Cleveland), Sports Time will remain a pay service. Outside of the ADIs, both existing and new affiliates have the option of carrying a pay or becoming a basic cable service.

In terms of figures, there are 35,000 paid subscribers and about 900,000 basic subscribers. Sports Time made the move to basic cable service because of feedback from operators. Sports Time, which had 120–130 affiliates last season, has increased its lineup to about 180, as a result of the basic cable move.

Nevertheless, Sports Time is still in the red, and its operating costs are projected as rising to about $25 million this coming season. The service is owned by Anheuser-Busch, Tele-Communications and Multimedia Inc. Reportedly, almost half the operating costs is being picked up by the brewery. Ad card rates vary on whether the service is basic or pay, notes Lovelace. As for subscriber rates, on basic, which has a sliding scale, the rate is 10–20 cents per subscriber, depending on the size of the affiliate.

Milwaukee's Problems

The Milwaukee Brewers-Milwaukee Bucks-owned SportsVue Cable Network ran into trouble last season on several accounts, including the fact that the Brewers performed poorly on the diamond, lack of major advertising, except for Miller Brewing, and inadequate penetration. Also, Marc Brenard, affiliate marketing manager, says that viewers were not attracted to the Milwaukee ball games because the retail fee was comparable to the major pay-cable networks such as Home Box Office. "When the viewers compared our prices, which were about similar to HBO's, somewhere about $8, they preferred HBO because they offer a full menu as against our two our three games per week."

Pro Am Sports System, the Detroit Tigers pay-cable network, fared as badly as the other services, and still lagged behind its potential number of subscribers. By the end of the diamond season, the network had 32,000 pay customers, with much of this due to the appeal of the Tigers' championship team.

But this season William Wischman, Jr., general manager, sees the network doubling both its subscriber base and its affiliate level. Wischman says PASS had 34 affiliates at the end of December and about 20 more have been signed since that time.

Some of the subscriber increase is expected partly because PASS added other sports since last fall, Wischman notes. "We have two major Big 10 colleges and got a limited football series, which we expect to expand upon next year, because some of the syndicators didn't live up to their promises (to the colleges)."

Wischman adds that PASS will carry 87 Tigers' games, with most being at home, with the exception of weekday afternoon contests. Games which have a 7:30 or 8 p.m. start will be chosen over games starting at a later time.

Satellite switch

The New England Sports Network is looking to alleviate most of its problems in several ways. According to Claiborne, NESN moved to Satcom IV a few months ago to rid itself of the reception problem. The retail fee was frozen at $5, but now there is a system scale which may go down to as low as $3, based on penetration.

The other two major regional sports services dealing heavily in baseball, Home Team Sports and the pay-per-view network introduced last season by the San Diego Padres, in conjunction with Cox Cable, both appear to be in good shape, for the present, anyway. Jerry Coleman, announcer and director of broadcasting at the Padres, says the rookie season for the regional network was very good.

The network sold about 3,000 40-game packages and about 3,200 20-game packages. When the network started it had a universe of 60,000 addressable homes, with individual games going from $3–4.50, depending on which package the subscriber chose. Last year, in a Christmas drive, it reached the 4,000 mark in the 40-game package deal. Also, its universe expanded at the end of the season to 85,000 and the system is now up to 110,000 addressable homes.

Also, the Padres-Cox network is accessing the Southwest and the Times-Mirror System. If the deals go through, 130,000 homes will be added, although they will not be addressable on a game-by-game basis, but will be sold as a package. In total, points out Coleman, the network is looking at a potential market of 380,000. He adds that the network grossed about $140,000 in advertising.

Home Team Sports, a Group W Satellite Communications-owned regional sports network, featured 80 Baltimore Orioles games last season, as well as Washington Bullets and Washington Caps contests. It racked up a 16 per cent penetration of its 300,000 basic subscriber universe the past season and had a solid advertising foundation base coming from Stroh's, Kodak and Amtrak. Bill Aber, vice president, general manager, notes that the network at present has 25 affiliates and 50,000 paying customers.

This year, he adds, HTS will carry 90 Orioles games, 52 regular season home and 25 away contests, and eight preseason clashes.

Aber looks to growth this year. There are two new franchises planned in the HTS area, a Tribune-United operation in Maryland and a Media General system in Fairfax County, Va. and there are two franchises still up in the air—in Washington and Baltimore.

In one situation, a television station is looking to have the best of both worlds in airing baseball. Metromedia, via KTTV(TV) Los Angeles, and the Los Angeles Dodgers, recently concluded a multi-year agreement to present 20 Dodger home games each year via pay cable and STV. In addition, KTTV will continue to televise 50 road games, the same number as last season.

Under the agreement, according to Bonnie Pfeifer, business affairs manager of Dodgervision, as the new Metromedia division is dubbed, both the Dodgers and Metromedia will coordinate the production, marketing and promotion of the 20 Dodger home games. Satellite delivery will begin April 23 with the Dodgers vs. the Padres, either on Satcom III-R or on Galaxy I, on a scrambled basis.

Dodgervision is not making any projections on penetration, but Pfeifer says that she expects the games to be carried in Arizona, New Mexico, Hawaii and Southern California. Retail cost is priced at $85 per month, or payments may be made in five monthly installments for $95. On a pay-per-view basis, the tab is $6, retail. Promotion on the airings will be very heavy.

Last year, while the Dodgers had no pay-cable deal, 15 of their home games were on STV via ON TV and KBSC-TV Los Angeles. At this point, no STV contract has been wrapped up for the 20-game package and it's unlikely a new arrangement will be made between the Dodgers and ON TV at this time. ON TV is said to be going through a revamping in Los Angeles and it's speculated that it may merge with SelecTV, another STV serivce.

Several dropouts

In other cases several stations dropped out of the ball game this year.

ON TV, however, remains an important STV factor with the California Angels and the Chicago White Sox. This season, 17 Angels home games will again air on ON TV, while the STV services will air 32 Sox home games and 18 road games, for a total of 50, down considerably from the 80 clashes in 1984.

But when it comes to pay-cable, the Angels still are the leading team with SportsVision showing 63 homes and 38 road games this year, duplicated in part by ON TV. In total, moreover, SportsVision will present a total of 135 Angels contests—101 regular season, three spring training games, seven on a same-day level in primetime and 24 special game-of-the-week replays each Sunday in primetime, except twice when the Sox play live on a Sunday night. □

Surveys of media buyers stress quality of local TV station sales force

When competition is hottest, strong sales efforts pay off

BY DAVID BUTTERFIELD AND GREGORY HAWKINS

First in a two-part series

What sells local television? Audience? Demos? Programming? Good salespeople? Good sales management? Pricing? Parties? Commercials production?

In 1984, U.S. television stations spent well over $1 billion on sales, clear testimony to management's belief that sales is important. Sales costs (excluding rep commissions and most sales promotion expenditures) account for about 13 per cent of the typical station's total expenses and about one-quarter of its outlays for salaries. Sales training and the search for quality salespeople consume a high percentage of management time. The broadcasting industry believes that sales makes a difference—knows that sales makes a difference—but there is very little evidence that reveals where and why.

The people in the best position to know how local broadcast sales efforts work are the customers—agency buyers and direct account media buyers at retailers and local service businesses. Over the past five years, Butterfield Communications Group has conducted periodic surveys of buyers to evaluate the effectiveness of station and representative sales efforts.

Each survey focused on either the local or national spot sales performance of stations in a single market. Key buyers for the market were identified and asked to participate in an extended interview. The accumulated data now include the results of 60 separate surveys covering a total of over 1,500 buyer interviews, including buyers from some of the biggest agencies in the business.

We went to this collection of data to find out where and why sales makes a difference, that is, where sales efforts influence a station's share of the local television market, and why. We came away with answers that confirm some widely held beliefs about broadcast sales—and contradict others.

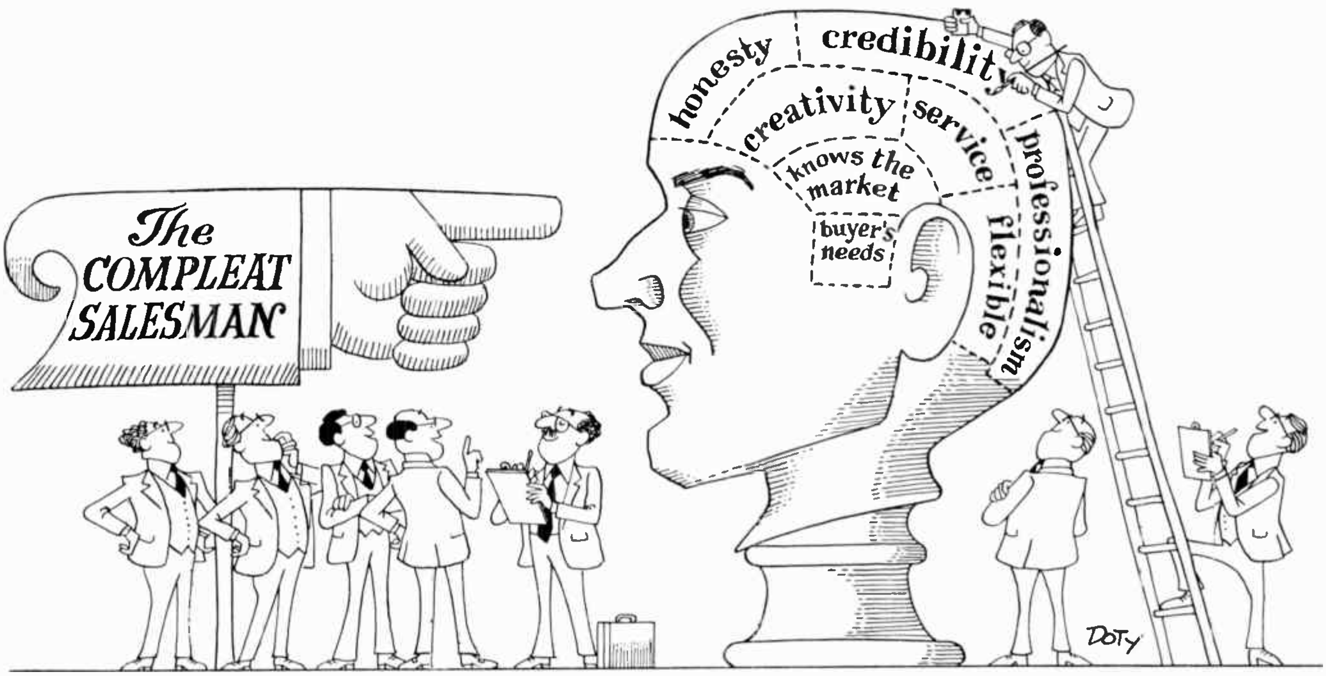
And in the process we gained some insight into what counts in the selling process itself.

Power of numbers

Our first conclusion was about numbers rather than sales: Local broadcast sales, particularly television sales, is a ratings-driven business. Several years ago, as part of a revenue forecasting project, we analyzed sales patterns across a number of markets over a 10-year period, to understand what factors determined a station's share of spot and local revenues. We found, not surprisingly, that audience share had the greatest effect, explaining 60 per cent of the upward or downward movement in revenue share.

Our interviews with buyers confirmed those results. In nine out of every 10 cases, when there was a clear ratings leader in the market, buyers identified that station as taking the lion's share of their business. For example, in one four-station market we looked at, the leading affiliate was taking a 31 per cent total day share, while its closest competitor netted a 23 per cent. According to the buyers we interviewed, the sales efforts of both stations were of roughly comparable quality. Seventy-five per cent of our respondents called the ratings leader a must-buy station, versus 38 per cent for the second station.

'The centerpiece of an effective sales effort is an effective sales force.'



Both common sense and the interview data point to the power of numbers.

Sales make a difference

Few broadcasters would buy the argument that ratings are the only force driving local revenues, and our data confirm their view. How a station is sold does make a difference, and that difference is most visible when the competition for audience is tight.

In two-thirds of the cases where we found two or more stations tied in audience share, a superior sales effort had clearly bought one station a larger share of local business. In half of the remaining cases, stations with highly rated sales teams had shortcomings in other areas—preemption problems or second-rate research, for example. When the ratings competition is close, sales becomes the arena in which the battle for revenue share is fought and won.

Sales efforts become critical to revenue performance in a competitive environment, and the level of competition in local broadcasting is rising rapidly.

One clear sign of growing competition is the disappearance of the dominant station; in fewer and fewer markets is one station able to claim a third, or even a quarter, of the audience. In Nielsen's May, 1981, sweeps, 25 stations in the top-20 markets took 25 per cent or better total-day household shares. In May, 1984, only 12 stations did the same. In markets 21–50, the number fell from 51 to 34 over the same period.

The impact of cable on network shares is one factor in the decline, but the increasing number and success of independent stations is even more important. In 1981, 25 independents in markets 21–50 won measurable audiences. In 1984, their ranks had swelled to 40 stations. In 1981, 10 markets between 21 and 50 had no independent registering a measurable audience; in 1984, only four markets.

More independent stations means more competition for audience, and fewer markets in which one station dominates the ratings. One consequence is the increasingly important role of sales performance in the competition for local revenues.

Affiliate erosion

More independents also means more competition for media buyers' attention. The affiliates' advantage has eroded in the eyes of most buyers, in part because of INTV activities such as the Burke study. Independent audiences are no longer seen as inferior to affiliate audiences; and the amount of inventory independents can offer increases their attractiveness.

Our data indicate, in addition, that independents are beginning to sell as well as affiliates. Sixty-seven per cent of the buyers we have interviewed say affiliate and independent sales efforts differ, and most say independents are more aggressive (in a positive sense).

"Indies have more to gain, so they really try—and it shows. They're more concerned, and much more competitive," said one buyer. Overall, two-thirds of the buyers who say there is a difference in the way independents and affiliates sell see the difference as favoring the independents.

Rising competition in the local marketplace suggests that selling television is destined to become a more difficult job. We believe it is. One trend identified in our buyer surveys confirms this, namely, the disappearance of the must-buy station.

Must-buy stations have become one of the first casualties of increasing competition and decreasing audience shares. Across our entire sample, about 50 per cent of buyers call one or more stations in the market they buy a "must-buy," and a must-buy station can be identified in about 40 per cent of the markets we have examined.

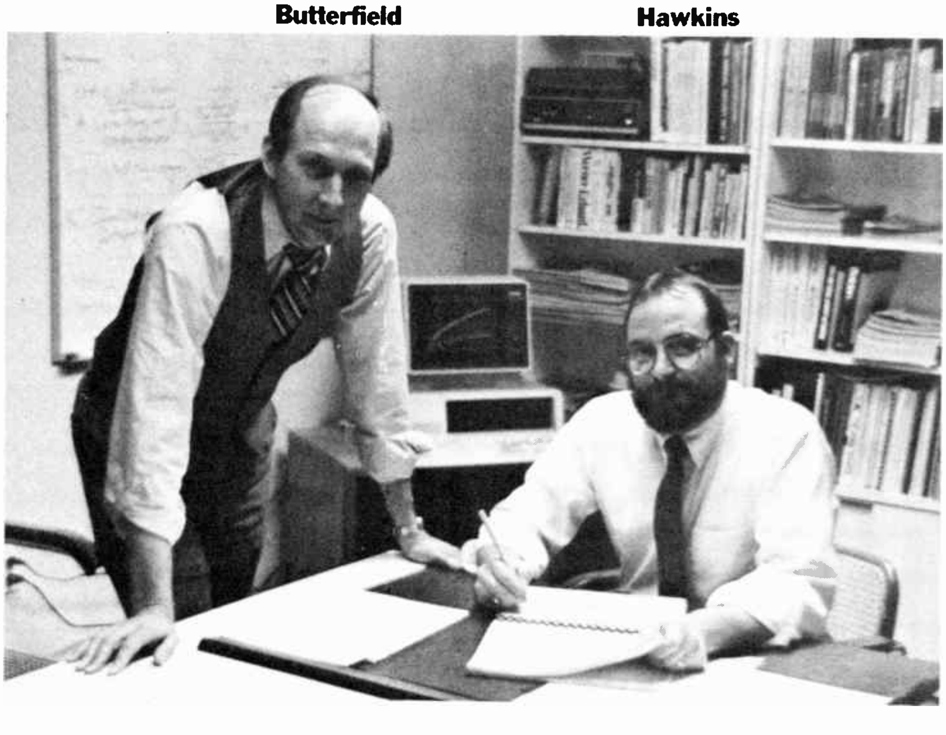
But when we chart the data across time and by market size, clear trends emerge. Buyers interviewed in 1980 identified far more must-buy stations than those interviewed in 1984, and small-market buyers identified more than large-market buyers. "I can buy around anyone" is a comment we hear more and more often.

As competition increases, fewer stations will be able to count on ratings dominance, network affiliation, or must-buy status to guarantee their share of local revenues. And consequently, more stations will be forced to stake their bets on a superior sales effort.

Competitive edge

Sales makes a difference, by giving stations with superior sales efforts an edge on the competition. There are three specific situations in which this competitive edge translates directly into a larger share of local dollars.

Butterfield **Hawkins**



Accumulated data include results of 60 surveys covering over 1,500 buyer interviews.

(1) Fading market leaders. When audience shares at a once-dominant station begin to slide under competitive pressure, a strong sales effort can prevent a parallel slide in revenue share. The four-station market with a dominant affiliate mentioned earlier was the subject of two surveys, conducted two years apart. The first survey found the situation described above: the dominant station with an eight share point lead on its nearest competitor and the lion's share of local business.

Two years later, the market had gained another independent, and the dominant station had slipped into a tie for first place in the ratings. Yet over half of the buyers interviewed still considered it a must-buy, automatically giving it a piece of almost every campaign. Only about one-third said the same of its close competitor. The difference, our data indicated, was the continuing strong performance of the leader's sales force, the quality of its commercials production, and its history of community involvement.

With competition for audience on the rise, a growing number of once-dominant stations find their edge in the ratings shrinking. The data suggest that a strong sales effort is the key to ensuring that their margins do not follow suit.

(2) The horse race for second place. A look at sweeps results usually reveals a number of markets in which a clear leader is trailed by two of its competitors locked in a dead heat for second place. And the preponderance of two-station buys at the local level means that one of the runners-up will probably miss a piece of a lot of local budgets. In this situation, the quality of sales efforts becomes the crucial test that determines which of the second-place stations will be bought.

In 60 per cent of our tied-for-second cases, the station with the stronger sales force took the larger share of buyers' business. In 20 per cent of the cases it was a wash; and in the remaining 20 per cent, the weaker sales force did better, often because of other station qualities.

(3) Struggling small fry. A very different sort of competitive environment confronts the new independent in a market, particularly when one or two independents are already on the scene. Programming is typically tight, complicating the problem of attracting audience, and it can be a struggle just to become visible to the buying community.

We encountered one such independent, the fourth in its market, in its second year of existence. It was pulling only a 3 per cent total day household share, well below the other independents, but had managed to assemble a high-quality, creative sales force. "Trying real hard—knocking themselves out," said one buyer, of the station. "God bless 'em," said another. "Great rep, station management is very willing to work with me. Great promotion around the city."

'In most buyer interviews, we ask buyers what they like most and least about each station in the market. Among things they like most about stations, the service they get from their salesperson is mentioned most often. Among things buyers like least, arrogant or pushy attitude heads the list. Overall, 53 per cent of buyer comments on what they like least relate to sales rep performance.'

When we asked buyers in the market which stations they called first for avails, 30 per cent named the new station—the same percentage as for each of the other independents. Although it appeared that the station figured in a far smaller percentage of buys, its strong sales effort had earned the station a much higher profile among buyers than its audience share warranted.

The centerpiece of an effective sales effort is an effective sales force. The interaction between buyer and salesperson is the focal point of the selling process, and our data indicate that, in many ways, buyers' perceptions of a station are tied directly to their perceptions of its sales staff.

In most buyer interviews, we ask buyers what they like most and least about each station in the market. Among the things they like most about stations, the service they get from their salesperson is mentioned most often; and 73 per cent of all comments involve sales staff performance.

Similarly, among things buyers like least, "arrogant or pushy attitude" heads the list. This perception is obviously based mainly on how the salespeople handle themselves and the job of selling. Overall, 53 per cent of buyer comments on what they like least relate directly to sales rep performance.

Clearly, from the buyer's point of view, a quality sales effort comes down largely to a quality sales force. What constitutes a quality sales force? A major purpose of our interviews was to answer this question. When we ask buyers what qualities they feel are most important in a salesperson, that is, what makes for professional selling, the following are mentioned most often:

Knowledge of their station and market:	20% of all mentions.
Hard working, conscientious, accurate, thorough:	19% of all mentions.
Promptness:	17% of all mentions.
Understanding of client and buyer needs:	14% of all mentions.
Good service, provide information, available:	14% of all mentions.
Integrity, honesty:	8% of all mentions.

While it might be tempting to read this data as saying that honesty and integrity are less than half as important to buyers as station or market knowledge, we put another interpretation on it. Other data confirm our view that buyers are generally satisfied with their salesperson's honesty and integrity, and relatively less satisfied with his or her market and station knowledge, thoroughness, promptness, etc. In general, the more experienced (and knowledgeable) the buyer, the greater the dissatisfaction.

Performance evaluation

We use this information about what buyers want in salespeople to evaluate sales force performance at individual stations. Six of the most important characteristics we examine are: knowledge, service and promptness, understanding of client and buyer needs, credibility and integrity, creativity, and professionalism.

(continued on page 120)

IBM models rule the roost now, and their domination will increase: Arbitron study

Micros penetrate TV stations deeply

The explosion in microcomputer technology and ownership has affected TV stations no less—and, perhaps, more—than other types of businesses. Microcomputers have become, in fact, a basic tool of station operations.

There has been little published information, however, on just how prevalent microcomputer ownership is among TV outlets and how the machines are being used. Of special interest is the type of equipment most commonly used, since stations digest large amounts of syndicated information—in particular, audience information. Hence, system compatibility is no small matter.

This explains why Arbitron Ratings Co. conducted a detailed survey of microcomputers at TV stations this past December. A condensed version of the survey's results has just been distributed among TV station subscribers but TV/RADIO AGE has acquired a copy of the complete study. Here are some of its highlights:

■ About four out of five TV stations have at least one microcomputer and in the top 25 markets the ratio is nine out of 10.

■ Most TV stations have more than one micro, even among stations in markets below the top 100.

■ Most stations plan to acquire at least one micro this year and, of these, most plan to acquire more than one.

■ Most stations have the IBM PC in one model or another, including the PC jr. Of those who plan to acquire one or more microcomputers this year, an even larger majority say they will buy IBM micros.

■ Stations use micros for a wide variety of tasks, the survey indicated, with "(to) automate processes currently done by hand" and "(to) perform spreadsheet analysis" leading the list of eight reasons specified in the survey. These two also led the list of reasons why stations are planning to acquire micros this year.

■ A variety of executive personnel are involved in decisions to buy a micro, but the "general manager/administration" category was listed most often by far. Also listed by at least a third of the stations were accounting, sales, engineering and "programming/news" personnel, in that order.

■ When the question was worded to determine which group was "most responsible" for the micro purchase decision, the "general manager/ administration" and accounting categories were the only ones mentioned by more than 10 per cent of the respondents.

■ As for which departments or personnel are *using* the station's micro, accounting, "programming/news" and sales were checked off by at least half of the responding stations.

■ Interestingly, the stations rated themselves a little better than their reps or the rating services on their ability "to stay on top" of the new microcomputer technology.

But the answers, ranging from "excellent" down to "poor," indicated a modest satisfaction with the ability of all three groups to cope with microcomputers and their software.

The carefully-designed study generated 291 responses fairly evenly distributed among affiliates of the three networks and independent outlets. There was only a scattering of PBS and SIN affiliates replying. About 40 per cent of the respondents were general managers, far and away the most numerous respondents.

Next most numerous respondent category was the business manager with about 9 per cent of responses coming from that source.

The bottom line of the survey was that 79.0 per cent of stations replying reported having one or more micros. The penetration ran between 80 and 90 per cent for the top three market groups broken out—top 25, 26-to-50 and 51-to-100—but dropped sharply for the 100-plus markets, where the penetration figure came to 68.4 per cent.

The smaller markets, as might be imagined, also showed up with fewer micros per station. Overall, 31.7 per cent of stations with micros had only one; in the 100-plus markets, the ratio was 47.7 per cent.

However, among all stations with micros, 22.6 per cent have five or more, while the figure for stations in the top 25 markets with five or more was 31.0 per cent. In fact, among stations in the second 25 markets, the ratio with five or more micros was even greater than among outlets in the top 25—actually totaling 40.7 per cent. This, however, could be explained by the greater use of mainframes or minicomputers among stations in the larger markets. In the 100-plus markets, the percentage of stations with five or more micros comes to only 6.2.

Despite this apparently heavy penetration of micros, there is still a pent-up demand for the machines among TV stations. When asked, "Does your station plan to acquire any microcomputers in the next year (1985)?" 60.8 per cent answered yes. The percent varied only slightly across the four market-size groups, ranging from 54.7 to 63.8. On top of this, there was a significant number of "don't knows" and "no answers." Overall, this amounted to 13.4 per cent, but among stations in the 100-plus markets, the ratio was 22.1 per cent.

Those who plan to acquire any micros this year were asked how many they intend to buy. About four out of 10 stations intend to buy only one, but 28.8 per cent say they will buy two, 7.9 per cent say three, 4.0 per cent say four and 8.5 per cent say five or more.

"Does your station have any microcomputers?"

	Total	Markets 1–25	Markets 26–50	Markets 51–100	Markets 100 plus
Yes	79.0%	89.4%	84.3%	81.0%	68.4%

"How many microcomputers does your station have?"

	Total	Markets 1–25	Markets 26–50	Markets 51–100	Markets 100 plus
One	31.7%	16.7%	20.3%	35.9%	47.7%
Two	26.1	26.2	27.1	23.4	27.7
Three	13.5	21.4	6.8	17.2	10.8
Four	6.1	4.8	5.1	6.3	7.7
Five or more	22.6	31.0	40.7	17.2	6.2

Source: Arbitron Ratings Co. survey of TV stations, December, 1984. Percent of stations answering. In bottom table columns add to 100% vertically.

Models in use

The question on models in use in use among stations is a critical one for Arbitron. The survey pretty well nailed down the fact that the IBM PC/XT is, by a big margin, the most popular micro and Pierre "Pete" Megroz, vice president for sales and marketing of the ratings company, says that Arbitron will now be revolving its computer services to stations around that model.

The PC/XT is being used by nearly half the stations responding to the survey—specifically, 45.7 per cent. The second most popular micro is far behind. This is the Apple. Excluding the MacIntosh, which is a minor factor at TV stations, the survey showed that 26.1 per cent of stations have one or more Apples, while only 2.6 per cent own a MacIntosh. In third place were the Radio Shack micros, with 13.9 per cent penetration. No other model was checked off by more than 10 per cent of the stations (see table).

If all the IBM micros are added together, total station penetration of IBM equipment comes to over 60 per cent. This includes the PCjr., with 7.8 per cent, the top-of-the-line IBM/AT (for "advanced technology"), with 5.2 per cent, and the original IBM PC, 3.0 per cent.

The IBM lock on the micro business at TV stations will be even stronger if the stations follow through on current purchasing plans this year. Of those who plan to acquire a micro in 1985, 50.8 per cent have their heart set on an IBM PC/XT. Next in line of preference is the IBM/AT, with 11.9 per cent of stations planning to buy one. Then comes the Apple, except the MacIntosh, with 9.0 per cent, followed by the PCjr., 7.9 per cent; the IBM PC, 3.4 per cent, and the MacIntosh, Compaq and Radio Shack micros, 2.8 per cent each. A scattering of votes were cast for micros from DEC, Data General, Hewlett Packard and Commodore.

In asking stations why they bought a micro, Arbitron listed eight reasons, with no provision for a write-in. The eight were (l) "Create your own computer graphic presentations," (2) "Perform spreadsheet analysis," (3) "Increase or acquire word processing capabilities," (4) " Enhance computer capabilities," (5) "Automate processes currently done by hand," (6) "Run a specific broadcast application such as Broadcast Management Plus or PTA (Product Target AID)," (7) "Have more control of applications or data" and (8) "Build a database."

As indicated, the "automate processes" and "spreadsheet analysis" responses led the list and they were cited by 67.8 and 67.0 per cent of stations, respectively. Word processing came next with 59.1 per cent of the responses and the database response followed with 45.2 per cent. Yet, even the reason ranked last—running a specific broadcast application—was specified by 23.9 per cent of the stations.

The same eight reasons were listed in the questionnaire in asking stations why they were buying a micro this year. The range of responses was more narrow—from first- to last-ranked the responses ranged from 24.3 to 42.9. As noted, the leading two reasons for buying a micro this year were the same as for micros now in use.

"Which of the following brands or models of microcomputers does your station currently have?"

Model	*% of stns.*
IBM PC/XT	45.7%
Apple (except MacIntosh)	26.1
Radio Shack	13.9
Commodore	9.1
IBM PCjr.	7.8
IBM/AT	5.2
Compaq	4.3
DEC	3.5
Hewlett Packard	3.5
IBM PC	3.0
Epson	3.0
Wang PC	3.0
Apple MacIntosh	2.6
Kaypro	2.6
Televideo	2.2
NEC	1.7
Data General	1.7
Eagle	0.9
Zenith	0.9
Other	13.0
Don't know/no answer	3.9

Source: Arbitron Ratings Co. survey of TV stations, December, 1984. Total adds to more than 100% because of multiple responses.

Who participated in the decision to buy a micro? As might be expected, the general manager or some top administrative executive was involved in most cases—71.7 per cent of cases, to be precise. Accounting participated at 52.2 per cent of the stations, sales at 42.2 per cent, engineering at 37.4 per cent, programming/news at 35.2 per cent and substantially smaller percentages for traffic, research, promotion, management information systems and production operations.

When the question sought to pinpoint the one group most responsible, the order of importance was not much different but the gap between the top two groups and the remaining groups was more pronounced. General managers and comparable administrative executives were most responsible at 37.8 per cent of stations, followed by accounting with 18.7 per cent. The next category, engineering, generated a response from only 7.0 per cent of respondents, followed by sales with 6.5 per cent.

Who uses the micro? Accounting is still number one with 59.1 per cent of stations citing that department, but programming/news and sales were strong seconds, tied at 50.4 per cent of stations. Following these were, in order: general manager/administrative, 37.8 per cent; engineering, 36.1; research, 26.1; traffic, 24.3; promotion, 17.4; production/operations, 3.0 and other groups, 5.7 per cent.

About half a dozen questions in the survey dealt with graphics. The basic question was: "Does anyone at the station use the microcomputer to produce printed charts and graphs?" The yes answers were 37.8 per cent of the total and the ratios didn't differ much by market size. By far the leading software for graphics is Lotus 1-2-3.

Among stations with micros who are producing graphics, 72.4 per cent use them for internal presentations, 58.6 per cent for sales; 57.5 per cent for data analysis, and 52.9 per cent for external presentations. Minor factors were promotion, cited by 17.2 per cent of the graphics producers, and on-air election returns, checked off by 2.3 per cent.

By far the most popular equipment for producing graphics is the dot matrix printer, used by 69.0 per cent of stations producing graphics on micros. Next most common is the IBM four-color printer, used by 19.5 per cent.

Employee training

What about training? The questionnaire asked: "When your station acquired a microcomputer, did employees receive any training about how to use (it)?" In 67.4 per cent of stations with micros, the answer was yes. In most cases, the training was provided by the company (or store) where the hardware was bought. This was cited by 62.6 per cent of the stations. Another 27.1 per cent cited the company or store where the software was purchased. But at 20.6 per cent of the stations, the training was in-house and in another 17.4 per cent of cases, there was professional training at an institution.

The length of time for training varied. It took less than a day at 31.0 per cent of stations, a day at 23.9 per cent, two days at 20.0 per cent and three or more days at 21.9 per cent. About two-thirds of those with micros who received training said they were satisfied with it.

One of the questions asked related to the station's rep, viz.: "How would you rate your station rep on his ability to stay on top of the new microcomputer technology?" The responses were mixed: excellent, 11.7 per cent; very good, 18.6 per cent; good, 25.4 per cent; fair 11.0 per cent, and poor, 11.7 per cent. □

Wide disagreement exists among reps, agencies over source of revenue

Unwired radio webs proving viable

Though there is considerable disagreement over where the revenue is coming from, the recently assembled king-size unwired networks appear to be a healthy and growing (albeit small) segment of the national radio business.

With the first quarter of 1985 at midpoint, the three multiple-group unwired webs formed in 1984—Internet (McGavren Guild, Major Market Radio, Weiss & Powell and Hillier, Newmark, Wechsler & Howard), Katz Radio Group (Katz, Christal and Republic) and Supernet (Torbet, Selcom, Eastman and Jack Masla)—all report that business is good.

A sampling of agencies confirms that the unwired route is proving to be a viable radio vehicle.

And John Boden, president of Blair Radio, a less aggressive player in the recent past, acknowledges that unwired networks "are here to stay" and says the company will be going after that business "more creatively" in the near future.

Diversity of opinion

That, however, is where the consensus ends.

There is a wide diversity of opinion among both the rep groups and the agencies as to what unwired networks are supplanting within the national radio arena.

For instance, among the three multiple unwired rep groups, the answers vary as follows:

■ Ken Swetz, president of Katz Radio, says a good portion "of what used to be spot is now in rep networks. A station doesn't care what you call it as long as the order is intelligently planned and priced at what the inventory is worth."

■ Bill Kehlbeck, vice president and general manager of Supernet, says, "We do not encourage the conversion of national spot dollars to unwired budgets. Our principal objective is to deal with dollars that are on the table for unwired networks, that are in wired budgets and that represent new (to radio) business."

■ Bob Lion, manager of Internet: "It is not at the expense of traditional spot. It's mostly new-to-radio advertisers, coming from other media."

On the agency side, the unwired money is pegged as either a blend of spot and wired network dollars or a direct replacement for spot.

At Young & Rubicam, Lenny Stein, vice president, associate director, local broadcast and network radio, says an unwired network buy "is spot. It is not coming out of what we consider line or connected network activity.

"It is spot money, buying in a different way."

"It is not coming out of what we consider line or connected network activity. It is spot money, buying in a different way . . . We insist on only what we consider to be the top stations in a market."

Lenny Stein
Vice president
Young & Rubicam

Larry Spiegel, executive vice president of Tracy-Locke, terms unwired webs as "a combination of network and spot," but he emphasizes that "it's primarily out of the spot budget."

At Wells, Rich, Greene, though, Robert Geis, senior vice president and media director, says that, more often than not, unwired buys "come out of network."

But he also points out that, "it could come out of spot. We have some clients with extensive market lists, and, in these cases, unwired networks give us more efficiency."

"With the erosion of network TV, we're doing a lot more demo targeting . . . We have some clients with extensive market lists, and, in these cases, unwired networks give us more efficiency."

Robert Geis
Senior vice president
Wells, Rich, Greene

"Efficiency," is an oft-cited reason given by agencies for using unwired webs, but pinning them down on just why these buys are more economical is difficult.

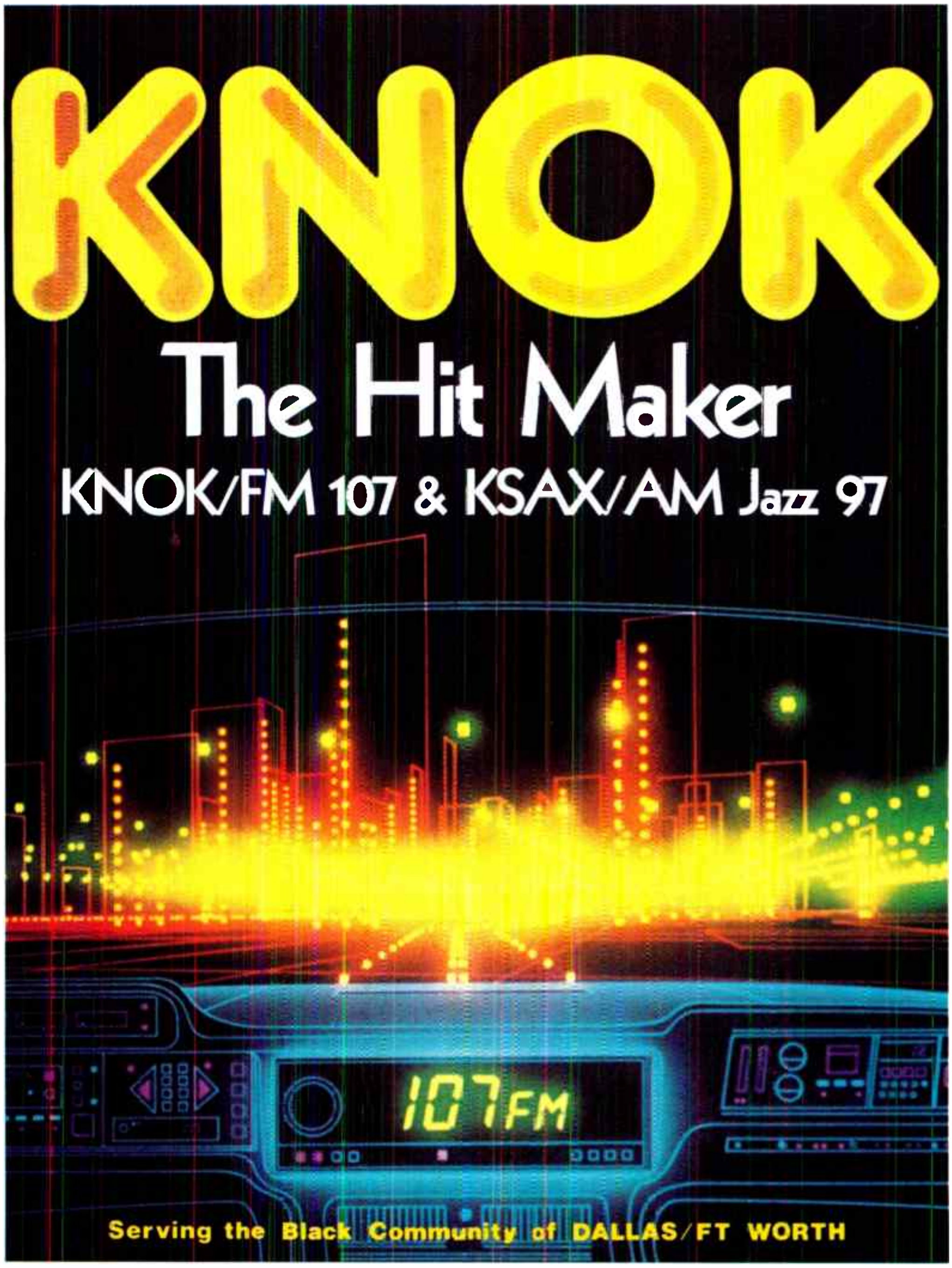
Reps, on the other hand, insist that unwired networks are bought because of

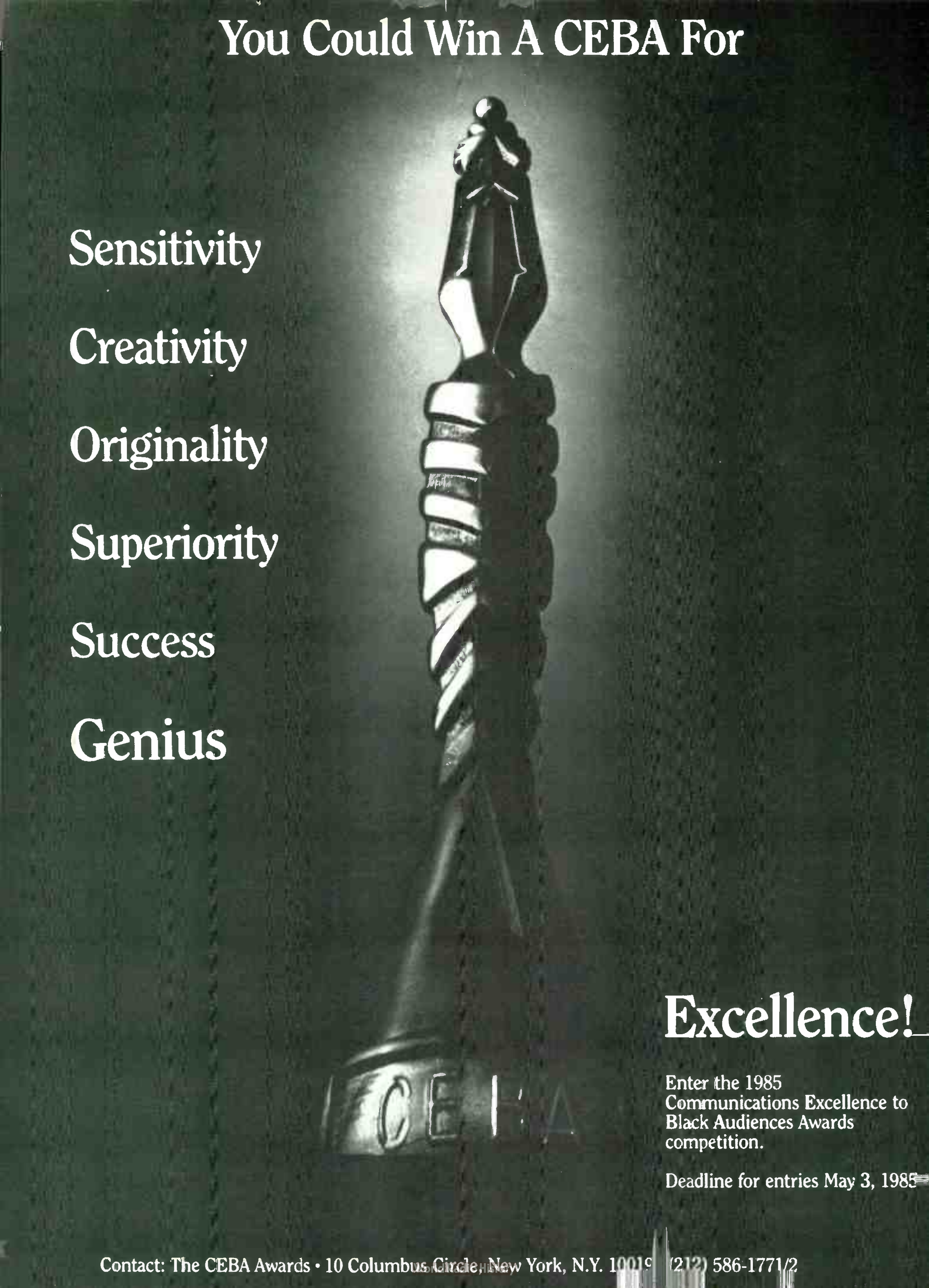
(continued on page 130)

BLACK BROADCAST
The market; the station scene

Television/Radio Age

February, 1985

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Television/RadioAge
February 1985

Progress in education, upward mobility counterbalance unemployment figures

Growing black consumer income stirring ad interest

Income for the U.S. black population will approach $175 billion in 1985, up from about $149 billion in 1982.

The U.S. black population, increasing at a rate 50 per cent greater than that of whites, will hit 29 million sometime this year. Its income in 1985 will approach $175 billion, compared with an estimated $149 billion just three years earlier.

The growing total available for black consumer expenditures is increasing advertiser interest in this ethnic group. There are, of course, some clouds hanging over this market. For example, last year unemployment was about 16 per cent, according to the Urban League.

Yet, from a marketer's viewpoint, Mike Hilber, general sales manager of WZAK(FM) Cleveland, observes that, "Today's sophisticated advertisers would be the first to concede that 16 per cent unemployment is a disaster for those who can't find work. But advertisers are businessmen who wouldn't be in business if they weren't optimistic by nature to begin with. So they tend to see the glass not as just 16 per cent empty, but as 84 per cent full. If 16 per cent of the market are unemployed, 84 per cent are bringing home paychecks."

This attitude by a growing number of advertisers is probably a key reason that Pat Stevenson, vice president, media at JP Martin Associates, New York, can report that "Budgets targeted to black consumers are growing. They're not growing at a tremendous rate, but are growing enough so that many of the agencies like ours that specialize in marketing to blacks have doubled billings over the past few years."

Meanwhile, at Adelante Advertising, executive vice president David Krieger offers this advice: "For those few brand managers who may still be discouraged from targeting black consumers by the negatives about their economic situation, I recommend that they read Ben Wattenberg's new book, *The Good News Is The Bad News Is Wrong*. He's done one of the most thorough analyses I've seen of the latest census projections. He spotlights major black gains in education and upward job mobility."

Population growth

Krieger also points to projections of the 1980 census data by the World Institute of Black Communications that indicate an expected 18.7 per cent growth rate for this country's black population during the 1980s, against 12 per cent for whites. That would boost black population from the 26,488,000 reported by the 1980 Census to 31,452,000 in 1990. Being at mid-point in 1985, says Krieger, "that should put this country's growing population of black consumers at close to 29 million."

That 29 million figure also follows the same line traced by the *Statistical Abstract of the United States—1984*, 104th Edition, based on census projections. This indicates a black population of 27,589,000 for July, 1982, up from 26,631,000 in April 1980.

Meanwhile, for the first time, Simmons has split its 1984 product consumption data for black programmed radio listeners into two parts, with separate reports for "Black Radio" and for "Urban Contemporary Radio." These have been analyzed by Elaine Pappas, vice president, director of research for Hillier, Newmark, Wechsler & Howard, who reports that listeners to black radio are young adults with large families, and that 63.1 per cent of them are employed, 54.2 per cent of them fulltime. That's better than the 59.9 per cent of the total U.S. population employed, 52.3 per cent fulltime.

Crowd at WRKS(FM) New York's Harlem Day Cleanup

Top 30 black markets by TV households

ADI Rank	ADI market	Pop in TVHH & Group quarters	Pct of US
1	New York	974,500	10.99
2	Chicago	497,900	5.62
3	Philadelphia	370,500	4.18
4	Los Angeles	363,200	4.10
5	Washington	319,600	3.61
6	Detroit	299,600	3.38
7	Houston	233,900	2.64
8	Atlanta	226,000	2.55
9	Baltimore	188,500	2.13
10	Memphis	178,500	2.01
11	Dallas-Ft. Worth	175,400	1.98
12	New Orleans	168,200	1.90
13	Cleveland	165,800	1.87
14	San Francisco	161,200	1.82
15	Raleigh-Durham	157,000	1.77
16	Norfolk-Portsmth-Newport News-Hamptn	137,800	1.55
17	Miami	135,300	1.53
18	St. Louis	132,800	1.50
19	Shreveport-Texarkana	113,300	1.28
20	Brimingham	110,200	1.24
21	Richmond (Charlottesville)	108,500	1.22
22	Charlotte	105,100	1.19
23	Jackson, MS	102,500	1.15
24	Mobile-Pensacola	83,300	.94
25	Columbia, SC	83,200	.94
26	Tampa-St. Petersburg	80,300	.91
27	Greenville-Spartanburg-Asheville	77,800	.88
28	Greensboro-Winston Salem-High Point	77,700	.88
29	Jacksonville	77,400	.87
30	Baton Rouge	72,900	.82

Source: Arbitron 1984–85 Ethnic Population Book

On "buying style," says Pappas, Simmons gives listeners to black radio an index of 114 for style consciousness and 112 for both brand loyalty and "economy minded."

Similar 1984 Simmons figures reported by Pappas for urban contemporary formats indicate that these listeners are young adults, with a little over one third of them 18 to 24, 87 per cent of them in the 18 to 79 age bracket, and 54.6 per cent in the 25 to 54 age range.

On income, 12.2 per cent of urban contemporary household heads earn $20,000 to $24,999 a year, versus 11.1 per cent for total U.S., and 24.2 per cent for total U.S., and 24.2 per cent of Simmons' urban contemporary adults bring home $10,000 to $19,999 a year, against 21.8 per cent of total U.S. And on education, 18.9 per cent of urban contemporary listeners have attended one to three years of college, compared to 17.3 per cent for total U.S., and 9.2 per cent of the urban contemporary listeners are college graduates. The comparable figure for total U.S., however, is 16.7 per cent.

Pappas also reports that 52.3 per cent of urban contemporary listeners have children under 18 and that 42.1 per cent own their own homes. And Simmons gives them indices of 112 as "experimenters," 111 as being style conscious, and 107 as being "ad believers."

Also, says Pappas, 19.4 per cent of black radio listeners have attended college for one to three years, more than the 17.3 per cent figure Simmons reports for total adults 18-plus. And 11.6 per cent of listeners to black radio have graduated from college, though that's less than the 16.7 per cent reported for total adults.

On income, Pappas reports black radio listeners head of household earnings almost equal to that of total households, with 10.1 per cent in the $20,000 to $24,000 bracket.

The World Institute of Black Communications reports that though African Americans continue to be found primarily in central cities, they have recently been the fastest growing segment of the suburban population. WIBC says that the suburbs gained some 2.5 million blacks between 1970 and 1980, and that "Fully one-fifth of all blacks now reside in the suburbs, accounting for six per cent of total suburban population."

Because of generally lower income levels, *Black Enterprise* magazine reports that a greater proportion of black family income is spent on food, housing and transportation. The magazine's research department estimates that black families spent $29.4 billion on food in 1982, and $24 billion on housing. Another $10.2 billion went for apparel, $8.8 billion for fuel and utilities, and $7.5 billion for health care.

Other categories include $5.3 billion for household furnishings, $4.8 billion for recreation and related equipment, $1.9 billion for selected personal care, and $1.9 billion for tobacco.

The World Institute of Black Communications estimates that black consumers in 1983 spent $690 million for cold cuts, $674 million for regular candy bars and packages, $391 million for potato chips and $349 million for medicated skin care products.

In other categories, WIBC estimates black expenditures of $303 million for butter, $165 million for jam, jellies and preserves, $162 million for canned tea, and $137 million for toilet soap.

WIBC also shows higher purchase indices among blacks for a long list of other categories including an index of 175 for pain relieving rubs and liquids, 178 for female purchase of nasal sprays, 189 for female use of home permanents, 178 for bottle barbecue sauce, 167 for pancake syrup and 138 for non-dairy cream substitutes.

Format correlation

Also, National Black Network breakouts of Simmons data produce a notable list of product categories and brands for which black programmed radio formats are most effective. For laundry bleach, for instance, Simmons 1983 overall use index for whites was 98, against 113 for blacks. Among heavy users, the black index for bleach jumps up to 137 and dips slightly to 96 for whites.

Switching to media habits of bleach users, Simmons showed an index of 114 for black radio formats, with the second highest, 105, going to news/talk, with country music in third place with 104.

For baby foods/cereals, Simmons' index for black radio listeners was 157, versus 147 for CHR/rock listeners, the second highest format for this category.

In the case of a specific brand of the cold remedy category, black radio scored an index of 150 against users of Alka-Seltzer Plus. Next highest format for this brand was MOR/nostalgia, with 119.

In the cleansing cream/gel category, black radio shows an index of 132 for Noxema, compared to 125 for the next closest format, CHR/rock. Among cold

Journalist Ben Wattenberg's analysis of latest available census data shows black college enrollment up 117 per cent from 1970–81.

breakfast cereals, black radio's index was 165 for Kellogg's Frosted Flakes, with religious formats scoring the next highest index of 117.

In individual major markets, results of Scarborough surveys are available. The 1984 Scarborough report for WRKS(FM) New York, for example, turns up indices for its listeners such as 131 for video/computer equipment owned, 142 for having a video camera, 148 for laying out $500 to $1,000 last year for wall-to-wall carpeting, 159 for having spent $250 at Alexanders within the past three months, 190 for having shopped at Seamans, 222 for patronizing Frankart Furniture Stores and 257 for shopping at Video Shack.

Clients who wish to insert tailor made brand use questions on a shared cost basis can ride with the next quarterly Black Omnibus survey by Strategy Research Corp., in one or more of five major markets: Los Angeles, Chicago, New York, Washington or Atlanta. Results of the telephone surveys break out brand familiarity and purchase by three age brackets and gender.

In his *The Good News Is The Bad News Is Wrong*, journalist Ben Wattenberg finds young blacks moving farther up the educational ladder than ever before.

Wattenberg's analysis of latest available census data points to black college enrollment up 117 per cent between 1970 and 1981, while white enrollment moved up 37 per cent, though starting, of course, from a much larger base. In actual numbers, black college enrollment jumped from 522,000 in 1970 to 1,127,000 by 1982.

One result is that during that same 12 year span, blacks in the Bureau of Labor Statistics' professional-technical and managerial-administrative categories climbed from 802,000 in 1976 to 1,533,000 by 1982. Black school administrators rose from 14,000 in 1970 to 48,000 in 1972. Black computer specialists went from 9,000 to 41,000; ac-

Product categories with high minority consumption

(% of heavy users vs. normal users)

	Black	His-panic
Baby foods	68%	33%
Baby diapers	69	166
Baby shampoo	—	47
Dry cookie mix	84	15
Ready-to-spread	100	20
Regular beer (male)	33	—
Imported beer (male)	35	99
Imported beer (female)	43	98
Malt liquor (male)	272	225
Malt liquor (female)	294	—
Cold breakfast cereal	—	16
Hot breakfast cereal	40	—
Nutritional snacks	—	31
Egg substitutes	151	79
Dry pancake mix	64	—
Miniature & snack size candy bars & packages	70	37
Hard roll candy	66%	—
Chewing gum	53	7
Canned spaghetti & macaroni	67	—
Vienna sausage	74	—
Orange juice, bottles, cartons	106	31
Pineapple juice	39	—
Other fruit juices & drinks	59	14
Powdered fruit flavored breakfast drinks	69	—
Butter	54	14
Diet or low cal American cheese	40	—
Other frozen chicken	28	26
Frozen potato products	27	—
Pies, cakes	—	65
Liquid bleach	37	—
Air fresheners, sprays & room deodorizers	53	—
Potato chips	60	8
Corn & tortilla chips & snacks	33	8
Bottled barbecue sauces	105	20
Ketchup	39	15
Aluminum foil	72	26
Cigarettes—menthol	120	—
Cigarillos & little cigars	77	—
Champagne, cold duck & sparkling wines	88	—

Source: Breakouts of Simmons 1983 by The Wellington Group. First item would read: "Blacks are 68% more likely to be heavy users of baby foods than total U.S."

Advertisers, says J. P. Martin's Pat Stevenson, "still have to rely on radio 99 per cent of the time if they're targeting black consumers."

countants from 17,000 to 60,000; black nurses, dieticians and therapists from 71,000 to 153,000, reports Wattenberg.

Between 1969 and 1977, he adds, the number of black-owned businesses climbed from 163,000 to 231,000. And *Black Enterprise* magazine reported total sales of the top black businesses doubling between 1972 and 1982, from $1.1 billion to $2.2 billion.

And between 1970 and 1983, the number of elected black state legislators increased from 169 to 379, and elected mayors shot up 523 per cent, from 48 to 251, with black mayors in the most major of major markets—Los Angeles, Chicago, Philadelphia, Detroit, Washington, Atlanta and New Orleans.

Thus, Wattenberg can quote University of Michigan economists Glenn Loury and Jerome Culp, who reported in 1979 that, "Minority workers in the labor force have nearly achieved parity with their non-minority counterparts, both in skills and in earnings. Corporate and government practices toward minority workers, students and citizens have undergone radical change."

White working women

And while even Wattenberg concedes that blacks earn substantially less money than whites, he can also point out that many of the percentage comparisons of the household income between blacks and white look worse than actual dollar differences, because of the tremendous numbers of white women who have moved into the labor force in recent years to boost white household income to such unprecedented levels. This two-breadwinner situation, relatively new in so many households, has long been the case among blacks, where most women have always had to work to make ends meet.

Thus, adding up the recent black gains, Wattenberg can report, in spite of the ups and downs with blacks hit harder by recessions than whites, that across the entire 1970 to '82 period, per capita black income was able to rise 15.4 per cent. And he reports projections by Andrew Brimmer, former governor of the Federal Reserve Board, that show a steeper aggregate income gain for blacks between 1980 and 1984 than for the population as a whole; "19 per cent higher, or, after discounting for faster population growth, 15 per cent higher."

More recently, in the December, 1984, issue of *Black Enterprise*, Brimmer contributed an article, *Prosperity Among Black Women*, reporting that while 1983 median income of all married black couples came to $21,840, in families where the wife worked, median income was $26,389. His data also show that while 1983 median income of black men who worked full time was $16,410, compared to $23,114 for white men, the difference between black and white women was far less: full time working black women in 1983 earned a median income of $13,000, versus $14,677 for white women.

Meanwhile, WIBC points out that black income levels vary widely by market. Median black family income in Washington, D.C., in 1980 was $16,362, and in Mount Vernon, N.Y., $16,471. In Inglewood, Calif., the figure was $17,409. And in Pontiac and Flint, Mich., and Gary, Ind., it was over $18,000.

Unfortunately, except for Washington, the WIBC ranking by income bears little relationship to market size.

In Chicago, black median family income was $13,724, in 1980; it was $12,448 in Los Angeles, and it came to $12,375 for New York.

Elaine Pappas *of Hillier, Newmark, Wechsler & Howard reports that listeners to black radio are young adults with large families, and that 63.1 per cent of them are employed, 54.2 per cent fulltime.*

Total U.S. population—actual and projections

	1960	1960 % Dist.	1970	1970 % Dist.	1960–70 % Increase	1980	1980 % Dist.	1970–80 % Increase	1990	1990 % Dist	1980–90 % Increase
	(000)		(000)			(000)			(000)		
Total	179,323	100.0	203,212	100.0	13.3	226,505	100.0	11.5	249,731	100.0	10.3
White	158,832	88.6	177,749	87.5	11.9	188,341	83.2	6.0	210,964	84.5	12.0
Black	18,872	10.5	22,580	11.1	19.7	26,488	11.7	17.3	31,452	12.6	18.7
Other	1,619	0.9	2,883	1.4	78.0	11,676	5.1	305.0	7,315	2.9	62.6
Spanish origin[1]	N/A	—	9,073	4.5	—	14,606	6.4	61.0	N/A	—	—

Wordl Institute of Black Communcations, 1984
[1] Persons of Spanish origin may be of any race and are therefore included in black, white and other categories.

In Arbitron's latest 1984–85 Ethnic Population book there have been some notable shifts in black population size rankings since the 1982–83 edition. Philadelphia, with 1,087,600 black persons, two-plus, has replaced Los Angeles in number four spot, and Houston, with 720,000 blacks, two-plus, replaced Atlanta in seventh place.

At the same time, Dallas-Fort Worth, with 542,000 blacks in the same age range replaced New Orleans in 11th place.

Variety of media

Thomas Burrell, president of Burrell Advertising, Chicago, observes that "When we see more television commercials made by black agencies and more commercials featuring black talent, as we do, that doesn't mean there's less money being invested in black radio or print.

"More advertisers today recognize the importance of black consumers to maintaining their market share and many of them are using all media forms to reach black consumers. Black radio is expanding, and magazines like *Ebony* and *Essence* are doing very well."

Similarly, at J. P. Martin Associates in New York, vice president, media Pat Stevenson says that it's not likely the money placed in television is coming out of radio, "for two reasons. One is that radio has to be the primary medium used to target black consumers. The other is, that from what I can see, more black agencies are being assigned to create TV commercials that would have otherwise been done anyway by the client's general market agency, if the black agency had not won the assignment.

"So far as we can see, the money for television is part of most advertisers' overall television budget."

Returning to the importance of radio, Stevenson explains that, "Except for a very limited group of syndicated TV shows like *Soul Train* and *Essence*, whose viewers are overwhelmingly black, there's so much white audience for primetime television shows that though many blacks also watch shows like *Bill Cosby* and *The Jeffersons*, advertisers still have to rely on radio 99 per cent of the time if they're targeting black consumers. For anyone who needs proof of this beyond Arbitron and Simmons, all they have to do is see how Chicago's black radio stations delivered the vote for Mayor Washington."

Stevenson also points out that promotion is "a key ingredient in marketing to blacks, and black-programmed radio stations are among the most cooperative in helping with all kinds of merchandising and promotion plans and listener contests."

Concert promotions

But she also reports that, "One place where we have added television to radio very effectively has been our promotion of Budweiser's Superfest concerts." She says that the combination of both broadcast media "not only sells out the concerts in almost every market they play in, but on top of that builds a great deal of awareness of what Budweiser is doing. Budweiser sponsored the first of these big, live traveling concerts for black audiences, and if success is measured by its imitators, it must be working well because so many other corporations have followed suit." □

Black AMs fighting back with updated formats, new promotional strategies

Urban contemporary FM stations pulling more ad dollars

Urban contemporary stations are pulling bigger ratings and ad dollars by attracting white listeners along with their blacks. Black-programmed AMs, who also attract whites, though not to the degree enjoyed by urban FMs, are fighting back with a variety of strategies. Some involve programming, and some stress promotion, often in the area of community service, though the urban FMs, according to some sources, take no back seat when it comes to community contact, either.

Dean Landsman, president of Landsman Media, New York based radio research and programming consulting firm, declares that only part of the success of many urban contemporary FM stations is due to white crossover listeners. Most of it, he says "is because they've built up their total audience size by researching and programming professionally on an equal basis with their top 40 competition. Today, urban contemporary FMs no longer have to settle for low rates the way the old-line R&B stations did."

One example: Marv Dyson, president and general manager of WGCI-AM-FM Chicago, reports business booming, "because integration works." Three or four years ago, he explains, "We were selling ourselves as a black station and we were the fifth- or sixth-rated radio station in Chicago. Today we're selling our station as a general market station run by blacks. We've added smart white people to the smart black people on our staff; three of every five air personalities are white, and 30 per cent of our audience is white. That puts us consistently among the top three rated stations here, and in most books, we're the Number 1 music station."

Landsman points out that the audience success of urban FMs has often come at the expense of the old-line gospel and rhythm and blues AM formats. But he adds that, "The AMs don't have to sit still for it. There's plenty they can do."

AM repositioning

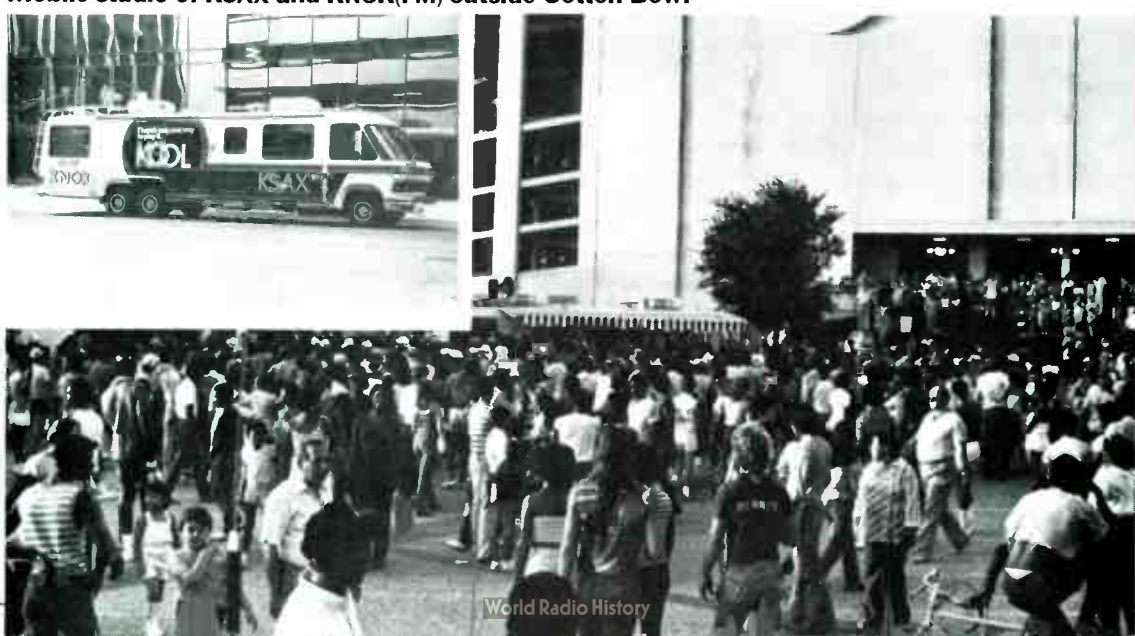
Years ago, he explains, there were usually one or two black AMs in most markets. But today, with all the new urban FM competition, "The old line AMs have had to rethink their traditional R&B jive format. Some of those that have done it professionally, with research, have done well. Some of those who haven't are in trouble. But they don't have to be."

Landsman points to WPLZ(FM) Richmond, which last fall's Arbitron "says was Number 2 in the market in men 25-to-54 as well as men 18–34 and women 18–34, so their audience is by no means limited to just their young listeners. With numbers like that, there's no way any national buy that's at least three stations deep can buy around them."

In the Greenville-Spartanburg market, Tom Hooper, president and general manager of WHYZ reports local business is good. But he also notes that "Greenville is a medium sized market, so we don't have to contend with a strong urban FM." But if such competition ever

Mobile units can help broadcasters "get out into the community" with high visibility

Mobile studio of KSAX and KNOK(FM) outside Cotton Bowl



Female homemakers and black radio: I

Female homemakers who have graduated from college

		Index
Total U.S.	13.8%	100
Listeners to black radio	15.0	109

Female homemakers who have attended some college

Total U.S.	30.7%	100
Listeners to black radio	31.7	103

Source: Hillier, Newmark, Wechsler & Howard, based on Simmons 1984 Multi-Media Audiences, female homemakers, 6 a.m.–midnight, Monday to Friday.

does develop, adds Hooper, "We'll be ready for them, because this month we're launching a format that will add more serious news and information for adult blacks. We'll continue to have music, but it will be MOR, adult-oriented, like our news and information."

Hooper explains that in many medium sized and smaller markets, except for perhaps one newspaper, there's often no other source for "the kind of information black adults need than one radio station geared to the 25–49 black listener with a family, a steady job, and a regular pay check to spend. This is the way I think more AMs could go when they're up against a strong FM music box."

When Hooper says "serious news," he emphasizes that it should be delivered by "credible announcers that adults can believe—as opposed to the cool, hip jive air personalities who do news at some stations. We plan to have conversations with the mayor and with our black state senator."

Similarly, in Detroit, WQBH has recently changed formats and general sales manager Norman Miller says the station's orientation is "to the adult, upwardly mobile, black consumer" with a magazine format "that does not concentrate on just news as does an all-news station, but on information oriented to the community."

He adds that WQBH news "is first local, targeted to cover our listeners' specific areas of concern. We concentrate on the community first, then on the news as it applies to metropolitan Detroit, then to the state, and so on."

Landsman reports that some black AMs have turned to an "inspirational" format. One form of this is a combination of gospel and gold (oldies of three years' vintage or more) that replaces old-line traditional gospel with the Andre Crouch type of gospel delivery. Landsman estimates that possibly 40 stations around the country have adopted the inspirational sound, "but probably only four or five stations in the top 10 markets."

One of the first stations in a major market to go inspirational was WWRL New York. General sales manager Mel Williams reports national sales up 100 per cent from last year, (though from a relatively small base), "thanks partly to some innovative promotions."

Williams reports his station in its second year of a special promotion for Quaker Oats, and says that for two other national advertisers, WWRL listeners play "a music game that, in effect, works like coupon redemption to demonstrate how well our loyal listeners respond."

At WPAL Charleston, S.C., which offers a mix of traditional gospel renditions by quartets and choirs and jazz, vice president, station manager Juanita La Roche reports national business up a little "and local sales up quite a bit."

La Roche says the primary public service projects at WPAL in nonelection years are health related: "We'll promote heart check ups and checks for sickle cell anemia when the medical centers run their tests or when the health service van is scheduled to visit a school, or one of the churches or halls."

WPAL's local advertisers include fast food restaurants and food chains, but few automotive accounts, says La Roche. She adds that national buys, especially those by soft drinks and beers, will often generate tie-in local buys by local bottlers and distributors.

'Perception problems'

Among stations in the larger markets, Barry Mayo, vice president, general manager at WRKS(FM) New York, says he still encounters "occasional perception problems, with a few advertisers still under the impression that few blacks have appreciable disposable income. But there's been less of this each year."

Mayo sees it "as part of our responsibility to continue the education process to correct those negative perceptions where they may still exist." In this process, he adds, "Broadcasters have the help of Scarborough indices that show above-average black product usage for many categories, including self medication remedies, hair care products, cooking sauces and butter."

Charles Warfield, vice president, general manager of WLIB and WBLS(FM) New York, reports WBLS' business ahead of last year's, "with the dramatic audience improvement that showed up in the fall '84 Arbitron, back up to a 3.7 and seventh place in New York from

Break dance contest crowd

When WZAK(FM) Cleveland had a break dance contest, 25,000 people showed up. Says GSM Mike Hilber: "It really proved we can turn out the audience."

only 2.6 in the spring sweep."

Warfield explains that what led to that "all-time low for WBLS last spring was that much of the audience that had grown up with WBLS as 'their radio station' had dropped out with the progression from disco to rap music." So last summer, WBLS shifted its emphasis to music that "would bring back these now mature listeners by appealing to the 25-to-49 bracket as well as 18–24."

Meanwhile, says Warfield, WLIB has switched to news, information and talk, Monday through Thursday. The only music is Friday, Saturday and Sunday, when WLIB programs for New York's Caribbean listeners.

Weekdays, says Warfield, WLIB informs black listeners about the political issues that most effect them, via news during drive times and informative talk programs in other day parts. Promotional activities, he says, include WBLS' fund raisers, its ongoing concert series, and the "WBLS Juice-Mobile that make PR appearances both on behalf of the station, and on behalf of various client promotions."

Wayne Sobers, vice president of Egg Dallas Broadcasting, licensee of KNOK-AM-FM Dallas-Fort Worth, describes business as "not bad—but not as good in 1984 as it was in '83 because there are several new UHF independents now operating in this market. And when the economy improves and the TV time is available, advertisers seem to spend more on TV and a little less in radio."

He adds that Dallas-Fort Worth "is an FM market, so it's our urban contemporary FM that makes the money. Our AM, all-jazz daytimer has a tougher time in an FM market like this."

Meanwhile, contrary to what many observers may assume, Sobers notes that stations serving black listeners "don't stop their political activity just because 1985 is not a presidential election year. Politics for us works from the bottom up—not the top down. Who is president doesn't affect us as much as who are the local assemblymen in City Hall. One of the community's objectives is to keep active pressure on local officeholders all the time, every month of every year, election years and off years alike."

Sobers also explains that because Dallas and Fort Worth are so spread out, with a number of smaller towns in between, KNOK "tries to keep high visibility with our mobile van that keeps

moving around, doing remotes. Some of them are fund raisers (KNOK is the official Dallas-Fort Worth station of the United Negro College Fund) and some are advertiser-related promotions and concerts.

In Detroit, Shel Leshner, general sales manager of WJLB(FM) which in 1980 made the transition from traditional black music to today's black contemporary sound with a hit-oriented format, describes business as "Solid—well ahead of last year's record-setting pace."

Leshner says WJLB maintains a high profile in the community, "not only through our promotions, help-your-neighbor drives and voter registration activity, but by keeping three full-time news people actually out on the street every day, interviewing our constituency."

He reports WJLB, which has programmed to Detroit's black listeners for over 50 years, in its third year of Coats for Kids, and that this Christmas the station collected and re-distributed over 30,000 warm winter coats to needy children.

At WDAS AM-FM Philadelphia, general sales manager Peter Drialo calls business "phenomenal." Ten years ago, he recalls, there were still some business prejudices that kept some advertisers out of black radio. "But today, more advertisers recognize that black people also drive cars, go on vacation, fly the airlines and do business with banks. So today, almost any category you'd hear on white radio is on black radio, too."

Besides voter registration drives "that put a black mayor in City Hall" in Philadelphia, Drialo says WDAS works with church, school and community groups. As just one current example, he points out that "We don't just talk about Black History Month. We work with school officials and our local businesses to sponsor an essay contest on Black History. The winners are awarded bonds toward their future education."

In sports, the WDAS basketball team plays fund-raising games against faculty teams of the various schools.

In Cleveland Mike Hilber, general sales manager of WZAK(FM) reports both local and national business "fantastic." He says Selcom "has done a good job and doubled our national business." and suggests two possible reasons. He believes it could be "partly because more advertisers today recognize the importance of black consumers to their gaining and maintaining market share. Instead of being turned off when they hear '16 per cent unemployed,' they look at the full part of the glass instead of the empty part and realize that means that 84 per cent of the blacks in the labor force *do* bring home pay checks."

White crossover

The second reason Hilber offers for WZAK's revenue success is "the growing white crossover listening to urban contemporary formats. Artists like Michael Jackson, Lionel Richie and Prince are the favorites of listeners in any and all ethnic groups. So, today, to more and more buyers, 'ethnic' isn't the key consideration. What's important is that the station have a large number of listeners, black, white, Hispanic, whatever. The stations with the most listeners get the advertising."

Be that as it may, the white crossover is substantial for both urban and black formats. The latest 1984 Simmons data analyzed by Elaine Pappas, vice president, director of research at Hillier Newmark, Wechsler & Howard, indicates that of the 4.5 million adults 18-plus listening to black radio daily, 6 a.m. to midnight, Monday–Friday, 2,913,000, or 61.4 per cent of these listeners are black, and 35.2 per cent, or 1,597,000 are white. The comparable Simmons figures for UC radio are that of the 3.1 million adults 18-plus listening daily, 1,836,000, or 57.7 per cent are blacks and 40.5 per cent, or 1,291,000 are white.

Gladys Knight and Flip Wilson

Syndicated TV shows for black viewers such as the American Black Achievement Awards, above, are seen in more markets today than ever before

Pappas also reports that of the 3.1 million adult listeners to urban contemporary formats, over 58 per cent of them—over 1.8 million, are women, and of those, almost 1.6 million are homemakers. In the case of black-formatted radio's 4.5 million listeners 18-plus, she says, 2.6 million are women, and 84 per cent of those women, or 2.2 million, are homemakers. And nearly 45 per cent of all listeners to black programmed radio are parents. Close to 80 per cent of those adults are in the 18 to 49 age bracket and almost 60 per cent belong to the 25–54 age span.

And more than half of the 3.1 million adults credited to urban contemporary radio are adults 25 to 54.

Community service

The urban contemporary stations do their share of community service and events, too. In Cleveland, WZAK's Hilber says that "Sophisticated advertisers who understand the market are eager to tie in." He reports that Budweiser co-sponsored WZAK's annual Thanksgiving Turkey Jam party. One year, Pepsi-Cola sponsored the station's anniversary party, and Coca-Cola was co-sponsor another year. Says Hilber: "We hire the biggest hall in town for these events and bring in nationally known artists as the featured entertainment. They pull huge crowds."

When WZAK staged its break dance contest and 25,000 people showed up, the crowd was so big that one newspaper described it as "a near riot." If it had been a political rally, says Hilber, "they would have described it as 'a tremendous turnout of loyal supporters.' But whatever you call it, it really proved we can turn out the audience."

At WRKS(FM) Mayo observes that, "Historically, black stations have always been close to their listeners, as a very personal medium, because blacks have usually had a narrower choice of information sources geared to their needs than listeners to most other formats. In many markets there are only two or three stations programming specifically to black tastes, and we've had to earn our listener loyalty by being part of the community."

Thus, WRKS fields its "KISS Kards", a basketball team ready to take on teams organized by various community charitable organizations, with all admission receipts going to the organization. Mayo says the Kards play twice a week, 40 weeks out of 52, and the games raise anywhere between $500 and $5,000 a week, depending on attendance. For the playoffs, he adds, the crowd "was so big there was room for only 3,000—we had to turn another 3,000 away."

At the National Black Network, George Edwards, president and general manager, points out that while many

Female homemakers and black radio II

Female homemakers employed

Total U.S.	49.8%	100
Listeners to black radio	62.1	125

Female homemakers employed full time, 30 or more hours

Total U.S.	40.6%	100
Listeners to black radio	50.9	126

black-programmed local stations do well because local retailers can see where their business comes from, "Our network customers are national advertisers and our business has been softer than that of the network radio industry as a whole."

Agency excuses

Edwards believes that much of the problem lies with some of the advertising agencies. He observes that when his salespeople explain to agencies that even though 12 per cent of a certain client's sales are made to blacks, only five per cent of that client's budget is invested in targeting blacks, "We're often told that there's no more money in the budget to make up the seven per cent shortfall between blacks' proportion of brand sales and the dollars the brand's manufacturer allocates to reaching black consumers. They tell us that even after we show them our Simmons data on black radio proving that the combination of black radio, plus television reaches more blacks who buy their client's brand more efficiently than television alone."

He adds that "a growing excuse" of the agencies "for this exclusionary policy" is "our inability to meet favorable cost per point targets that are based not on the metropolitan city centers where the great majority of our listeners live, but on the whole ADI—which is where whites live. An ADI base makes us look five times less efficient on paper than we really are.

"We would have to reduce our rates about 75 per cent to meet ADI-based cost-per-point targets."

Edwards says that agencies "have talked too many clients into setting up a minority budget that starts out too small, then splitting this up between blacks and Hispanics to the detriment of both of us."

Satellite dishes

All of NBN's 91 affiliates are expected to have their satellite receiving dishes installed by year's end. On the other hand, all 114 Sheridan Broadcasting Network affiliates have theirs now, and the differences shows up in ad revenue performance.

Kevin Trower, Sheridan's director of station relations, reports "a good year last year," and says he's looking for even greater improvement this year. Satellite transmission, he explains, "has enabled us to do a lot of new things technically that we couldn't do before, with greatly improved reception quality and a dollar saving on long line charges even greater than what we expected when we first decided to go satellite—because that was before anyone knew that AT&T would be forced to break up."

First major fruit of Sheridan's new technology, says Trower, has been the network's overnight, six-nights-a-week, midnight to 6 a.m. *Stars All Night* show. He describes it as programmed to urban formats, "well sponsored," and currently carried by 44 stations.

On the drawing board, being readied for July debut, is another long form Sheridan show, this one designed for daytime.

And still another plus Trower anticipates is fruition of Arbitron plans to produce radio ratings breakouts for overnight. Then, says Trower, "We'll have the numbers to prove how well *Stars All Night* is performing."

Similarly, when NBN's affiliates get their dishes in, Edwards also expects to launch a series of entertainment specials.

He points, for instance to traveling concerts like those staged by Michael Jackson and asks, "What sponsor wouldn't love to extend that kind of impact nationwide, beyond the one city where he happens to be playing on any given date?"

Meanwhile, Edwards adds that NBN has been reaffiliating in some of the larger markets, switching to "bigger FM stations in those markets where the AMs aren't showing the audience growth we look for." He says that NBN is also experimenting with "a comtemporary FM news format that will both appeal to the FMs' current listeners and attract still more, in order to build a mutual inter-

Female homemakers and black radio III

Incomes of those listening to black radio

Under $10,000	33.3%
$10,000–$14,999	18.0
$15,000–$24,999	21.3
$25,000 or more	27.4

Source: Hillier, Newmark, Wechsler & Howard, based on Simmons 1984 Multi-Media Audiences, female homemakers, 6 a.m.–midnight, Monday to Friday.

dependence between us and our affiliates."

Meanwhile, in television syndicated programs for blacks report progress. *Essence*, produced by Essence Communications, Inc., publishers of Essence magazine for black women, in association with WNBC-TV New York, is currently seen in 50 markets, up from 20 in October 1984. Besides WNBC-TV, major market stations carrying the 30-minute magazine show include WMAQ-TV Chicago, KTTV(TV) Los Angeles, KYW-TV Philadelphia, and WRC-TV Washington.

Soul Train, the musical variety hour hosted by Don Cornelius, and now in its 14th season, is currently in 70 markets.

Johnson Publishing Co., currently on the air only once a year with its annual syndicated 90 minute special, *The American Black Achievement Awards*, this year hosted by Gladys Knight and Flip Wilson, will be bringing back the half hour weekly syndicated *Ebony-Jet Celebrity Showcase* later this year.

The new episodes will include a wider variety of topical matter than it featured when production was temporarily discontinued in fourth quarter '83. Johnson says there was no problem with time slots or audience size with top names like Bill Cosby, Richard Pryor, Billy Dee Williams and Michael Jackson on camera. The producers, says a spokeswoman, "only wanted time to reformat the show to include more aspects of what's covered by our magazines."

Mediamark Research provides white, black and Hispanic viewing indices by individual program and reports indices of 150 or more among black viewers for such TV shows as *Vegas*, with an index of 331, 308 for *Fridays*, 224 for *Gimme a Break*, 208 for *Diff'rent Strokes*, 202 for the *CBS Late Movie*, 199 for *NBA All-Star Basketball*, 196 for *Quincy* and *McCloud*, and 192 for the *NBC Late Night Movie*.

On cable, as of December 1984, Black Entertainment Television was on 425 systems in markets that included 48 of the top 50 DMAs. That's up from 267 systems in December 1983, and a spokeswoman reports the cable network's ad business "approximately 50 per cent ahead of last year.

BET advertisers include many of those who are also prominent on black radio. Among them are Anheuser Busch, Pepsico and Coca-Cola, Procter & Gamble, Campbell Soup, Eastman Kodak, the U.S. Marines, Carson hair care products, Pro-Line hair care products, McDonald's, HBO, Ford, Nike athletic wear, Hershey Chocolate, Wrigley gum, Sears and J. C. Penney.

The ratings game

In Chicago, WGCI's Marv Dyson, who stepped down from membership on Arbitron's Radio Advisory Council a year ago, says that though differential survey treatment does improve the ratings of strictly black-formatted stations, "So long as any rating service is in business to show a profit, and black and Hispanic stations account for such a comparatively small portion of their total revenue, even with DST, the rating service won't have a sufficient number of diaries in ethnic neighborhoods."

The problem is compounded, adds Dyson, "by two other problems over which rating services have little if any control: the literacy problem among many minority diary keepers and the telephone problem. With telephone rates climbing ever since AT&T was forced to break up, this telephone problem will keep getting worse. The rating services either use the telephone to conduct the survey or rely on the telephone for initial contact, leading to diary placement.

"With telephone rates up even fewer poor people—black, white and Hispanic—are going to be able to afford telephone service."

Yet in spite of such obstacles, adds Dyson, "In every one of the country's top 10 markets, at least one station with a large black audience is one of the top three stations in its market."

Female homemakers and black radio IV

Female homemakers 18–49

		Index
Total U.S.	59.7%	100
Listeners to black radio	79.5	133

Female homemakers 25–54

Total U.S.	55.5%	100
Listeners to black radio	69.7	126

Source: Hillier, Newmark, Wechsler & Howard, based on Simmons 1984 Multi-Media Audiences, female homemakers, 6 a.m.–midnight, Monday to Friday

WHYZ Greenville-Spartanburg is adding more serious news and information programs for adult blacks.

WHYZ's Tom Hooper

Primetime audience

And at J. P. Martin Associates in New York, vice president, media Pat Stevenson observes that, "For general market radio, primetime is drivetime. But for black radio, it's also television's primetime. Arbitron shows large black audiences for radio across the 7 p.m. to midnight daypart, which covers and overlaps TV's 8 to 11 primetime. This is a major radio opportunity that I think many advertisers have overlooked. Maybe someone should do some research on this."

And back in Greenville, S.C. WHYZ' Tom Hooper offers a logical reason: "The black audience," he explains, "has grown up with our kind of music and our kind of language, and the information we provide. Black radio is a haven for our listeners, a place for them to come 'home' out of the cold world. We are like family to them." □

KEEP YOUR CLIENTS IN THE BLACK.

WJLB-DETROIT'S #1* WAY TO SELL TO THE BLACK/URBAN CONTEMPORARY MARKET.

■ 4 Arbitrons in a row (1984 Winter, Spring, Summer, Fall) prove WJLB is the best way to reach Detroiters who buy.

WJLB—DETROIT'S #1* CONTEMPORARY RADIO STATION.

■ Regardless of format, WJLB leads all Detroit's contemporary radio stations in the Fall '84 Arbitron.

WJLB fm98

*Detroit Arbitron 1984. ¼ Hour Share/Metro Survey Area Total 12+ Mon-Sun 6A-Mid. Qualification on request.

Viewpoints

Thomas F. Leahy

Executive vice president, CBS/Broadcast Group, in a recent speech before a regional conference of CBS-TV affiliates in Scottsdale, Ariz.

Broadcasters have been concerned about alcohol abuse for several years

For many years broadcasters and other thoughtful people have been concerned about alcohol abuse. We have been particularly concerned about the relationship between alcohol and many automobile accidents. And, of course, most especially when the victims of drunk driving are young people.

But while we were busy being part of the solution . . . While we were trying to ameliorate these problems by our broadcasts—documentaries on alcoholism, news reports on teenage drunkenness, PSAs on driving and drinking—some others, equally concerned but woefully misguided, have persuaded some people that we were not part of the solution, but rather, that we were the very essence of the problem itself.

They have concluded—and are busily declaring to all who will listen—that broadcasters are actually creating the problems of alcohol abuse. From heavy drinking to alcoholism to drunken driving to the tragic deaths of our young people.

A case of 'scapegoatism'

There is no social scientist, anywhere, who can establish a firm causal relationship between beer and wine advertising on radio and television and *any* form of alcohol abuse or its consequences. Let alone, the most horrible example of all, the death of young people in alcohol-related accidents.

This is a classic case of scapegoatism. Reduced to its essential, it says, "We don't have any answer for this perplexing and terrible problem which plagues society. But over here is a pretty good target. Let's blame it on him. Let's blame it on the broadcaster."

Now this is not new. We have been blamed for everything from obesity in childhood to the alienation of the elderly. But in this case, I submit it is particularly tragic. Because this process always distracts society from making real attempts to solve its real problems.

And here is where we have a unique and very real opportunity. We have the motive, the means, and the ability to attack the real problems. We have a business reason clear and immediate to deal with the threatened ban on beer and wine advertising.

But we also have a more basic interest. We know that we can be part of the solution. We *have* historically had the means, and we *have* demonstrated the commitment to provide the American people the information they need to understand—and even to combat—problems which had perplexed their families and their communities. We, both the network and most especially your stations, have been in this fight against alcohol abuse long before it became either fashionable or SMART, and we are going to continue the fight because it is important to our audiences.

The 'right thing to do'

We are going to continue the fight because it is the right thing to do.

At the network level we have been increasing our efforts. Over the past holiday season, we took every opportunity to remind our audience of the potential danger of DWI (Driving While Intoxicated). We also believe that many stations were more active in getting that word out this year than ever before.

In fact, a Thomas Crosby, of the American Automobile Association, told the *Washington Post* that he couldn't remember "in the last 20 or 30 years" when there were as many broadcast messages warning against the hazards of driving and drinking.

Now it would be very satisfying to be able to tell you that the National Safety Council recorded fewer drunk-driving fatalities during the 1984 holiday season. Sadly, that was not the case. The National Safety Council points out that this year, both Christmas and New Years were on four-day weekends. The AAA also blames the unusually warm weather.

So we cannot take credit for any immediate results. But even if the fatalities *had* gone down, we know we could never take full credit. Unlike the *Scientists in the Public Interest*, we acknowledge that there are too many variables in any aspect of real life behavior to make pronouncements about simple cause and effect relationships. We acknowledge that change in this aspect of behavior will come about because of societal changes in lifestyle. And because for a variety of reasons the message finally gets through.

Best sources of information

But we can take, and we should take, and we will take credit for having been the most consistent disseminators of that message. Because we are the best sources of information about the dangers of drunk-driving and have the most impact for raising this issue in the public's consciousness, and that's the message we now have to get through to our critics.

Programming/Production

MMT to expand program services

Reflecting what it considers to be a growing need for expertise in news and movie programming, MMT Sales, which recently moved into spanking new and spacious quarters, is preparing to expand its programming department by adding an in-house news consultant and an individual adept at aiding stations in film negotiations and other matters. According to Jack Oken, president of MMT, most of the markets represented by the rep firm are continuing to expand their news, especially where independents are involved. MMT services 11 indies and 26 affiliates.

On the affiliate end, Oken, in an interview, says that news represents an economic alternative to the escalating prices being paid for product such as *Magnum P.I.*, *The Fall Guy* and *Simon and Simon*, and some sitcoms. "Affiliates in major markets understand that, given that the product can't run in access, they must air the off-network syndicated shows only from 4–5:30 p.m., which makes the investment very hard to recover because early fringe doesn't fetch the largest advertising dollar or ratings numbers," continues Oken.

Looking for a movie expert is basically in keeping with indies' needs, points out Oken. "Indies constantly have found that in almost all cases the best way to handle primetime is by airing movies." At this point, according to Oken, some 80 per cent or more of indies schedule movies in primetime, and that with the sign-on of new indies, the number of stations using movies in primetime will increase as well.

Movies are being played not only in primetime on a Monday through Friday basis by indies, but also on weekends, in late-night and in the daytime. Weekend movies have always done well in terms of ratings and profits. "The big blocks of movies running against affiliates' sports on the weekends have been very successful." In total, Oken believes that movies have become 20–25 per cent of the broadcast day on indies.

But the airing of movies has become more complicated as well, Oken notes. The cost of movies has escalated; the type of packages being offered are much more complex, "so it makes sense to have someone who understands not just to advise stations on what to purchase in movies but also to advise on contracts, down payments, how much of a window the station should agree to, how many plays, and then how to schedule them, "but not to take over the negotiations from the station."

Meanwhile, Oken, while noting that the current trends in programming will continue to be game shows and animation, sees indies looking for an "alternative programming niche." He points out that a station, such as KCPQ(TV) Seattle, has gone "completely away from the historical indie programming. Instead, the indie is playing hour drama and action strips between 4 p.m. and 8 p.m. and is doing exceedingly well. The station is Number 1 in the 18–49 age demo for a good portion of that time.

The rotation is, according to the Nielsen November, 1984 book, *Family* at 3 p.m., then *Little House on the Prairie*, *Quincy*, *Rockford Files* and *Lou Grant*. Movies follow at 8 p.m., says Oken, "providing a natural flow." *Quincy*, *Rockford* and *Grant* appeals to men as well as women, while the previous hours were basically for young women.

Oken sees alternatives of this kind accelerating, especially in markets where there are several indies. "They all can't play the same thing, so alternatives will have to be introduced."

Jack Oken

Oken sees affiliates' need as airing programming in early fringe which will provide a natural flow into the news, without investing in heavy dollars for off-network sitcoms. While some game shows are filling the flow void, it's Oken's belief that a talk/variety show, either locally or nationally produced makes sense for a lot of affiliates. "If you are an affiliate in a major market, and if you have the facilities, experiment at 9 a.m. and see if you can do it. You need enough good local people in the market in terms of directing, producing and talent and names which come through your market so that you can have a good lineup of guests. Find out if it's supported by the viewers."

Worldvision huge outlay

Worldvision Enterprises will be spending $35 million, one of the more ambitous and possibly one of the largest outlays for new product all at once by a major distributor. Broken down, according to John Ryan, senior vice president, domestic sales, the new product, which will be made available in the fall, are *The Jetsons*, 41 new animation episodes, at $300,000 per episode; the *Funtastic World of Hanna-Barbera*, whose 17 weekly 90-minute animated features are costing $1 million each; and 22 hours of *Return to Eden*, investment of $4 million.

John Ryan

Regarding the *Jetsons*, Ryan, in an interview, says that the animated series, which will contain a total of 65 half-hours, including those already in syndication, has been cleared in 58 markets, including 17 of the top 20 and 27 of the top 30, is being made available for weekday afternoons on an advertiser-supported basis. The sales split is two minutes for national and four local per half-hour, Bryan says. At this point, advertiser sales interest is heavy, and Worldvision is in negotiation with several national advertisers, he adds.

Regarding the *Funtastic World*, Worldvision is supporting the series via a built-in national contest with potential for a local tie-in as well. Each show, which will be broken into three half-hours consisting of *The Paw Paws*, the *Funtastic Treasure Hunt* and *Galtar and the Golden Lance*, will have a self-contained treasure hunt for viewers, separate from the segments. Although the exact format hasn't been completed, it will offer clues and prizes such as bicycles and cameras, to be awarded in conjunction with local station participation. The clues will be given by some of the H-B favorite cartoon characters such as Yogi Bear and Scooby-Doo.

Regarding clearances on *Funtastic World*, Ryan says that it is currently cleared in 60 markets, including 25 of the top 30. Basically being sold as Sunday morning fare for indies' airing old rerun cartoons and against religion on affiliates, the 90-minute series is getting one/third of its clearances from affiliates.

Eden, was created because of the initial success of the six-hour miniseries and is said by Ryan to be the first primetime continuing one-hour drama produced for first-run syndication. While Worldvision held back one minute each hour in the miniseries, for national sale, the series will be an all-cash deal, with the incumbent station getting first crack at picking up the series for the fall.

Stations are being offered *Eden* as a series for four runs over one year.

The series is being produced in Australia by Hanna-Barbera Australia, as was the miniseries of *Eden*.

Syndication shorts

Columbia Pictures Television has acquired from Centerpoint the domestic distribution rights to the new series *Night Beat*, which made its debut on CBS on January 31 and in Canada on CTV. The series will go into syndication after the completion of all the network runs. *Night Beat* is the first series produced for both American and Canadian networks at the same time.

Warner Bros. Television Distribution has sold *Private Benjamin*, half-hour sitcom series, to 45 markets. The present lineup includes WPIX(TV) New York, KTLA(TV) Los Angeles, WGN-TV Chicago, WTAF-TV Philadelphia, WXNE-TV Boston and WXON-TV Detroit.

Kim, action-adventure film based on Rudyard Kipling's tale, is the next in the new series of LBS Movie of the Month/MGM Classics to be offered this month by MGM/UA and LBS Communications.

Hubbard Entertainment has acquired the domestic syndication rights to *World Class Women*, series of 50 30-second inserts. Hosted by Randi Hall, the series showcases contemporary American women who have achieved outstanding success. Also, HE, formed last June as a syndication arm of Hubbard Broadcasting, has acquired the U.S. rights to Country Music Television. CMTV is currently a 24-hour basic cable network comprised of country music videos. In syndication, the service will be offered via cash, for six hours per day from midnight–6 a.m., by satellite.

WTAF-TV Philadelphia has renewed *Three's Company* from **D. L. Taffner Syndication Sales.**

Mahogany Life, lifestyle oriented half-hour weekly series, will debut in September via **Syndicast Services.** Byron Allen, former co-host of NBC's *Real People*, will host and be executive producer of the new series.

Orion Television Syndication has sold Orion II, 25 feature films, to 47 markets, including nine of the top 10 and 23 of the top 25. New buyers include KHJ-TV Los Angeles, WOR-TV New York, WATL-TV Atlanta, WJBK-TV Detroit, WMOD-TV Orlando-Daytona Beach-Melbourne, WNFT(TV) Jacksonville and KOHK-TV Oklahoma City.

Fremantle of Canada, Ltd., has been appointed by **Goldcrest Film and Television Ltd. of London** to be exclusive distributor in Canada of the miniseries *Concealed Enemies* and for the *Robin Hood* series, consisting of 26 one-hour programs produced for Showtime in the U.S. Both programs are available in English and French. *Enemies* won a 1984 Emmy for outstanding limited series. Also, Fremantle, exclusive distributor of the *Night of 100 Stars*, ABC special, has signed 26 countries to carry *Night of 100 Stars*, on March 10, including all the major English-language networks. Predictions are the total number of countries carrying the special will be 70.

Fries Entertainment has racked up $7 million in sales to stations representing 10 of the top 20 markets for its first movie package, Fries Frame 1. Markets sold currently include Philadelphia, San Francisco/Oakland, Detroit, Houston, Miami and Denver.

Barry & Enright's *Hot Potato* game series, with Bill Cullen as host, is being put into syndication by **Colbert TV Sales.** Colbert will offer the 115 episodes of *Hot Potato* for sale in the 74 markets in which the series did not air on NBC during the 1983–84 season.

Tatum Communications will produce and distribute *The All-American Pro Ski Classic* as a TV syndication and ESPN special. Taped this month in New Mexico, the race will be seen on ESPN in March after a showing on some Metromedia stations.

King World new division

Riding high on record earnings and on successful syndicated series such as *Wheel of Fortune*, King World is expanding its operation by setting up a new division, King World Enterprises, with David F. Sifford, president of Centerpoint Distribution, taking over the new entity.

Representing a new stage in King World's corporate expansion plan, King World Enterprises will be involved in three general areas, according to Stuart A. Hirsch, King World's chief operating officer.

These are: developing joint ventures, partnerships and consortiums with station groups and advertisers regarding new programming; handling program acquisitions and station clearances for Camelot Entertainment sales, subsidiary which sells ad time for the company's ad-supported programming; and coordinating international sales of King World and Camelot properties.

Before joining Centerpoint, Sifford was president of Osmond Comworld, successor company to Osmond Television. Also, Sifford has been twice on the executive committee of the National Association of Television Program Executives and currently is an active member of NATPE's board of directors.

Centerpoint has shut down its distribution arm, it's reported, giving Sifford a free rein to leave the company and go with King World.

King World, on the financial side, has reported record revenues for the first fiscal quarter ending November 30, 1984. Operating revenues increased to $16,901,000, as compared to $557,000 for the first quarter of fiscal 1983. Net income per share was 48 cents compared with 11¢ for the same period in the prior year.

Wormington elected

Bob Wormington, vice president and general manager at KSHB-TV Kansas City, has been elected treasurer of the board of directors of the Association of Independent Television Stations. As an officer, he becomes a member of the INTV executive committee. Previously, Wormington was chairman of the board from 1978–1980.

Bob Wormington

Zooming in on people

John E. Goldhammer has been promoted to executive vice president of programming, **Paramount Domestic Television and Video Programming.** He has been senior vice president of programming at the domestic distribution division since 1980, before which he was vice president of the same division. His broadcast career includes production and management positions at WJLA-TV Washington, KDKA-TV Pittsburgh, KPIX(TV) San Francisco, WDVM-TV Washington and KABC-TV Los Angeles.

Goldhammer will oversee a programming department responsible for the development and production of first-run series and specials and he'll be in charge of all network non-primetime programming as well as pay-TV, basic cable and videocassettes.

John Goldhammer

Gary Lico has been named eastern regional sales manager at **Embassy Telecommunications.** Lico has been a vice president at the programming department at Katz Communications since January, 1984. He joined Katz in 1980 as a programming associate from WTMJ-TV Milwaukee. Lico was promoted to associate director of the programming department at Katz Television in 1982.

Gary Lico

Gregg Johnson has been named midwestern manager, media sales, at **Group W Productions.** Johnson comes to Group W Productions from Group W Satellite Communications, where he was an account executive in the Chicago office since 1982. Before that, he was with McGraw Hill's *Business Week* as account executive and midwestern manager, educational programs, from 1974–1978.

Tom Cerio, account executive, **Orion Television Syndication,** has been promoted to vice president, Northeast.

Thomas Mazza has been promoted to executive director of research at the **Paramount Television Group.** Mazza joined Paramount in 1983, as manager of research, concentrating on first-run and off-network syndication. Previously, he was a manager in sales research at Katz Communications, and was a marketing specialist for WDVM-TV Washington.

Mike Clark has been appointed director of video tape operations at **Columbia Pictures Television.** Clark recently was a freelance producer.

WB TV sales record

Worldwide sales at Warner Bros. Television Distribution established a monthly record of $70,462,030 in January, it was announced by Charles McGregor, president.

This new record more than doubles the previous monthly high, for worldwide sales at WB-TV Distribution, of $32,243,571, recorded in May, 1982.

All product categories, in both domestic and international, contributed to this record-breaking figure, with particular emphasis in domestic on its new feature package, Volume 25, and the well-received sitcom series *Private Benjamin.*

New Century expansion

New Century Productions has formed a new wholly-owned subsidiary, New Century Television Distribution, which has acquired as its first transaction a 10-year distribution license of 240 feature films for the U.S. and its possessions from Janus Films Co. The purchase price for the Janus package, which represents the English-language catalog, totals close to $5 million, with $2 million payable at closing and the balance payable in four annual installments. The company will have bases in New York, Chicago and Beverly Hills.

In connection with the movie acquisition, NCTD has borrowed $4 million from FNI Inc. The loan is to be repaid at the rate of $800,000 per year beginning 18 months from closing, with semi-annual interest payments at the rate of 12½ per cent per year. Mandatory prepayments of principal and interest equal to 60 per cent of gross distribution revenues are required. FNI receives a 16 per cent profit participation after deduction of certain acquisition and distribution costs.

Taffner int'l sales

The international division of D. L. Taffner/Ltd. racked up a 50 per cent increase in international sales in 1984 over its 1983 sales. Significant sales growth in Australia and the U.K. contributed to the increase, as did the continued expansion of the division. In Australia, Taffner sold nearly $1 million worth of CBC Enterprises programs, according to Charles J. Falzon, vice president of the division. And, for the first time, the company sold a package of U.S. and Canadian product to the People's Republic of China.

Also accounting for increased foreign sales is the home video market overseas, with sales on such features as *Born Beautiful*, *Living Proof* and *Gift of Love.*

Another success for Taffner International is *Capitol.* For 1985, Taffner will offer feature dramas from *American Playhouse*, network movies, and *Video Beat* at Monte Carlo and MIP, where, for the first time, the company will have its own stands.

Sklar adds two stations

Sklar Communications has added WINZ Miami, and WGCH Greenwich, Conn., to its client roster. WINZ is the leading news/talk station in the market; WGCH carries information and entertainment programming. Sklar Communications is owned by Rick Sklar, president, and is a management and programming consulting company to the radio, TV and cable industries.

NATAS directors

Five U.S. and foreign television executives have been elected directors of the international council of the National Academy of Television Arts and Sciences.

The five are Irwin Segelstein, vice chairman, NBC; William Cotton, general manager, television, BBC; Jean Claude Heberle, directeur-general and president, Antenne II; Richard Rector, president, Power Reactor Productions, San Francisco; and Gerhardt Bacher, general manager, Austrian Television.

In addition, the board named James T. Shaw, a longtime director of the council, as a fellow of the international council. The council's first major event for 1985 is a salute to RAI, scheduled for March 27 in New York.

Blair forms subsidiary

John Blair & Co. has formed BlairSpan, a wholly-owned subsidiary, as an operating unit of the company's owned TV stations division, to produce and distribute Spanish-language television programming in the U.S. and worldwide. Lennart Ringquist, executive vice president of Blair's owned TV stations division, has been named president of BlairSpan.

Lennart Ringquist

BlairSpan will be exclusive distributor and producer to TV stations in the U.S., Latin America and Europe for all of the soap operas created and produced by Telemundo, Blair's San Juan TV center, which houses the operations of WKAQ-TV Puerto Rico, and seven sound stages.

Blair Span will, in addition, distribute certain musical variety, game and other types of programs produced and aired by WKAQ-TV and will do the same in the future for programs produced by WSCV-TV, Blair's newly acquired station in Miami, set to debut as a Spanish-language station in March.

Besides the Ringquist appointment, Blair has named **Rafael Ruiz** as executive vice president and general manager of BlairSpan. He was vice president and general manager at WKAQ-TV. Ringquist, since April, 1984, has been directing the development and marketing and distribution of Spanish-language programming for the owned TV stations' division.

Christopher awards

Christopher awards will be given to nine network winners in television, in recognition of the programs "affirming the highest values of the human spirit," at ceremonies in New York on February 28. In addition, Roone Arledge, president of ABC News and Sports, will receive a special award for his "creative and innovative uses of television journalism."

The nine winning specials are, on CBS, *A Christmas Carol, A License to Kill* and *Special People: Based on a True Story;* NBC, *Victims for Victims: The Theresa Saldana Story* and *A Matter of Sex;* ABC, *The Dollmaker;* WNET/PBS, *Heritage: Civilization and the Jews;* PBS, *National Geographic: Return to Everest*, and *Child Sexual Abuse: Program for Parents.* A total of 73 awards are to be given, including honors for artistic excellence in books and films, in addition to the TV awards.

Equipment notes

Marconi Communications Systems Ltd., Chelmsford, England, has named **Comark Communications Inc.,** Southwick, Mass., as sole U.S. Central and South America distributor of its broadcasting division transmitter products, Comark will distribute Marconi UHF exciters, VHF, AM, FM and VHF transmitters from low-power to 250 kW output power. Also included in the agreement, is the newly announced 7500 series of high-band VHF TV transmitters.

Zvi J. Doron has been named vice president of international projects at **Westinghouse Broadcasting and Cable.** Doron was at Group W Satellite Communications, where he was vice president of planning and business development. He first joined Westinghouse Electric Corp. in 1971 as director of technical coordination.

M/A-Com Mac Inc., Burlington, Mass., has opened a West Coast service facility in Orange, Calif. The full-service organization will provide technical assistance, equipment repairs and spare parts to broadcast, common carrier and CATV customers. The center is staffed with a technical manager, a communications technician and administrative help. The service group is headed by **Mark Merrill,** service center manager. Also at M/A-Com Mac, **David Erikson,** former general sales manager of BLH Electronics, has been named manager of customer service.

Microdyne, Ocala, has appointed **Allied Broadcast Equipment,** world's largest independent supplier of audio broadcast equipment, as a distributor of Microdyne products. While Allied will have access to Microdyne's entire range of products, its primary focus will be in the domestic market on satellite radio broadcasting equipment. Allied's foreign division, Allied International, will market Microdyne's complete product line.

Logitek has added two broadcast suppliers, **Bradley Broadcast Sales,** Rockville, Md., and **Keating Technical Services,** Tarzana, Calif., as distributors of its line of broadcast audio equipment. In addition two sales offices opened by Videomedia, Sunnyvale in Salt Lake City and Colorado Springs, will both carry Logitek products.

Arriflex Corp. has bought all the assets and worldwide rights to **Lightflex International** from Birmingham, England-based Leigh Interests. Lightflex was invented by British cameraman Gerry Turpin, and is an on-camera accessory, mounted in front of the camera lens, which reflects light back into the lens at a specific angle and density at the time of exposure.

Pacific Recorders and Engineering has introduced a new Series Three Version of their BMX on-air radio console. The BM III features main stereo mix buses, two telephone mix-minus feeds with a monitor mix, and monitor outputs for the console. Host and co-host and guest headphone feeds are provided as well as a stereo cue system with automatic headphone monitor switching. Each input of the modular console has full and independent remote control logic on audio, and logic interconnection is fully compatible with the new AMX and ABX operations and production consoles from PR&E.

KMSP-TV has become the first station in the Minneapolis/St. Paul market to switch to circularly polarized broadcasting. The station has bought a 70-kW transmitting system and a circularly polarized antenna from **RCA Broadcast Systems,** Gibbsboro, N.J., The order is valued at more than $1 million.

IGC, Cinema Sound tie

The Independent Group of Companies Inc. and Cinema Sound have made an arrangement to jointly produce and distribute radio programming nationwide. The firms will explore the potential for program development and distribution in a wide variety of formats. Cinema Sound produces radio features and programs aired on more than 400 radio statons. It distributes *Playback '84* and produces six regular programs including *Night Talk*, aired by WOR New York.

In a separate arrangement, IGC has formed a joint venture with Arielle Productions International to develop, produce and distribute programs for radio and TV stations.

The initial program offerings include *How to Make Love to Each Other: A Valentine's Day Music Special*, two-hour music special, which last year cleared 100 plus stations. It was offered last year on a cash basis.

ATSC names Hopkins

Robert S. Hopkins, Jr. has been named executive director of the U.S. Advanced Television Systems Committee. He succeeds Dr. Richard R. Green.

Commercials

Two for one

Unitel Corp., a full service production house with high tech support on both coasts, has purchased *EditDroid*, the long form editing machine developed by George Lucas through his Convergence Corp. This confirms a previous report in TV/RADIO AGE.

"We expect to have it installed in about three weeks," says Newt Bellis, president of Unitel, West Coast. The asking price for the machine is estimated at about $89,000 but the necessary supporting bells and whistles drive the price, before start-up, to well over $200,000.

Unitel already has the $250,000 *Montage*, another highly regarded editing machine in place on the East Coast at its New York office.

Why did it plunk down nearly a half-million for two machines that perform virtually the same function?

AT NAB '84 the *EditDroid, Montage* confrontation was billed as one or the other deal, with the latter being given the nod because its machine had already been field tested and several had been sold to production houses on the east coast, one of them, Unitel.

Over the past year, however, the scenario has been altered from an either-or to a maybe-both.

"There's a great deal of interest in this machine from the film makers, who consider it the most effective device to edit in the long form," Bellis says.

A highly knowledgeable marketing vice president for a leading production house, asking not to be identified, has this response:

"Now you know California's not going to follow New York's lead . . . in anything.

The people out there know and respect the Lucas name. They will trust him and the machine that he's developed, and that's all there is to it. In my opinion, if you want to do business on the West Coast, you better have an *EditDroid* on your facilities list."

Says Bellis: "*EditDroid* configured itself through the Lucas unit to be a long version device. Creatives can take *EditDroid* any way. You can shoot on film, edit on video tape. You can edit a feature length film on *EditDroid*, conform the negative and put it on film. The film makers are accepting the ease, convenience, and relative simplicity of editing electronically."

The example just cited illustrates how expensive it is to compete in the equipment race most companies must run if they want to get the bigger jobs.

Unitel now is in a position to say to a customer, 'if you like *Montage*, we have that machine in New York. If you want *EditDroid*, it is available at our newly opened West Coast offices on the Paramount lot.'

"We're thrilled at what they (the Convergence Corp.) have done," Bellis exults.

"It's going to take awhile for our people to get accustomed to it, but the response to our purchase of the machine has been very positive."

Meanwhile speculation is rife as to which of the prominent production houses will be next to engage in the two machines for the one function category.

It should be further pointed out that the editors at Unitel/New York are "very pleased" with the performance of *Montage*, and believe it stands up to long performance tasks with facility and dispatch.

Arnold Wicht and Tim Heintzman from Camp Associates Advertising, Toronto, accept their "Best of Festival" award for the commercial "Divers," which promotes the beauty and diversity of Ontario. At l., are honorary festival chairman Bert Berdis, and festival chairman J. W. Anderson.

Toronto honors

The Canadians came, saw and conquered at the **U.S. Television and Radio Commercials Festival** in Chicago last month.

Divers, a 60-second spot produced by **The Partners** in Toronto, through **Camp Associates**, also of Toronto, won "best of festival" honors at the 14th annual awards ceremony.

The spot also won two other firsts, in the travel and editing categories. The festival tapped 94 winning TV and radio spots that came from countries throughout the world.

Other nominees for the best of festival honors include the International Telephone and Telegraph spot "*Growing Cities*," produced by **Robert Abel and Associates**, for **Needham Harper Worldwide, New York**, and Skates, the IBM personal computer spot, produced by **Hagmann, Impastato, Stephens & Kerns** (HISK) Studio City, Calif., through **Lord, Geller, Federico & Einstein** in New York.

HISK was recognized eight times during the evening for its efforts including two-time winner "Stranger In The House," for McDonald's via **Leo Burnett & Co.**; and "Waterfight" and Hold On for the Church of Jesus Christ of Latter-Day Saints, handled by **Bonneville Media Communications**, Salt Lake City.

J. Walter Thompson, Chicago, won four Mobius Awards with its Pepsi International soft drink commercials "Horse," "Dance" and "Gymnast," each winning in its category for best spot, and then, together, as a campaign.

The Nike Inc., for the running shoe, won two Mobius Awards via agency, **Chiat/Day Advertising**, Los Angeles, and producers **Jenkins/Covington/Newman** of West Hollywood and **Directors Consortium** of Los Angeles. *The Sword*, a JWT, Washington concept for the Marines, produced by **Phil Marco Productions** in New York won two awards.

Overall, a total of 50 Mobius Awards were presented for North American TV commercials; 24 for international TV commercials; 17 for North American radio and three awards for international radio commercials.

Compbell Ewald, of Warren, Mich. created *Evasive Miners*," the radio spot produced by **Walt Kraemer Creative Services** in Sausalito, Calif. **D'Arcy MacManus Masius** in St. Louis won two Mobius Awards for two separate Southwestern Bell Telephone spots entitled "Directions" and "Laundromat." Both spots were produced by the **Chicago Recording Co.**

Seagrams will wing it

Hard liquor advertising on broadcast media is a practice of the past, but **Doyle Dane Bernbach** and Seagrams International will take off on an advertising program that will run through 1985 on three international airlines, British Airways, KLM and Air France.

Seagrams will do it with a two-minute spot on behalf of Chivas Regal scotch whiskey. Inflight Advertising delivers the upscale business traveler," says Michael Perkins, vice president and management supervisor, DDB. "This individual is not only a purchaser of Chivas in his domestic market, but also a duty-free customer on his international travels."

In addition to Seagram, Trans Global currently includes several spirits and liqueur advertisers among its list of inflight clients, including Glenfiddich scotch whisky, Ballentine's whisky and Remy Martin cognac.

"They're a natural," explains Trans Global Films President Rip McEldowney, "because the product can be literally wheeled down the aisle after the film."

So whiskey spots, long ago banished the world of print, still live, and are managing to reach an affluent audience.

Movie spots

It used to be that the only kind of advertisement you would be treated to at the local cinema was a teaser of the films being shown the following week.

Today there's something called ScreenVision, a 4000-theatre network in movie houses across the country that run two to five minute longform commercials for those advertisers willing, not only to pay the freight for the service, but also expensive enough to spring for a million dollar budget necessary to keep the big-screen audience interested.

One of the first in this new genre was a Dr. Pepper soft drink spot, via Young & Rubicam, which was an expanded version of a television commercial for the soft drink.

The second spot was on behalf of General Electric, portable stereo line shown in New York at the UA East, which featured the *Flamingo Kid* as the theatrical feature.

Capsule comments from young professionals exiting the showing:

■ "It was very well produced. When the audience realized it was a commercial for General Electric, there was laughter. But later the audience seemed to settle in and watch the spot. They applauded when it was finished."—*Stephanie Halliday*

■ "The time I saw it, a few people hissed at the beginning, but the rest of the audience shushed them. It reminded me of an elaborate music video.—*Beth Wilson*

■ "The commercial didn't advertise any particular product. It plugged GE's line of stereos. I enjoyed the spot. It made sense. It wasn't overlong."—*Michael Tucker*

The comments are interesting in light of the widespread fear among agency executives and advertisers themselves, that movie commercials would arouse the ire of the audience, and provoke resentment against the product and/or service advertised.

Thus far, this hasn't been the case. One of the first commercials released theatrically was a spot for Lincoln-Mercury via Young & Rubicam, several years ago, on behalf of the automotive manufacturer's Topaz sedan. Sales for the car spurted after the showing, nevertheless advertising agencies have been cautious about recommending the vehicle as an advertising medium, though movie houses have been used widely and successfully throughout Europe.

The prevalent view of some U.S. advertising quarters is that consumers regard motion picture theatres as the last bastion against 'commercial intrusion." But with the penetration of once sancrosanct cable advertising messages, commercial time at the movies is thought to be doable.

Screenvision, with its 4,000 theatre network is the first concentrated attempt to make "Commercial Night at the Movies" a reality.

CBS' trivia teases

Celebrity Pursuit, vignettes which offer answers *after* the commercial message is inserted into the donut, are

Rod Perth

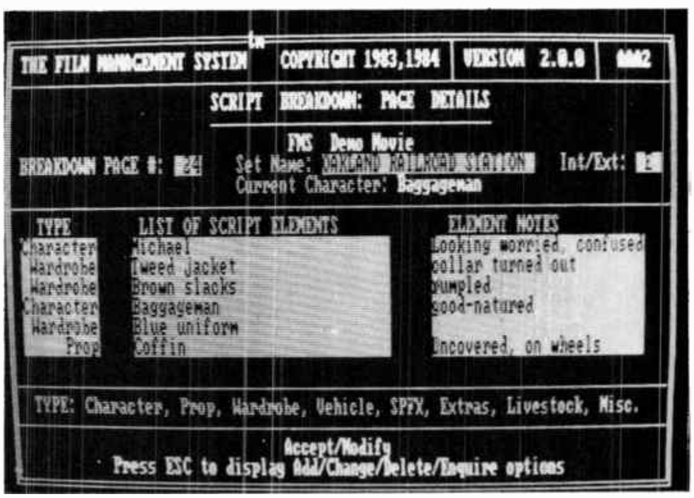
being offered by CBS to its owned television stations (WCBS-TV New York, KCBS-TV Los Angeles, WBBM-TV Chicago, WCAU-TV Philadelphia and KMOX-TV St. Louis). The spots will be available in mid-March, and, according to the network, allow the sponsor to reach 20 per cent of all the television homes in the country.

Celebrity Pursuit vignettes are produced by the Corporation for Entertainment and Learning, Inc.

According to Rod Perth, vice president and general manager, CBS Television Station National Sales, the success of "Campaign Buttons," a series of advertiser-supported vignettes broadcast by the CBS Television Stations throughout 1984, concluding at the time of President Reagan's inauguration, "verified our belief that advertisers are looking for timely sponsorable vignettes that run concurrent with major events and trends."

IBM PC on location

IBM's personal computer has demonstrated its versatility through a number of uses. Now **Heritage Systems, Inc.** a software firm for personal computers and networks is introducing, according to president **Ray Gabler,** "a new computerized approach for film and



Program for script breakdown from Heritage.

Advertising Directory of

Selling Commercials

CBS Toys • Sives & Associates

CONCEPT STUDIOS, Burbank, CA

Price Chopper • Venet Advertising

KCMP PRODUCTIONS LTD., New York

D'Agostino • Jo Foxworth

GIFFORD ANIMATION, New York

Sorg Printing Co. • Kolker Talley Herman Inc.

KCMP PRODUCTIONS LTD., New York

Denclenz

DOLPHIN PRODS., N.Y., COMPUTER ANIMATION

WALA-TV • Mobile, Alabama

I-F STUDIOS, New York

Million Dollar Movie • WOR-TV

LASZLO PRODUCTIONS, New York

WXYZ • Detroit

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

TV production." Gabler calls it the Remarkable Film & Video System. "It addresses the full range from script breakdown, stripboard scheduling, budgeting and production accounting."

According to Heritage, the system allows the user to run it with one IBM PC, or several connected together in a network. Operation doesn't require any previous knowledge of computers, and the user can choose from a menu of options couched in familiar industry terminology.

The machine, according to Heritage, has the properties needed for prep and production of TV commercials.

New campaigns

If the contributions to restoring the Statue of Liberty come anywhere near the amount of advertising celebrating the occasion, 'The Lady' ought to look just fine for another 100 years.

This month the **Eastman Kodak Co.** has gone the institutional route in an execution by **McCann-Erickson.**

The immigrant's entrance to America, and the first glimpse of the Statue of Liberty, have been celebrated by motion picture scenarists for many years. The McCann commercial uses the line "In 1884 a woman immigrated to America. That woman is the statue of liberty."

The spot establishes that Kodak is a founding sponsor of the Statue of Liberty Ellis Island Centennial restoration, and is unable to resist the tagline "Now it's our turn to carry the torch."

Creative credits go to New York/M-E Creative Directors **Ira Madris and Bruce Nelson** (Madris doubles as voiceover); copywriter is **Deborah Kasher;** art director, **Peter Barba;** and producer **Lionel Ray Johnson.**

Michel Ulick directs the spot, with his own production company handling those chores. **Startmark** handles the editing.

The Cable Industry is kicking off what the **Council for Cable Information Inc.** characterizes as its first national advertising campaign, and traditional broadcast couldn't be happier, winding up with the bulk of the $6 million in billings that will be invested in television and radio. **McCann-Erickson** is the agency.

Purpose of the campaign, according to CCI president **Kathryn Creech** is to create awareness of the cable medium and of the option it provides.

The awareness will begin on *Hollywood Wives*, a new ABC-TV miniseries. Creech says further that the radio and television networks were selected for their ability to deliver CCI's target demographic audience of both subscriber and non subscribers in that classic demographic, 25–54, both male and famale, with incomes exceeding $20,000. The unique parameter is that they be light television viewers.

Nevertheless the bulk of the campaign will be seen on ABC-TV and CBS-TV and on radio. Time period will be a seven-week flight with an average of 14 exposures per week.

On television, three 30-second spots will be rotated on CBS and ABC for a total of 59 primetime announcements.

Program scheduled to carry the CCI-packaged announcements are *60 Minutes*, *Dallas* and *Magnum P.I* on CBS-TV; and *20/20*, *Hardcastle and McCormick*, and *Dynasty* over ABC-TV. Special airings for the CCI spots will be on *Rocky III*, *The Wizard of Oz* and *The Grammy Awards*.

Three 60-second radio commercials will be rotated on eight networks for a total of 861 announcements in seven weeks. The spots will run in a.m. and p.m. drivetimes, early morning, midday and evening. The eight featured radio networks are: ABC Entertainment; ABC Information; ABC Direction; CBS news sports and features; NBC news on the hour; Satellite Music Network; Westwood one; and Sheridan Broadcasting. Effectiveness of the campaign will be tracked later this year.

Ad makers

Jay Schulberg has been named to head up the creative department of the New York office of Ogilvy & Mather according to Kenneth Roman, president, Ogilvy & Mather.

Schulberg succeeds **Norman Berry** in the post. Berry will be president of the New York office, and Schulberg has been his deputy since April, 1984. Schulberg has worked a spate of Ogilvy's principal business including Trans World Airlines, Hershey, General Foods, Chesebrough-Ponds, American Express Travelers Cheques and Squibb.

Schulberg began his career at Ogilvy as a copywriter in 1967, became a creative director in 1977, a senior vice president in 1978, a member of the U.S. Management Council in 1979 and a member of the U.S. Operating Board in 1981.

Allen C. Falcone, president of **Gaynor, Falcone & Associates,** Inc. has appointed **Michael Schiffrin** as executive vice president and creative director and a member of the parent board, Gaynor & Co.

Schiffrin's previous experience includes stints at Kenyon & Eckhardt, Inc. and at J. Walter Thompson in key creative posts with both top 50 shops.

DBK&O Advertising, Inc. has named **Jim Offerman** vice president and creative supervisor. Offerman has been with the agency since July, 1982, creating television and radio advertising for a number of national and regional advertisers.

In another DBK&O appointment, **Mark Lidke** has been named a creative supervisor. He joins the agency after five years as senior art director at Paragon, where he created and produced television spots for Pillsbury Microwave Pizza, Crystal Sugar and Kitchen Restaurants.

Marilyn Pocious and **Lesley Teitelbaum** have been elected vice presidents of **D'Arcy MacManus Masius,** New York. Pocius, primarily a copywriter, is an associate creative director. Teitelbaum is also an associate creative director.

At **Needham, Harper Worldwide,** Inc., director of TV Production, **Carolyn Roughsedge** will smooth out a lot of spots, with her promotion to senior vice president. The protean television producer was elected a vice president of Needham Harper in December, 1979, after joining Needham's Los Angeles office in January of 1978 as a television producer.

Len Sugarman, senior vice president and executive creative director of Foote Cone & Belding's New York office, continues to make additions to his creative staff.

Mark Gillin has been tapped to serve as AD on the agency's **Clairol** business, coming from Grey Advertising where he spent two and a half years in a similar capacity.

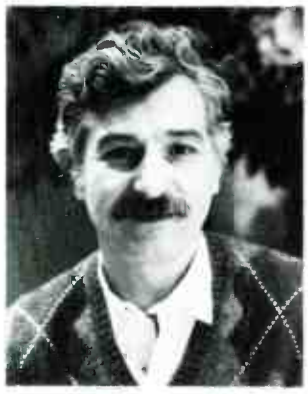
Rebecca Underwood joins FCB/New York, also as an art director. Her assignments will be on the **Thomas J. Lipton** and **Frito-Lay** accounts. Underwood comes from Lord Geller, Federico Einstein where he was a junior art director.

Mike Sloan Advertising, Miami, Fla., ad shop, has named **Carl Klein** as an art director. He previously served in a similar capacity with **Tandem DDB,** the Doyle Dane Bernbach subsidiary in Barcelona, Spain.

On the commercials production side of the ledger, **Myers Films** has named another director, **Robert Pasqualina** to its staff. Myers Films is the namesake of President and well established commercials director, **Sid Myers.** Pasqualina's first assignment at Myers a *Purolator* spot for his old agency.

Pasqualina was formerly an art director, principally with Wells Rich Green, Inc. His accounts at WRG were Alka Seltzer, Hush Puppies, Barniff and Diet Rite cola.

After leaving Wells Rich in 1973 he spent five years heading up his own commercials firm, Pasqualina Timberman, which represented Elizabeth Arden, Burry's Cookies and Sunbeam Bread. He rejoined WRG in 1978, and, in 1983 was named a creative director in the agency's New York office.



Bob Pasqualina

Richard Fink, Myer's partner and business representative concedes that there "will be a definite cross over between the two directors. Each will maintain his own clients—his own style. The competition should be healthy and stimulating."

One of Myer's more consistent clients is McDonald's.

Unitel has added veteran videotape editor **Gary H. Anderson** to its Los Angeles operation. His first assignment for Unitel, editing *Family Ties* at Studio G on the Paramount Pictures lot.

Movielab Video, Inc. has acquired colorist **Larry Seigal,** a veteran with expertise in color correction and film-to-tape transfer. He comes from JSL and has serviced such clients as Volvo, New England Telephone, Kodak, ITT and ABC's *American Sportsman.*

Commercials circuit

Stew Birbrower snared a plum assignment for **William Esty** recently, when the agency handed him two boards on behalf of Energizer batteries. The spots involved children and their fantasies.

"The fun part of shooting these spots was the opportunity to bring the kid's fantasies to life. The William Esty concept was perfect, and the first time we got a look at the board we knew they'd be a blast to shoot."

The first spot opens on a youngster carrying a toy ray gun out of the kitchen, telling his mom that, "he's going to save the world."

The dissolve takes the boy to an outdoor scene where he is seen darting between trees, battling "alien invaders," zapping them with his ray run. The voiceover narration: "Nothing in this galaxy outzaps . . . outblasts . . . outlasts the Energizer. Nothing." At the close of the spot the youngster returns to the kitchen with a long rope. "Mom," he says, "after you save the world what do you do with the prisoners?" Trailing at the end of the rope is a 6-and-a-half-foot tall space monster.

The second spot finds the young boy in a racing outfit. After he wins the Grand Prix, which includes shots of a remote controlled (battery operated) toy race car, he returns home to find Mom setting the table. "Can Cindy stay for dinner?" Mom turns to find her son standing next to a voluptuous brunette clad in a swimsuit. "She came with the racing trophy," he quips.

Credits for the spot include child actor **Ryan Jannis, Lynn Green** as his mother. **Peter Polatinoff** designed the set. AD/Producer for William Esty was **Connie Malatak. Dan Fairman** wrote the copy. The CD was **Chick Cilo.**

Fashion spots, once confined to the back burner, are getting more of a play from commercials directors than ever before. Clients such as **John Henry Shirts and Sweaters for Women,** via **Park Place Group Advertising,** Inc., are coming forward. JH's **Lee Rothberg** helmed spot, produced by LRP Productions is reportedly the first time the advertiser has done women's fashion television spots.

The women in the spots focus on Miss America 1982, **Elizabeth Ward.** Storyline concentrates on phone conversations with dialogue like: "I just can't wait to wear my new **John Henry Sweater.** The spots are cable bound, on CNN's *Style;* Lifetime's *You* and ESPN's *Bodies in Motion.* **Gary Halby** wrote the copy for the agency. **Bette Klegon** Park Place's CD, produced. **Sonny Coyne** cast and styled the spots for **Lee Rothberg Productions.**

FilmFair/New York has tapped **Tom Mooney** to represent director **Scott Kulok.** Mooney comes to FilmFair from **Lofaro Associates,** with a directors stable that includes **Brian Gibson, Dick Sorenson** and **Peter Richardson.**

Kulok's stablemate at FilmFair New York is the highly regarded helmsman, **Manny Perez.** Before joining FilmFair Kulok worked as an AD at Young & Rubicam.

Doyle Kaniff, who presided over the Editel Group (New York, Chicago and Los Angeles post production house) since 1983 has resigned his post to form a consulting firm. **Scanline Communications,** the new owner of the Editel Group has retained Kaniff to initiate the firm's program development efforts.

Director **Nat Eisenberg** just wrapped a 30-second television spot on behalf of **Boehringer-Ingelheim** and its over-the counter pump nasal spray, 12-hour Nostrilla.

The hidden camera commercial for what the copy refers to as the "new way nasal spray" was taped in a Seattle hotel suite.

Video facilities were supplied by Telemation in Seattle. **Lance Kyed** coordinated the project for the facility. The off-camera interviewer was **Hy**

Agens. The research was provided by **Tom Dale.**

Representing the advertiser were creative director **Dean Crebbin** and brand manager **Bob Bridge.** The business was done direct.

Lewis, Gilman & Kynett, Philadelphia, ad shop, awarded a three commercial package for its client **Bell of Pennsylvania** to director **Sid Myers** of **Myers Films.**

Myers steered actor **Hal Linden** through two 30 and one 60-second spot, dramatizing the breakup of the phone group into duchys of local services. The spots address themselves to questions of continuity information and cost.

Spokesman Linden was chosen for the three-spot assignment "because he has the right combination of credibility, warmth and reassurance," says LG&K copy-writer **Joanne DeMenna.**

The 60-second spot distills the breakup of the phone system, comparing Bell of Pennsylvania to a drummer who continues to play even after his band fragments. The spot is titled "Band"

The 30-second spots talking about the cost of phone service are called "Newspaper" and "Coffee", and compare phone costs to the former and the latter.

Peg Finucan produced for the agency. **Wes Hotchkiss** was AD on the project. Executive producer was **Richard Fink,** with line producer being **Bonnie Marvel.**

Gerard Hameline of **Michael/Daniel Productions** has directed and shot a 60-second spot on behalf of the Showtime cable network. The spot, called "Excitement" was produced by **J. Walter Thompson** New York. Creatives on the business were **Laurie Birnbaum, Ben Fernandez, Paul Frahm and Michael Hart. ManhattanTransfer/Edit Inc.** transferred the footage for film editor **Bob DeRise.** Another Olympian making hay with his Gold is swimmer **Steve Lundquist.** The new product spokesman for Vidal Sassoon's **Sassoon D** will be seen reminiscing at poolside, while actual shots of his exploitz at the games are shown.

Peter Rogers Associates, New York-based beauty fashion agency, created the concept, which was shot by **TriPlane Films** in Los Angeles.

Creative credits on the agency side go to copywriter **Andrea Grill,** president, and creative director **Peter Rogers,** co-creative director **Len Favara** and vice president of creative services for Sassoon, **Laurence Taylor.** Sassoon D is a moisturizing shampoo.

Sandra Harper produced the spot for TriPlane, **Eric Jewett** helmed it, and the cameraman was **Scott Lloyd-Davies.**

The shoot was completed at TriPlane offices in Los Angeles.

NSI'S MEGABASE
New database service debuts next fall/73

SELLER'S OPINION
What really constitutes 'hypoing?'/77

MEDIA PRO
Setting aside 'opportunity' funds/80

TELEVISION/RADIO AGE

Spot Report

February 18, 1985

TV/Radio Age reports that KMPH TV is America's #1 Independent Television Station*

but we didn't get to be Number One by our efforts alone ...

26 KMPH

Fresno Offices and Studio
5111 East McKinley Ave
Fresno CA 93727
(209) 255 2600
TWX 910-362-3999

Pappas Telecasting Incorporated
Visalia Fresno

AN OPEN LETTER

It's a good feeling at the top...but we remember starting 13 years ago at the bottom. And we remember the folks who've helped us with advice, information, direction and inspiration.

Of course, the people who've been a part of the KMPH organization contributed their excellent efforts toward the realization of what some thought was a mere fantasy but instead was an achievable dream. However, without the contributions of the following professionals, we couldn't have done it.

- Tom Breen
- Sid Cohen
- Roger Cooper
- Hugh Davis
- Al Fuller
- M. "Red" Green
- Bob Greenberg
- Buzz Gross
- Richard Hildreth
- Don Joannes
- Norman E. Jorgensen
- Dick Lawrence
- Cecil Lynch
- Bill McReynolds
- Murray Oken
- Hal Protter
- Mel Querio
- Roger Rice
- David Skillman
- Chester Smith
- Elmer Snow
- Dick Thiriot
- Al Watte
- Jim Weathers
- Arnold H. Wiebe
- and others

We take this means of expressing our heartfelt gratitude and shall endeavor to honor their confidence in us in all our future undertakings.

Sincerely,
PAPPAS TELECASTING INCORPORATED

Harry J. Pappas

Harry J. Pappas
President

*Tied November 1984 Arbitron, S-O to sign-off share 7AM to 1AM — Sunday through Saturday

Spot Report

NSI database coming in fall, with details not in book

Nielsen's NSI service will launch a comprehensive database service for all DMAs next fall. Dubbed Megabase, the service will provide considerable detail not available in the local rating books or on tape. However, it will provide "market level" data, that is, across-market data, not raw diary or meter data or country breakdowns, for instance.

What will be provided will be information on "100 different dayparts" via half-hour data, full metro persons demos (only metro household figures are now provided in the regular report), ethnic breaks, ratings by cable households and by VCR homes, spill-in and spill-out information, etc.

Hispanic TV in Chicago

Hispanics in Chicago spend about three quarters of their TV viewing time watching Spanish TV, according to a study of the market by Operations Market Advertising Research (OMAR) for WBBS-TV, a Spanish-language outlet.

The study, which covered both Hispanics and non-Hispanics, found that Hispanics spend about 3.25 hours a day watching TV and 2.37 hours watching Spanish TV. Non-Hispanics watch an average of 3.84 hours daily. The study also found that 25 per cent of Hispanic households do not watch Spanish TV.

Dubbed CHIMPUS-'84 (Chicago Market Product Usage Study), the study measured brand preference and frequency of use for 17 products plus retail shopping habits, in addition to TV viewing. It was described as the first in an annual series. Not unexpectedly, the study found that more Hispanics watch WBBS-TV than WCIU-TV (29 vs. 20 per cent) but that 51 per cent watch both.

The sample in the study consisted of 500 women, half Hispanic and half non-Hispanic, interviewed by phone.

Cume Slide Rule

The Multi-Week Cume Slide Rule has been mailed by Arbitron to all radio and full-service agency clients following its debut at the RAB Managing Sales Conference in Dallas. The device enables the user to estimate radio's reach for two, three and four weeks based on one-week data. This can be done for 17 different dayparts and for Monday–Friday, hour-by-hour estimates found in the AID system.

The Cume Slide Rule is based on the four-week cume study conducted by Arbitron in 1982. That study was used by Dr. Martin Frankel, statistical consultant to Arbitron and professor of statistics at Baruch College of the City University of New York, to develop the mathematical model on which the Cume Slide Rule is based.

Want to program N.Y.?

WNYC-TV, channel 31, New York City's public television station, has issued a Request For Proposals (RFP) which offers qualified broadcasters an opportunity to lease up to 75 hours of commercial time to present programs in the New York ADI.

A request for proposals kit also specifies proposals the station will *not* entertain, including:

- Entertainment program which duplicates that available on other channels,
- Material, whether programming or commercials, which is patently offensive or inflammatory
- Religious proselytizing or religious ritual.

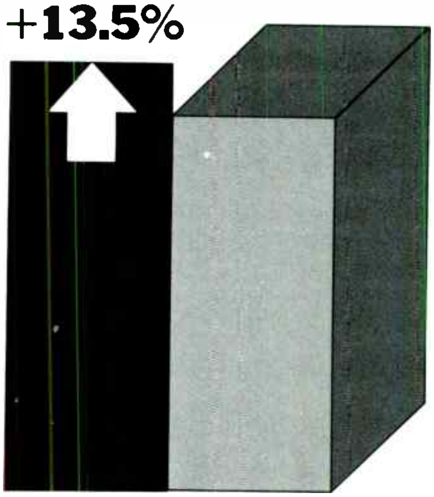
Swanson switches to MTI

Caddy Swanson has resigned as president of Reeves Teletape, Inc., where he worked for 13 years and 11 months to head up MTI Television City, for Modern Telecommunications Inc. and president Robert C. Weisgerber. Swanson will be point man on making the MTI facility at 1443 Park Ave., a mecca for television and cable production. Right now, MTI is hosting two shows at the facility for the Lifetime Cable network, *The Regis Philbin Show* and *Hot Properties.*

December

Local business

+13.5%



1984: $374.8 **1983: $330.2**

Complete TV Business Barometer details p. 24

Spot Report

Campaigns

Control Data, RADIO
Hicks & Greist/New York
BUSINESS CENTER COMPUTER SERVICES are being recommended for eight weeks that started in late January in a select but nationwide list of larger radio markets. Media arranged schedules to reach business decision makers 35-plus.

Adolph Coors Co., TV
Foote, Cone & Belding/Chicago
SELECTED BEERS are scheduled for three to eight weeks of television appearances that started on various February air dates in a good many midwestern and southeastern markets. Buying team targeted men in various age brackets, depending on label.

Dixon Industries, TV
McCormick-Armstrong Advertising/ Wichita, Kans.
LAWN MOWERS are being featured for 18 or more weeks that kicked off in early February in a long and widespread lineup of television markets. Lola Howard heads the media group that concentrated on news adjacencies to attract adults 25 and up.

Exxon Company, U.S.A., TV
McCann-Erickson/Dallas, Atlanta
GASOLINE is being advertised for three weeks that started in early February in a fair list of southeastern television markets. Negotiators rounded up a full range of dayparts to reach both men and women, 18 and up.

Georgia-Pacific Corp., TV
Altschiller Reitzfeld Solin/New York
SELECTED HOUSEHOLD PAPER

Rolling out

General Foods' new Jell-O Gelatin Pops, already successful in the central and north central part of the country, will be rolling on into eastern and southern states, with heavy television exposure scheduled to kick off April 15. Agency is Young & Rubicam, whose commercials will be featuring look-alikes from the old Our Gang comedies' Little Rascals. General Foods says the advertising "will be trying to reach every member of the family."

PRODUCTS are sharing 13 weeks of first quarter spot exposure that started in early January in a nationwide selection of consumer markets. Buying team worked with all dayparts to sell to women 25 and up.

The Hartford Insurance Group, RADIO
McCaffrey and McCall/New York
INSURANCE is being sold for 13 or more weeks in a long and coast-to-coast lineup of radio markets with the help of advertising that started in early February. Buyers arranged schedules to appeal to men 50 and up.

Hershey Foods Corp., TV
Doyle Dane Bernbach; Ogilvy & Mather, New York
REESES CUPS and OTHER CHOCOLATE TREATS are using 11 to 13 weeks of television advertising during first and second quarters in a long and coast-to-coast lineup of markets. Media plans include all dayparts to reach all family members.

Tambellini Foods, Inc., TV
DiIorio, Wergeles Inc./New York
BUDGET GOURMET FROZEN FOODS are being advertised for 20 or more weeks that started in late January in a select but coast-to-coast list of television markets. Media lined up the full range of dayparts to reach both men and women 18 and up.

United Airlines, RADIO
Leo Burnett Co./Chicago
NEW AIR ROUTES and CONNECTIONS WITH OTHER CARRIERS are being announced for eight weeks that started on various mid and late-January air dates in a nationwide spread of flight destinations. Preferred demographic is men 25-plus.

Volume Shoe Corp., TV
Foote, Cone & Belding/Chicago
SHOES are being seen for 20 weeks that started in mid-February in a coast-to-coast list of larger television markets. Negotiators arranged for fringe, primetime and daytime showings to attract young adults, 18 to 34.

Walgreen Co., RADIO, TV
CPM, Inc./Chicago
DRUG STORE CHAIN, already on radio since early January in a widespread lineup of markets, has added four weeks of February television exposure in many of them. Radio target is women, and the television placement was scheduled to reach both women and men with news, daytime and fringe inventory.

Retail Report

Developing a dialog

Though vendor support, co-op dealer groups and market research are all valuable tools in developing more retail business at the local TV station level, none of them will be effective unless broadcasters nurture "a dialog and understanding with the retailer."

That, at least, is the strong conviction of Donald Hurt, local sales manager of WCPX-TV Orlando-Daytona Beach-Melbourne, who is the new chairman of the Television Bureau of Advertising's Retail Development Board, succeeding Phelps Fisher of Fisher Broadcasting.

Hurt was recently in New York to attend the National Retail Merchants Association convention and, while there, sat down with some key members of that organization. Their message to broadcasters, he reports, was, 'You don't call on us; you don't give us the service you should.'

Broadcasters, Hurt maintains, "must go out and meet the retailers in their communities. Everybody has individualized needs, based on market conditions." Too many station salespeople, he charges, "are waiting for an answer to come out of New York."

The Retail Development Board, Hurt says, will be putting together some "special meetings" for broadcasters throughout the year to discuss how to better serve the retailer, using specific success stories as teaching examples. The first of these will be in May in Orlando, in conjunction with the NRMA's sales promotion conference, which is being held there.

In many cases, Hurt believes, a dialog between stations and retailers is non-existent. "Let's face it," he continues, "we don't know anything about their SKUs (stock keeping units), and they don't know anything about our GRPs."

A good example of "non-involvement" in retail activities by the broadcasting industry was a breakfast held during last month's NRMA convention by the Father's Day/Mother's Day Council (see *Retail Report*, January 21).

Purpose of the breakfast was to honor a number of retailers for "advertising and promotion excellence" during the Father's Day and Mother's Day seasons of 1984.

A look at the seating list for that event turns up the expected manufacturers of men's and women's apparel. But there were also a number of media participants, among them: *The Bergen* (N.J.) *Record*, Knight Ridder Newspapers, Long Island's *Newsday*, *New York Daily News*, *The New York Times*, *Washington Times*, Westchester Rockland Newspapers, *Connoisseur*, *Esquire*, *Gentlemen's Quarterly*, *New York Magazine*, *Playboy* and *Vanity Fair*. Not one single broadcast entity was represented.

And, yet, the master of ceremonies was Marvin Scott of Independent Network News, and a filmed segment on the importance of Mother's Day was narrated by Joan Lunden of *Good Morning America*.

Some of the most prestigious department stores in the country were in attendance—not to mention vendors with big ad budgets—such as Burlington Industries, Celanese Fibers Marketing, Cotton Incorporated, DuPont, Pace Rabane Parfums and Arrow and Manhattan shirts.

And even some of the big ad agencies thought the event worthy of supporting—N W Ayer, Bozell & Jacobs, Leber Katz, Geers Gross.

At a time when all media are competing for the retail dollar, and at a time when local business looms ever more important in the total station revenue picture, who could blame George Love, senior vice president, marketing sales promotion, of Marshall Field, or Harold Leppo, president, of Lord & Taylor or Elayne Garofolo, vice president, sales promotion, of Bonwit Teller for thinking the broadcasting industry doesn't really care about retailing? After all, *The New York Times*, came to breakfast.—**Sanford Josephson**

Spot Report

Appointments

Agencies

Rosylin (Gay) Kassen and **Richard O'Gorman** have been elevated to vice presidents at Dancer Fitzgerald Sample in New York. Both are associate media directors. Kassen came to DFS in 1981 as a media supervisor from posts at N W Ayer and Cunningham & Walsh. O'Gorman joined Dancer in 1980, also as a media supervisor, moving in from Scali, McCabe, Sloves.

Pat Stevenson, media director for J. P. Martin Associates, has been elected a vice president of the agency. Before coming to Martin, Stevenson had been media director with the UniWorld Group. At Martin she is responsible for national promotions as well as media.

John Farsakian has joined Campbell-Ewald, Co., Warren, Mich., as senior vice president, manager in the Strategic Planning and Research Department. He moves in from Nissan Motors Corp. (USA) in Carson, Calif., where he had been corporate consumer research manager.

Margaret Mark, director of account research at Young & Rubicam in New York, has been promoted to senior vice president. She joined the agency in 1979 as a research account supervisor and was named a vice president and associate director of account research services in 1981.

Victor A. Marrale has joined Tavco Marketing & Media in Buffalo as a corporate vice president in charge of the agency's broadcast department and new business development. He moves in from WUTV(TV) Buffalo where he had been station manager.

DeMauro

Tony DeMauro and **Giles Lundberg** have joined the New York National Broadcast Unit at Foote, Cone & Belding. Lundberg moves in from Benton & Bowles as manager of network research, and DeMauro, a broadcast supervisor at FCB, had been a senior network buyer at Grey Advertising.

M. Angela Castro has been appointed vice president, manager of research for McCaffrey and McCall. She was formerly a vice president and associate research director with Grey Advertising.

Timothy Teran, associate research director at Grey Advertising, New York, has been promoted to vice president. He came to Grey in 1979 as a research trainee from Needham Harper Worldwide in Chicago.

Kathleen Chiodo has been promoted to associate media director at Fahlgren & Swink in Marion, Ohio. She came to the agency as a buyer in 1980 and now steps up from business media planner.

Danny Fellin has been appointed a research project director at W. B. Doner and Co. in Detroit. The former media research analyst at D'Arcy MacManus Masius has most recently been a senior analyst for Ralston Purina's new products/breakfast foods division.

Susan Nathan and **Paul Manganiello** have been elected vice presidents of Needham Harper Worldwide in New York. Manganiello joined the agency in 1979 as an assistant media planner and is currently an assistant media director. Nathan came to the agency in 1981 from William Esty Co., and at Needham is director of media research.

Patricia Reilly and **Douglas Powers** have been promoted to vice presidencies at William Esty Co. Both are associate media directors. Powers has been with Esty for 13 years. Reilly joined the agency six years ago from Doyle Dane Bernbach.

Vera Brennan

Broadcast advertising pioneer Vera Brennan died on January 28. Her media career began over 40 years ago at Air Features, a subsidiary of Blackett, Sample, Hummet. Over the course of her long service to the advertising industry she had also been affiliated with The Biow Co.; Duane Jones Co.; Scheidler, Beck & Werner; SSC&B Inc.; and McCaffrey and McCall. Described as "one of the special people" by her many friends in the business, Brennan was nationally known for her broadcast buying expertise and her exceptional rapport with station management across the country.

Petry promotes

Blinn

George Blinn has been appointed senior vice president, general sales manager for Petry Television, and Steve Eisenberg and Jerry Linehan have been promoted to vice presidents and directors of sales. Linehan now coordinates sales efforts of the Falcons, Ravens and Thunderbirds sales teams, and Eisenberg coordinates the Hawks and Roadrunners. At the same time, Jeffrey Rosenberg steps up to group research manager for the Hawks. Before joining Petry in 1983, Rosenberg had been a senior research analyst at Harrington, Righter & Parsons.

Blinn started with Petry as an account executive in 1964, became senior vice president and director of New York sales in 1979, and now moves up from director of New York and regional sales. Linehan came to Petry in 1973 from William Esty Co. and is now promoted from vice president, director of New York sales. Eisenberg, who most recently held the same responsibilities, started at Petry in 1975 following posts with HR Television, Adam Young and Avco Television Sales.

Bridget M. Crudo has joined D'Arcy MacManus Masius in St. Louis as a research account executive. She moves in from New York where she had been a research project director with Kornhauser & Calene.

Ron Klimpel has joined Bader Rutter & Associates, Brookfield, Wisc., as a research supervisor working with **Tom Tiedemann,** director of client market planning. Klimpel moves in from Allis-Chalmers where he had been senior market research analyst.

Ruth Mortensen is now a media planner for D'Arcy MacManus Masius in St. Louis, assigned to the Anheuser-Busch account. She comes from Campbell-Mithun in Minneapolis, where she had been an assistant media planner.

Vicki Rosenthal and **Donna Speciale** have joined Leonard Monahan Saabye in Providence, R.I., Speciale as a media buyer and Rosenthal as planner/buyer. Rosenthal had been a senior planner with Cunningham & Walsh in New York, and Speciale had been a buyer with Duffy & Shanley.

Moving up

Richard J. Landesman, vice president, research director at Blair/RAR, has been named director of market development, Gary S. Lewis is promoted to general sales manager and Lewis' responsibilities as marketing manager and director of training have been taken over by Michelle Jennings, who has been vice president and New York sales manager. New New York sales manager at Blair/RAR, is Lawrence M. Julius, who steps up from account executive.

Landesman, one-time research manager for the CBS Radio Network, joined Blair/RAR last June. Lewis had been an account executive for Blair Radio before being put in charge of training and becoming a vice president last year.

One Seller's Opinion

Owen

Rep exec says intent is key to defining 'hypoing'

We live with hypocrisy in our industry every time a market report is published by the rating services. Through the years, these services have noted in their reports when a station used an on-air promotional announcement to remind diary keepers to properly record their viewing.

In November, 1984, this hypocrisy was extended to new heights. An audience measurement service, with the zest of moral uprighteousness, saw it as its duty to annoint certain stations with the scarlet letter A, because these stations—primarily UHF independents—had tried to bring to the attention of viewers that these stations exist.

As we all know, generalizations are bad, but moral generalizations are the worst. One must assume that Arbitron has taken it upon itself to be judge, arbiter or Solomon so far as "hypoing" is concerned. Today's television market place is much more complicated and competitive than it was when it was a closed society of network affiliates. Within recent years the emergence of both new independent stations and new cable systems has become a major complicating factor. Viewer choice is far wider than it was when the original sanctions meant to inhibit hypoing were developed.

This difference is crucial to putting hypoing into perspective. As I understand it, hypoing was supposed to focus on an unethical inflation of audience, involved with an attempt to increase audience size or to generate additional tune-in. The UHF independent is not doing this: it is merely attempting to remind viewers who are already watching the station to record their viewing in their diaries.

Everyone says sin is bad, but everyone sins. The TvB, the Electronic Media Rating Council and the 4As all condemn hypoing, and so do I, if I have solid evidence that proves that it has taken place. But the fact is, that what these independent stations have done does not constitute hypoing. These stations are merely trying to assure that they get proper credit for actual viewing in an increasingly complex marketplace. There has been no attempt to inflate viewing through these on-air announcements.

UHF independent stations cannot compete equally with VHFs unless they build a network of cable viewers, which means being on many cable systems. The UHF independent may be located on a variety of channel placements on different cable systems. Thus, one of the independent's most important jobs in its first months of existence is to first get on the cable systems, and *then* make sure that it is properly identified. As the complexity of the cable system evolves, with more channels and more viewer choices, the presence of the new station can go unnoticed. And the multiplication of channel choice can confuse the viewer's diary entries, especially if the new station is not on the same cable channel number as its actual home market over-the-air channel number.

The appearance of *Ellis Island* in the November, 1984, report, emphasis of other specials or feature films in sweep reports, or emphasis on special news reports on local stations—all could constitute hypoing, depending on the subjective view of the beholder. So let's recognize that intent is the key to hypoing. The attempts of new UHF independents to insure that they are correctly measured is a far cry from the pejorative attempts we sometimes see to increase audience.—**Dick Owen,** *senior vice president, Seltel, Inc.*

Media Services

William Morton and **Roberta Blick** have been named group vice presidents of Vitt Media International. Morton joined Vitt in 1978, steps up from vice president and senior associate, and will now be in charge of network television. Blick came to Vitt from Triton Advertising and will now head one of Vitt's four media groups.

Jeffrey Thompson has joined International Media Services, Inc., Hollywood, as vice president of sales and marketing. He was formerly marketing manager for the Disney Channel, and before that had been with Walt Disney Home Video.

Representatives

Anthony C. Miraglia has been appointed director of marketing at CBS Radio National Sales in New York. He moves in from McGavren Guild Radio where he had been vice president and co-manager of Internet, and before that he had been vice president and manager of the Major Market Radio Network.

Deborah L. Hackenberry has been named director of marketing for Petry National Television. She comes to Petry from Avery-Knodel Television, where she had been director of marketing services.

Lori Lotter has been appointed vice president at Storer Television Sales. She joined the firm in 1966 and is now its business manager, overseeing accounting and accounts receivables among other responsibilities.

Mark Braunstein has been promoted to northeast regional manager for Christal Radio Sales. He joined Christal three years ago from Eastman Radio.

Glen R. Woosley has been promoted to sales manager at the Atlanta sales office of Blair Radio. He joined Blair/Atlanta in 1978 from Moreland Chemical Co., also Atlanta.

Joe White has joined Katz Independent Television as manager of its Swords sales team in New York. He was formerly New York sales manager for TeleRep, and before that had been with Petry Television.

Ron Castelli and **Cynthia Huffman** have been promoted by Seltel. Huffman transfers from Seltel's Philadelphia office to become manager of the affiliate team in Atlanta. Castelli, who joined Seltel a year ago from Blair, moves up to national sales manager of the Independent Racers team.

Laura Dannolfo and **Andrew H. Secular** have been named group research managers at Petry National Television. Both move up from posts as research planners.

EMRC results

Measuring Future Electronic Media Audiences, a 60-page book detailing results of the Electronic Media Rating Council's June 1984 conference on the subject (TV/RADIO AGE, October 29, 1984) is now available from the EMRC for $5. The report compiles the opinions of 47 researchers representing broadcasters, cable companies, advertisers, agencies and rating services who attended. It covers such priority areas as people-based audience measurement systems, larger sample sizes to facilitate finer audience segmentation, measurement of audiences of TV commercials, measurement of VCR usage, on-line data delivery, and industry-wide procedures and standards to insure research quality.

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Media Professionals

Buyer pitches for set-aside 'opportunity' funds

Mary Bergin

Senior broadcast negotiator CPM, Inc. Chicago

Mary Bergin, senior broadcast negotiator at CPM Inc., Chicago, wishes more clients would set aside additional money in their advertising budgets for the many opportunity buys that often open up locally, but that can't be pre-planned. In any market, she points out, "A home team may win its way into the playoffs, a station may latch onto a big community fund raising event, or another station may be signed to carry the next Operation Prime Time miniseries. Events like these generate a lot of local excitement and pre-program hype. When they hit the air they provide premium visibility and can extend an advertiser's reach and tie his product in with the heightened excitement."

But because such events can come up suddenly, and there's usually no way to plan ahead for them, explains Bergin, "if there's no money set aside to take immediate advantage of such sudden opportunities when they do come up, the client will often miss out." As examples of the extra hype that often accompanies such events, she notes that, "If it's a sports event featuring the hometown team, the local stations and newspapers are full of it in their sports pages and sportscasts, talking it up for the same audience of local sports fans that will be watching or listening to the playoffs. If it's a miniseries, or some other kind of special, there's often a week of pre-show promotional buildup, with promos on the station that's going to carry it, and ads in the local newspaper, as well as in that week's local edition of *TV Guide*, and in the local program guides that many hometown newspapers carry."

Bergin adds that, "Often, a client couldn't afford to buy into this kind of excitement if it could be planned and pre-packaged and priced by the station. But because such opportunities do pop up so suddenly, a buyer could pick it up at a rock bottom price, if the funds were already there to dip into—because everybody else would have to waste so much time waiting for an approval to come back down from their clients."

Without such dollars set aside, she says, "A competitor who does have this kind of reserve in the bank can easily beat you to it.

Stations

Brian Bieler has been appointed president of Viacom Radio. Bieler came to Viacom in 1983 from Sudbrink Broadcasting and now moves up from vice president, general manager of WMZQ AM-FM Washington.

Lyn P. Stoyer, general manager of WGRZ-TV Buffalo, has been promoted to senior vice president, and **Raymond P. Maselli,** general sales manager of the station, becomes vice president. WGRZ-TV is owned by General Cinema Corp.

Jim Colley has been promoted to senior vice president by Colonial Broadcasting Co. He is general manager of Colonial's WOWW Pensacola, Fla.

Edward K. Christian has been named president of Josephson Communications, Inc. He is promoted from executive vice president and radio group manager for Josephson's eight radio stations in five markets.

James B. Thompson has been named vice president, sales, for Group W's KYW-TV Philadelphia. Before joining Westinghouse in 1982 as national sales manager of KYW-TV, Thompson had been president, owner and operator of Sel-Thom Communications, which owns radio stations in New Jersey. But before that, Thompson had started his broadcast career in 1971 with Group W's WJZ-TV in Baltimore.

New Stations

On Air

WJTC-TV Pensacola, Fla., Channel 44; ADI Mobile-Pensacola; Licensee, Carnex TV, Inc., 700 South Palafox, Pensacola, Fla., 32501. Telephone (904) 438-4444. Thomas Eaton, general manager. Represented by Independent Television Sales. Air date: December 24.

Buyer's Checklist

New Representatives

Blair Television has been selected to become national sales representative for WLOX-TV Biloxi, Miss. and for KNOE-TV Monroe, La.-Eldorado, Ark. KNOE-TV is a CBS affiliate and WLOX-TV is affiliated with ABC.

Caballero Spanish Media has added KEAP Fresno, Calif. and KALY El Paso, Texas to the Caballero Radio Spanish-language Network.

Hillier, Newmark, Wechsler & Howard has assumed national sales representation of ABC-owned WLS AM-FM Chicago and WRNS(FM) Greenville-Kinston, N.C. WRNS, recently purchased by the Beasley Group, airs country music. WLS features an adult contemporary format, and its FM sister plays contemporary tunes in stereo.

Independent Television Sales has been named to sell nationally for WUSV-TV Albany-Schenectady-Troy; WSMH-TV Flint-Saginaw-Bay City; and new station WJTC-TV Mobile-Pensacola.

Weiss & Powell is now national sales representative for KKDJ(FM) Fresno and WIHN(FM) Bloomington, Ill. WIHN programs an adult contemporary format, and KKDJ offers AOR targeted to 18–49 adults.

New Affiliates

ABC's Entertainment Radio Network now includes KLMS Lincoln, Neb.; WFMK(FM) Lansing and WUPM Ironwood, both Michigan; WZPR(FM) Erie, Pa.; and WBYZ(FM) Baxley, Ga.

The Mutual Radio Network has signed new affiliates WPLO Atlanta; KRMD AM-FM Shreveport, La.; KWOC Poplar Bluff, Mo.; and WTWN(FM) Leroy, Ill.

The SIN Television Network has added KINT-TV, Channel 26, El Paso, Texas, as its 301st satellite-interconnected Spanish-language affiliate. KINT-TV president Jose Silva, Jr. reports 1.1 million Hispanics living in the El Paso-Juarez border metroplex.

Transactions

Outlet Communications has acquired independent station WPDS-TV, Channel 59, Indianapolis from USA Communications, Inc., a subsidiary of Anacomp, Inc., for $22 million. Outlet is a subsidiary of the Rockefeller Group. Broker for the transaction was H. B. La Rue, New York and San Francisco.

Josephson Communications, Inc., has agreed to purchase WHFM(FM) Rochester from WVOR Inc., subject to FCC approval. Josephson Communications is a wholly-owned subsidiary of Josephson International, Inc.

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February 18, 1985

Section Two

CableAge

Why
Television Age
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publication.

February 18, 1985

CableAge

Revised industrywide expectations for multipay call for a 150 per cent pay/basic ratio with a monthly price tag not much over $30. MSOs are exploring some new marketing strategies.

The cable industry's past tendency to "overpromise" has been the biggest target of consumer and financial publications covering the industry.

Movements are underway to standardize aspects of commercial insertion. It's felt that industrywide confusion has been an impediment to the growth of system advertising sales.

An agency cable specialist says some positive things about cable advertising—not including the way network ratings are presented.

Cable and pay television comprise one of the leading segments of a $50 billion communications industry, reports Veronis, Suhler & Associates.

A recently awarded franchise in Philadelphia will have a major impact on the future of Comcast Corp.

DEPARTMENTS

NewsFront

Cable Act enforcement

The next step in getting enforcement of the Cable Communications Act that was passed in the waning hours of Congress last year has developed into a battle over which single-digit figure the Federal Communications Commission should adopt.

Congress left it up to the FCC to adopt the specific details of the legislation that is supposed to free cable systems from most, if not all, local regulation. The FCC, for example, was instructed to determine when there is sufficient competition to free systems from regulation of basic rates.

The National Cable Television Association and the Community Antenna Television Association say that figure should be determined by the number of must-carry signals that a system transmits, and that number should be two. As expected, most of the other parties disagree, with the National League of Cities saying five, other city groups four, the National Telecommunications and Information Administration three, and the National Association of Broadcasters asking for more time to comment, but saying that whatever the number, must-carry signals should not be counted or "must-carry" would be meaningless.

The NCTA and CATA back their contention with a study that had at its core a survey conducted by the Research and Policy Analysis department of NCTA, headed by John Woodbury, vice president. Woodbury says that of 88 nonregulated cable systems surveyed, 80 per cent had three or more broadcast signals available to them, 20 per cent had fewer than three, 7 per cent fewer than two and 3 per cent had none. Those that had no must-carry signals available charged 4 to 9 per cent more for basic service than the national average. More significantly, however, according to Woodbury, is that "We couldn't detect any further reduction in price when there were more than three signals being carried."

Ninety per cent of the nation's cable systems are now regulated, but the NCTA wouldn't reveal how many would be affected by the cable request to the FCC. One estimate by an insider put the figure as high as 15 per cent of the systems.

Syndicated cable research

A syndicated cable network audience measurement report that would finally allow advertisers and agencies to compare apples with apples is being considered by A. C. Nielsen, Howard Shimmel, Nielsen Home Video Index marketing executive tells CABLEAGE. Advertising agencies have complained that, the way cable networks provide Nielsen figures emphasizing their own particular sales messages, it is difficult to compare them with one another (also see interview with Bart McHugh of Doyle Dane Bernbach on page C22).

Shimmel explains the commonly used Nielsen Cable Activity Report provided to subscribing networks only allows comparison of household numbers on a daypart basis across all networks—not by hour or program and not demographically broken down. Each network gets ratings and share data for its own cable universe, the total cable universe and the total U.S. "We know we have to open up the faucet in terms of the information we give agencies," Shimmel concedes. "Through NTI [Nielsen Television Index], we're trying to figure out what we can provide them, and we should be resolving this pretty quickly. It might take a couple of months to do the programming for it." The study, he notes, could be supported by agencies, cable networks and broadcast networks.

He notes Nielsen currently provides the networks with the data they specify so that they can design their own reports for sales purposes: "Everybody sells things a little differently. Financial News Network may want to prove how many of its subscribers own stock portfolios; MTV might want data in terms of record purchases. ESPN sells on a quarterly basis and wants its data presented that way. There's no one report that suits everyone's sales purposes."

He points out his company's marketing department keeps a tight control on use of data by the networks to report what could be inaccurate comparative data using the overnight figures from other networks, which they have access to if they are subscribers. He adds, though, "If everybody says they're number 1, everybody could be right. Our concern is that what they say in context is right."

SSS goes MSO route

Satellite Syndicated Systems Cable Television of the Southwest, a subsidiary of Satellite Syndicated Systems, is fast and feverishly buying up little cable systems in the southwest, but a company executive says the Tulsa-based company will probably stop to catch its breath for the rest of 1985. The most recent acquisition brings the subsidiary's total number of properties to 22 with a total of 20,000 subscribers.

"I think we will probably concentrate on upgrading the systems we have acquired rather than buy new ones for the rest of the 1985 fiscal year," says a spokesperson. Probably all of SSS' cable properties will carry Satellite Program Network, also owned by the company. But the spokesperson says it is unlikely that Star Ship Stereo, SSS' cable audio package, will also be carried by all the systems: "Most of these systems have already established audio services, primarily on an a la carte basis. Besides, Star Ship Stereo caters to much larger cable systems anyway."

Also, SSS doesn't expect to make any more acquisitions in the subscription television business. Last year, SSS sold its STV operation in its home base of Tulsa but retained its ownership of an STV station in Ann Arbor, Mich. The spokesperson says the Ann Arbor subsidiary is profitable and that the company has no plans to sell.

Four of the new cable properties are located in Oklahoma—Fairview, Cordell, Sayre and Cherokee. The remaining five are located in Texas—Nocona and Dalhart, two in Colorado—Burlington and Springfield, and one in Clayton, N.M. All of the systems were purchased from G. H. "Bunk" Dodson, who built or acquired all nine systems in the mid 1950s.

The Oklahoma systems add to a cluster of five cable systems the company owns in western Oklahoma. The company plans to upgrade each system to either 21 or 36 channels from 12.

Bresnan ups cable ante

"All you need is a telephone and an airport," says former Group W Cable chairman Bill Bresnan, who is back in the saddle in the cable system acquisition business in a new joint venture with Tele-Communications Inc. The TCI-Bresnan partnership just acquired TCI's 16,000 subscriber system in Marquette, Mich., a system that has been the source of controversy in recent years.

The Marquette system increases the number of Bresnan cable subs to 44,000 since the company was formed last year. Bresnan Communications recently purchased five cable systems from Group W, serving 28,000 subscribers, also in the upper peninsula region of Michigan. Bresnan's long term goal is to have 100,000 customers eventually, but he is being nonspecific about the timetable.

"We have no other acquisition pending at the moment," he says. "I would love to sit back and consolidate services under our Michigan staff for a while. But I learned a long time ago not to limit myself to one kind of property. You just never know what will become available."

The Marquette system was activated in 1961 and was for a long time operated by Cox Cable. When Cox Cable's franchise began to run out, a group of local citizens joined together to seek the franchise. When Cox was denied franchise renewal, the Atlanta-based company sued. The new franchise wound up in TCI's hands, and now Bresnan's. The location is close to home for Bresnan, who began his cable career 30 years ago in Rochester, Minn.

"We are looking to acquire classic, traditional systems that are predictable and reliable," he says.

Sports network ad sales

Cable television's newest satellite sports network, Cable Sports Network, is on the verge of engaging a New York representative to sell its 10 minutes per hour of national advertising time, says Tom Ficara, program director. "We just signed a contract with Bill Lemansky of Sports Media Sales in Chicago to handle our midwest sales," he says. "And we are talking to some of the top New York people right now."

Cable Sports Network began transmission via Satcom IV, transponder three, on Dec. 15 for 12 hours a day and then went around the clock on Jan. 16. Programming centers around college basketball, pro wrestling, roller derby, bowling, hunting and fishing, USFL games from last season and other "blue collar type sports programming," Ficara explains.

The network has 250 system affiliates, including top MSOs such as Cox Cable and American Television and Communications, with a total nationwide subscriber base of 3 million, Ficara says. The service is offered to operators free of charge. No major advertising deals have been signed yet, but Ficara says negotiations have taken place with Budweiser, Stroh's, Coors, Bic, Mazda, Holiday Inns and Gulf Oil.

The network has eight employees in its operations center in Baton Rouge, La., is uplinked from Atlanta by Satellite Syndicated Systems and has corporate offices in Jackson, Miss. The network is owned by six cable operators from Mississippi, principally William Norris, who hired Ficara away from his former employer, College Sports Network. Ficara, who was president of College Sports Network, said the college venture ran into financial difficulty and was pulled from the satellite in October. Since then, he has acquired 90 per cent of the equity from College Sports Network's previous owners, but its days as a satellite service are over, he says. He envisions it more as a supplier of programming to other networks such as ESPN and Cable Sports Network.

ATC tackles critics

Consumer concerns about cable's pricing, R-rated material and the prospect of children watching too much television will be addressed by American Television and Communications in a television advertising campaign to be piloted in three markets this week. Dan Smith, ATC's director of corporate marketing, reports the commercials will air on television stations in Charlotte, N.C.; Austin, Tex.; and Kansas City. The four 30-second spots, produced by The Manhattan Group in New York, will initially run in flights of eight to 10 weeks, depending on the market, and probably will be repeated at other times during the year. He notes other ATC systems will have the option of joining in the campaign if it works out well.

The goal of the campaign is to "dispel things that aren't necessarily true," Smith notes. The general theme is, "Everybody loves something about cable," and each spot shows the viewer interacting with his viewing. One commercial revolves around a young, single man who doesn't have time to watch scheduled newscasts and turns to Cable News Network. A spot aimed at parents points to Nickelodeon's endorsement from the PTA. Another shows family members fulfilling specific needs at various times of the day. Another family-oriented spot emphasizes variety of programming.

February 18, 1985

CableAge

The pressure on the pay services is for more differentiated product, while they're pushing system operators for compatible packaging.

Pay services, MSOs see 150% pay/basic, $30 price tag achievable

Multipay marketing faces its acid test as reality sets in

BY EDMOND M. ROSENTHAL

Now that the bubble of an expected multipay bonanza is well burst, MSOs and pay services are sorting out their expectations in what they feel is a more realistic manner. What's now achievable, according to the consensus of those interviewed, is a 150 per cent pay/basic ratio. More importantly, they're identifying the typical level of price resistance—regardless of how many services are involved—and the consensus here is about $30.

The stress of many operators is shifting to the sale of basic service tiers, and in some instances this is perceived as a challenge to multipay. While the tab for a tier isn't necessarily high enough to paint it into the picture of being another pay service, there is the possibility of the additional charge causing the package to approach the price resistance level. Another danger, it's noted, is that pay services may look overly expensive when compared with several to a dozen basic services for only a few dollars.

As for what can be done to maximize multipay sales, the pressure on the pay services is for greater differentiation of product. That's, of course, something the already-differentiated services like to hear and a demand that the broader pay services are taking to heart.

The question of which pay services perform best together has been largely unanswered, clouded by the respective maturity of the various services, the circumstances under which they are introduced and how they are sold. And, while system operators are blaming the lack of in-demand, unduplicated programming for their multipay churn, the program services lay the rap on overambitious, irrelevant packaging. But the concept of pay packaging seems far from dead. Many system operators see it continuing to serve a purpose, if done realistically. In fact, American Television and Communications will be testing the concept of packaging for the first time this month in Rochester, N.Y. and Monroe, La., while Warner Amex Cable will test pricing changes.

How it all began

Any test in Louisiana adds a touch of irony for those who've followed multipay from its inception, because that's the state where it began. In March 1979 a small Wometco Cable TV system in Thibadeaux, La. decided to offer both HBO and Showtime and achieved a multipay penetration of about 25 per cent of its basic subscribers.

Events subsequent to that propitious start, nearly all of the industry now agrees, caused things to get of of hand. In the perspective of Rick Howe, vice president of affiliate marketing for Showtime/The Movie Channel, too many other services climbed aboard and rocked the boat: "Everyone tends to give sunnyside projections. You had services like Cinemax and The Disney Channel saying they could get another 40 per cent, and The Playboy Channel adding on its projected 15 per cent, and then the pay sports services, and before you knew it, everyone was expecting 300 per cent pay-to-basic."

But Larry Carlson, senior vice president of Cinemax, emphasizes that it was the operators' expectations that really got out of hand: "We were only figuring on something like a 150 per cent pay-to-basic penetration, but a number of operators were probably hinging their bets on 200–300 per cent. Companies like Storer and Cox, to some extent, went ahead and offered everything. Where we got into trouble in the first place was with operators talking it up and the pay services feeding on it.

"Overselling throughout the industry in general pushed prices beyond the point where customers could find a true price value. They began asking, 'How much time can I spend with TV anyway?' "

Misrepresentation of newbuilds

If the operators were the ones coming up with the wild projections, there was some basis for it. They generally agree that they received too much encouragement from initial performance in newbuilds. As put by Andy Goldman, executive vice president of the SIN, Inc. cable division, "In newbuilds, they were overdosing on pay services."

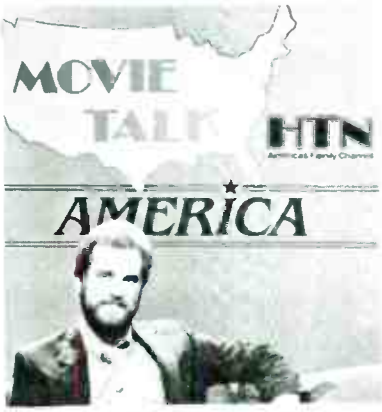
Ajit Dalvi, vice president of marketing planning and development at Cox Cable, forthrightly confirms this: "Two to three

Showtime's "Brothers"

"Finnegan Begin Again"

"Cinemax Comedy Experiment"

Alan King



HTN's "Movie Talk America"

Pay services are looking for more ways to differentiate themselves. Showtime has signed "Brothers" for another 50 episodes. HBO's "Finnegan Begin Again" won't appear on Cinemax. But "Cinemax Comedy Experiment," to include a puppet parody of President Reagan, won't go HBO. The Playboy Channel will have comedy specials with the likes of Alan King. Home Theater Network features a trivia game.

years ago we had unrealistic expectations. We were talking about pay-to-basic at 200 per cent and above. We simply did not take the market structure into account.

"There's always a segment of heavy users that account for a large percentage of your total sales, and these were over-represented. We were looking at new-builds, and the people who buy first are those who need it the most.

"What we didn't stop to think is that there are only so many heavy users in the marketplace, and as you get more mature as a system, the number of heavy users is going to decline."

Dan Smith, director of corporate marketing for American Television and Communications, echoes Dalvi where the misrepresentative aspects of new-builds are concerned. He adds to that the toll taken by limited new product from Hollywood once subscribers catch up with what they missed before having pay TV. Top-down selling, he states, has compounded the problem.

Another factor that had led to industry overkill, Smith contends, had been rate regulation: "When an operator was unable to increase the price of basic, he increased the price of pay, and the cost/value relationship got out of line."

At Tele-Communications, Inc., Barry Marshall, vice president of systems development, says, "I'm not sure that TCI ever had any goals as such—just that, by offering more services, you'd end up with more pay units. We tried various packages. There seems to be less interest in multipay among subscribers than there was two years ago. We saw some extremely high interest rates going in, but we predicated our business plan conservatively."

What's ahead

In terms of capitalizing on what opportunities there are, a service like Cinemax—the only one actually conceived for the multipay market—is pushing on with themes like, "Get two great services for one low price." As for multipay goals at HBO/Cinemax headquarters, Carlson says, "I think if you talked to 10 people in this building, you'd get a range—we don't sit down and predict specific numbers—but I think it would be somewhere between one and one-and-a-half pay services per basic customer." He sees the level of price resistance at somewhere between $25 and $30 and notes this tends to rule out anything beyond a second pay for most subscribers.

"Anytime you're in third or fourth position," Carlson holds, "you're automatically in a $30–$40 package and sometimes higher. When you look at thinks like churn, one of the things you have to ask is what percentage of the subscribers to the service are paying

The Disney Channel promotes its service as part of a package with HBO—no duplication.

Together at last

over $40 or so. If we could construct a service that's 25 per cent better than all the rest, it would fail in this environment because the subscriber would be paying too much extra to get it."

With some 14.5 million subscribers to HBO and about 3.3 million for Cinemax, 93 per cent of all Cinemax subscribers are in HBO homes. This pairing of services conceived for compatibility and Cinemax's expanded selection of programming makes for a current Cinemax monthly churn of about 5 per cent, Carlson says, which is down 30–40 per cent from a year ago.

He reports Cinemax now has an average of 80 titles a month, 25 of which are new to the service and 26—new or returning—not previously shown on HBO.

To determine how its services perform in combination, HBO has done several tracking studies with A. C. Nielsen in which 500–1,000 dual pay homes are called in a given month to identify the services carried and called again the following month to determine which are still taken. On the average, Carlson reports, in an HBO/Showtime package, 3½ per cent have dropped HBO, 4 per cent Showtime and 4–5 per cent both services.

In an HBO/Cinemax package, he reports, 0.9 per cent have dropped HBO, 4–5 per cent Cinemax, and 4–5 per cent both. The most significant difference, it's seen, is that Cinemax provides strong protection to HBO. Carlson notes 51 per cent of HBO's subscriber base is still in a single pay environment, compared with 75–80 per cent a couple years ago. Overall, its churn is at 3½ per cent, he reports.

Carlson sees Cinemax's future as specifically a combined sale with HBO rather than as "part of a gold, green or star package." He notes it will continue to offer product not appearing on HBO that is skewed to a younger market, in contrast to HBO Premiere Films, original productions never to be shown on Cinemax and aimed at a more mature audience.

As for industry talk about decreased prices for pay, Carlson asserts, "This is going to be fairly hard to do. There are still going to be 5–10 per cent of the people who are willing to pay more than $20–$30. Is the tradeoff for additional volume worth it in reducing the price? And you can't have double standards where newcomers coming on board get the services for less."

Today's expectations

At Showtime/TMC, Howe says that three years ago his company was anticipating 140 per cent pay/basic, based on what newbuilds were doing, and he still sees this as possible in "a well-performing, well-managed system." He even knows of systems pushing triple-pay now that are getting 170 per cent.

Although neither Showtime nor TMC were originally conceived as second services, more than 90 per cent of the subscribers of each has another pay service. Single-pay customers are primarily in the small, classic systems those services began with.

Howe is more liberal with what he considers a price barrier than is Carlson. He considers about $35 as the top of a bell curve representing the maximum of what 65–70 per cent of all subscribers will pay. This price level, he notes, could represent a package with two or three pay services. He adds, "When you say it's a two-pay marketplace, that's only what the majority are buying. You still need more for the lunatics."

He does show some concern about the potential effect of basic service tiers: "As operators raise the cost of basic and sell tiers, they're driving the package price up. In the longer run, this would mean we're going to have to bring the price of pay TV down. And the value/price relationship could get out of kilter. If they're watching more basic cable than pay TV, they may feel they're getting more for their money."

Howe indicates that his company is keeping a close watch on HBO's performance as an indicator for its own future: "There's no new market for them any more. They have to keep tilling old ground to break even. If they disconnect nearly 600,000 subs per month, they have to connect as many to break even. They'll need 7.2 million HBO sales in 1985 to break even. As they'll hit the wall two to three years before we do, we get to learn from their mistakes."

Preparing for the future from a programming standpoint, he asserts, means finding more differentiated programming—in the vein of *Bizarre*, *Brothers* (just signed for a two-year, 50 episode renewal), *The Paper Chase* and *Faerie Tale Theatre*—that reaps subscriber satisfaction.

Differentiated services

The Disney Channel, according to Mark Handler, vice president of affiliate relations, is being sold to 7.8 per cent of the 22 million basic subscribers that have access to it. It reports having added 1,009,000 subscribers in 1984. Handler says about 17 per cent of sales are standalone and that TDC performs best when offered for reasonable a la carte rates—$7.50 to $9.50. On that basis, he contends, it could do about 22 per cent standalone.

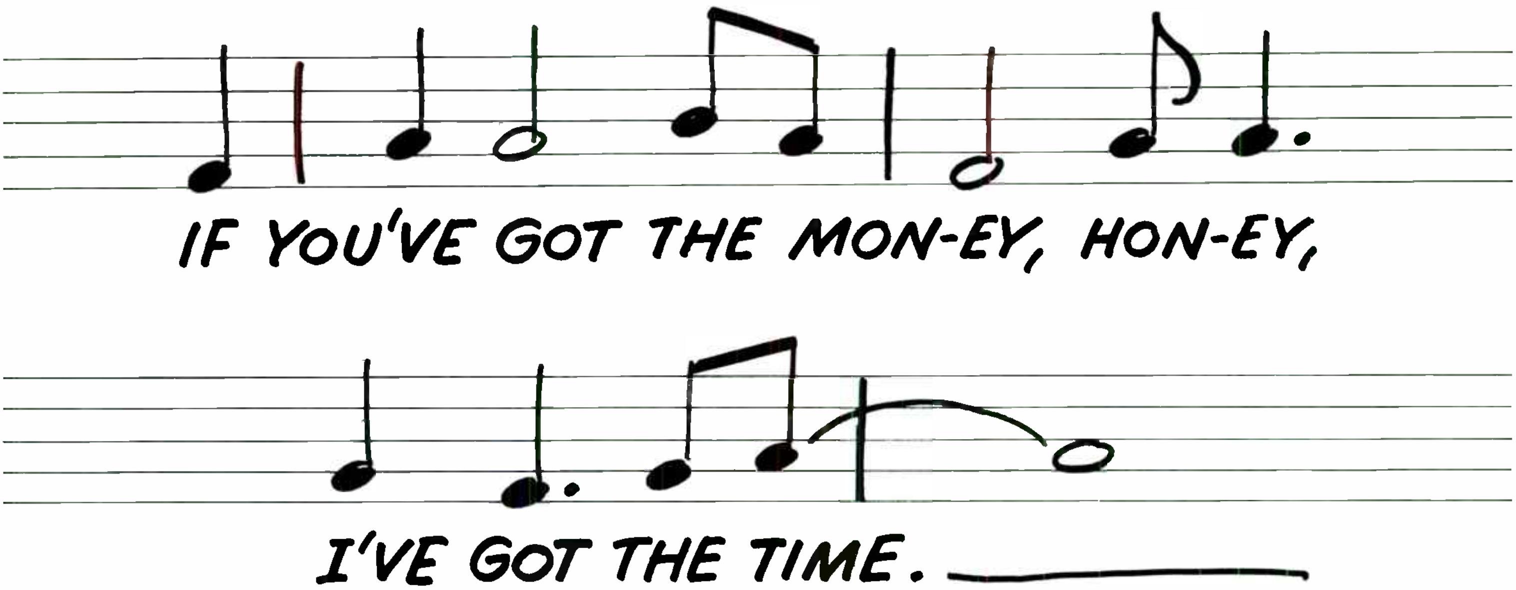
For the dual-pay market, TDC is providing affiliates with materials touting HBO and TDC as the perfect non-duplication package. He notes TDC provides stability to the package and that "if we were accessable at all levels we would probably sell more as a second pay than as a third pay. Noting he is unable to provide churn figures, he contends TDC—if considered on a parallel basis in terms of positioning in a sale—would do at least as well as any other service.

In newbuilds, Handler reports, TDC is often achieving 15–20 per cent penetration. Otherwise, "when launching in as many systems as we are, it takes the system three to six months to reach our potential. In a mature market with good pricing, they can get around 15 per cent penetration. If the operator approaches the market in a segmented manner and doesn't try to push in as many pay services as possible, he will sell more Disney."

One approach he suggests for operators is to buy a residential list from a service like Polk or Donnelly and do a telephone campaign against homes with children.

Henry Gross, director of marketing for The Rainbow Service and The Playboy Channel, says that Bravo, with some 325,000 subscribers, has a churn rate of 3–4 per cent. No such data is available for the newly combined package of Bravo and American Movie Classics, which has been out only three months. Some 215,000 of the subscribers now receive both. Systems that bought Bravo alone are grandfathered until they have the channel capacity to carry AMC as well; then they are required to sell the two services together.

Gross sees the combination going into second or third pay position, and to encourage this an introductory rate of $3 is offered to the operator. Otherwise the



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The Playboy Channel is getting about $5\frac{1}{2}$ per cent of basic where offered, Gross reports. Asked about former Playboy Channel president Paul Klein's projection of 15 per cent, he replies, "Mr. Klein thinks big, and God bless him for his thinking."

With new Playboy Productions president Michael Brandman taking charge, Gross expects to see product improvement that will improve penetration level by at least 2 per cent. He refers to such upcoming programming as comedy specials featuring Alan King and Redd Fox and a *Girls of the Lido* special to be done in Paris. He expects to see the same proportion of movies and "minimal, if any duplication" with the other pay services: "We have very little now, and we're working toward none."

Operators consistently point to this service as having the highest churn rate, which Gross says is 8–10 per cent. For one, John Charlton, senior vice president of marketing, sales and programming at Warner Amex Cable, contends a major basis for this churn is that the service is not as "hard" as subscribers had perceived. But Gross replies, "There's no talk of getting harder. The research we've done shows that this concern is a small portion of it."

The Playboy Channel is being pushed as a second or third pay, but without the Rainbow incentive for positioning. It does have the same surcharge when sold for more than $10. He notes very few operators go over this price: "It should go at between $6.95 and $8.95 or penetration suffers."

Home Theater Network and GalaVision bring entirely different thinking to the multipay environment. HTN has been running such material as travelogues and contests that are not seen elsewhere, but its key selling point is in what it doesn't have—R-rated movies. Peter A. Newman, who recently became HTN's vice president and general manager, says there is no data available on churn or how systems sell HTN. He believes his service performs at the maximum when combined with Disney or a sports service.

He adds, "There may be a terrific package where there is HBO or Showtime in the bedroom and HTN in the living room." Another opportunity: "One thing the whole issue of churn has created is that millions of households have had some of the foundation pay services and rejected them. A large number of them are good prospects for services like HTN because of the exclusively G and PG content and because it is usually at a lower price."

Goldman, meanwhile, says that GalaVision is positioned as a primary service for the Spanish-speaking market but that about 40 per cent of sales are in combination with another service. He says that, when it is sold in a three-pay combination, a significant number will drop one of the Anglo services first. If two are dropped, "GalaVision may or may not go."

A typical triple-pay situation comes with three generations under one roof—not atypical in the Hispanic market—he points out: "The grandparents may want GalaVision; the parents, HBO and GalaVision; and the kids, HBO, Showtime and Disney."

If he had his druthers, Goldman would like to see operators go after Hispanic homes with GalaVision and basic tiers—but if there is a packaging approach, GalaVision has to be part of the package or salespersons lack the economic imperative to go after the sale, he says.

Goldman says churn on GalaVision dipped 20 per cent in 1984 from '83, aided by increased retention advertising and more premiere programming in movies and specials.

Many of the major MSOs haven't given up the ship where multipay is concerned, and some new experimentation will be taking place. Warner Amex, which was figuring on a 200 per cent pay/basic ratio a couple years ago, is now trying to hold the line at 150 per cent, according to Charlton. It hopes to do so with lowered pricing: "Some of our pay services are as high as $13.95 and $14.95, and they could be dropped to $11.95. If we have a system in Casper, Wyoming at $11.95 and one in Youngstown, Ohio at $13.95, suppose we raise the basic rate from $10.95 to $13.95 in both systems. Then we drop pay to $8.95 in Casper and $11.95 in Youngstown. The subscriber then says, 'Oh, what a tremendous savings.' "

This month the MSO expects to launch trials of this nature in two systems—in Cincinnati and probably in Houston: "If it works, we'll take it from there." He notes basic rates, recently raised, are already high in these two systems—$16.95 in Houston and $13.95 in Cincinnati with QUBE service. Charlton holds pay services can make themselves more marketable by lowering their prices as well.

He says he's not afraid of competition with home video but that the consumer has to be educated in what he can do with the VCR and a pay service: "Of course it doesn't help us as a time delay mechanism if there's a lot of duplication between services."

Charlton says Showtime and The Movie Channel make the most successful combination in Warner Amex systems, conceding that these are the services pushed the hardest. The MSO's parent companies, of course, are part owners of Showtime/TMC. "Cinemax

The Rainbow Service is sold strictly as a two-service buy, with Bravo offering events like opera, "Idomeneo," and American Movie Classics the likes of "Citizen Kane."

"Idomeneo"

"Citizen Kane"

with anything churns more," he holds. "A lot of people see it as HBO three to five months later."

Carlson of Cinemax contests this: "He might be correct on a historical basis. But we've already decided we can't be thought of as a rerun channel and have taken appropriate measures. Also, Cinemax is going to have a high churn if it's put on the shelf in third or fourth position."

Charlton says his MSO's overall monthly churn is 6.8 per cent, which includes some high-relocation areas.

To Dalvi at Cox Cable, those who are saying that multipay will not last are going to a new extreme: "We believe that 20–25 per cent of homes passed have heavy television users. If you're selling basic to 80 per cent of homes passed, 20–25 per cent of that will make for a lower pay/basic ratio than if you only sell basic to 50 per cent." He offers this as an example of how operators can be deceived by their results.

"One shouldn't stop selling multipay," he holds, "but should sell it selectively, on the basis of the benefits it brings to the party. The demographics of the multipay user are not such that you can identify him fairly easily. There are some skews in that they're somewhat younger and more affluent, but it's not simply a function of demographics.

"We still believe packaging is the best way to go. It reduces confusion in the marketplace and gives the consumer more understandable options. We're looking more carefully at price points."

A new package for Cox is basic, one pay, a remote and a guide for about $25. Dalvi is taking a closer look at nonsubscribers in terms of lower price options but not assuming they will only buy basic. He adds, "We can't afford a wholesale price reduction because it would destroy the bottom line, but we're looking for an answer toward giving some kind of price consideration."

While some blame various packaging approaches for multipay disappointment, Dalvi is far from alone in disputing that all packaging is detrimental. In fact, ATC starts experimenting with true packaging for the first time this month in Rochester, N.Y. and Monroe, La. Smith says ATC's only experience to date had been with multipay discounts. He sees good prospects for dual pays with truly differentiated services such as HBO and Disney, where the services are also available a la carte without a discount.

There will be five to seven packages to choose from, Smith notes, tailored to the market involved. For example, in Monroe a great need was seen for a package without R-rated material, and one offering will be basic and the two-channel Rainbow Service—"but we will also have HBO and Cinemax for people who really want movies and HBO and Showtime for those who want movies and variety."

He says ATC has done some churn tracking of pay services but that, the way the codes were set up and the transactions recorded, only the results of individual services could be determined.

What's been found to date is that HBO has by far the lowest churn, with a big jump to Cinemax and another big jump to higher churning Showtime and The Movie Channel—the latter two hardly foundation services in the HBO-related MSO. He says Playboy and Disney have been churning at over 100 per cent a year—"but they're hardly mature services in the marketplace yet." Improved software is expected for future multipay tracking.

But for many MSOs, the pressure is on the pay services to improve the product. Says Marshall at TCI, "The pay services more and more are competing for the same niche in the marketplace. They all say the perceived duplication is higher than the actual, but the titles that are most visible are what the consumer remembers. We've seen HBO flatten out, and Showtime's two products are going to flatten out, too. They'll have to do something to find a niche." □

Customer service, lack of innovation on consumer reporters' hit lists

Cable's 'bad press' centers around refranchising

BY JOSEPH DUNN

Like any other industry in the United States business spectrum, cable has come in for its share of negative press in many of the nation's newspapers over the years. But, the situation has been inflamed in recent times, or to be more specific, ever since the word "refranchising" became a part of cable's lexicon. And, what cable executives perceive as legitimate refranchising is viewed by some press people covering the cable beat today as defaulting on promises made.

At the Western Cable Show last December, National Cable Television Association chairman Ed Allen prefaced a luncheon speech by quoting some "bad press" from publications including the prestigious *New York Times* and *The Wall Street Journal*. To Laura Landro, a staffer at *The Wall Street Journal*, who has covered cable since she joined the publication three years ago, that particular criticism of her paper came as news to her. But to some of her colleagues on other publications, Allen's "bad press" rap was nothing but a defensive reflex engendered by cable operators' penchant for "overpromising" during the drive for big city franchises.

Who's to blame?

To most reporters interviewed for this article, cable companies have no one to blame but themselves for their present tarnished press image. Newsmen such as Ron Wolf of *The Philadelphia Inquirer*, Jeff Borden of *The Columbus Dispatch* and David Crook of *The Los Angeles Times* are particularly acerbic in this area.

Crook pulls no punches when he labels cable operators as "a bunch of liars and charlatans," and follows this up by stating, 'I'd love to see cities all over the country file massive lawsuits."

What titillates the Los Angeles newsman even more in this regard is a column that was done by colleague Bob Brewin of *The Village Voice* in New York regarding Warner Amex's chief executive officer Drew Lewis. "When Lewis went on tour saying he wasn't going to honor franchise agreements, Brewin's lead read, 'Drew Lewis, who 18 months ago as Secretary of Transportation, told 17,000 air traffic controllers that they'd have to stand behind their contract, told Milwaukee officials that Warner Amex was refusing to stand behind its contract with the city,' " Crook relates.

Crook, who describes himself as a reporter who knows everyone in the industry, having reported on cable for a Detroit paper before joining the *Times* in 1981, also classifies himself as an "inside stuff reporter who doesn't engage in 'gee whiz' semantics the way some news reporters do." He says he goes after the jugular in the interest of truth.

He observes that he's the recipient of a lot of flack from companies "because of my inside writing of the industry. I've gotten lectures from HBO executives, been snubbed by Showtime officials and been told people will not talk to me."

As an example of his inside reporting, Crook cites a piece which he says provided him a place on "Showtime's enemies list." He broke a story on the "machinations at Viacom in naming a new president at Showtime," which he said would be Frank Biondi of HBO. "I report about stuff others don't such as who's mad at whom at HBO," he adds.

Overall, though, Crook thinks cable gets "honest press but not the adulatory kind it got three or four years ago." Aside from his criticism of renegotiation efforts, he also looks at programmers but much more kindly. He says they have done a "reasonable job."

Crook takes cable operators to task for costs which are too high to subscribers. He says it costs his employer $75.50 a month to provide him with five pay channels which he gets from Group W Cable. He says anyone who subscribes to five pay services deserves some kind of discount.

Apparently cable executives aren't doing all wrong in Crook's opinion. He says cable will continue to significantly erode commercial networks' audience shares, but does note that pay TV "is not living up to its potential." "I think if you look at cable's national numbers it doesn't look too good. But, in market by market, cable is impacting audiences significantly," he asserts.

'The biggest crybabies'

Ron Wolf of *The Philadelphia Inquirer* stands squarely with Crook in harsh criticism of the cable industry, but he takes a somewhat different tack. "Every industry has complainers," he notes, "but cable guys strike me as the biggest crybabies. They're right up there with steel executives. They're always crying about theft of services, but they won't put out money to audit it; churn, but they don't introduce enough programming to suppress it."

Wolf maintains that cable executives are always taking their troubles to Washington, complaining about their

Sunday, Jan. 13, 1985 The Philadelphia Inquirer 3-G

Financial market for cable TV turns anemic, and Phila. is likely to suffer

By Ron Wolf
Inquirer Staff Writer

Two developments — the Boston system's financial troubles and the White House's tax proposals — are likely to prevent rapid recovery in the cable-financing market.

Companies authorized to build cable-television systems in the nation's cities are encountering new difficulty as they try to arrange financing for their projects. The problem has delayed construction in several large markets and portends more setbacks for Philadelphia as the city attempts to obtain cable service.

Cable operators trying to install systems in New York, Detroit, Chicago and Sacramento are finding that they cannot attract the investors, and money, they need.

According to cable executives and financial analysts, the market for the kind of partnership deals that cable firms commonly employ to raise funds has nearly collapsed in the last year.

Two specific developments — the financial troubles besetting the Boston cable system and the Reagan administration's proposals to change the tax laws — are very likely to preclude any rapid recovery in the market for cable financing.

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Once again, Philadelphia's slowness in resolving the cable issue has allowed new complications to enter the picture. In recent years, cable technology has undergone dramatic changes, requiring companies to alter their designs midstream. The en-

outset and the promise of healthy profits down the road. The partnerships are tax shelters for people in high tax brackets who can take advantage of investment tax credits and large operating losses commonly incurred by cable systems as they are being developed.

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Although many cable systems built in suburban areas have worked out well for their financial backers, several systems built in cities are performing poorly. "Investors have not really seen any returns," said Reidy.

In particular, the system in Boston, where limited partners put up $34.5 million, is attracting fewer customers, costing more to build and losing far more money than expected. Financial performance has also been disappointing in Dallas, Denver and Cincinnati, cities where the systems were not financed by limited partners. As a result of such problems, the investment community is with-

for any capital-intensive industry," Brodsky said.

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Spokesmen for the three cable companies said that they were looking at alternatives to the sale of partnerships for raising the money they will need.

"That's a question we're studying right now," said DeBunda. His company plans to spend $55 million to install a system in franchise Area 1, covering South Philadelphia and Center City. In its proposal, GPC said it would raise $20 million of equity by selling limited partnerships, then borrow $35 million from commercial banks.

GPC's parent company, Greater Media Inc. of East Brunswick, N.J., owns a group of very valuable radio stations in key markets around the country. If necessary, the company could use these holdings to secure an additional $20 million in loans to finance its proposed system here, rather than selling limited partner-

borrow $25 million from banks.

James Wade feels that he may have less trouble in obtaining funds because he has to worry about financing only a single project. But Wade said he was exploring several options.

Because he planned to take on a lower ratio of bank debt than did the other companies, Wade has more latitude in recasting his financial plans. Now, he said, he may try to raise $18 million through the sale of partnerships, or from other sources, and borrow $32 million from banks.

Wade said he also had the option of seeking out a large, national cable company willing to put up the money in return for an interest in his firm.

The fourth recipient of a city franchise, Rollins CableVision of Philadelphia Inc., had planned from the beginning to use general corporate funds to finance its proposed system.

Despite the sagging market for cable deals at this time, company officials still want the city to move quickly to negotiate and sign contracts that will allow them to proceed. Since franchises were awarded by City Council on Nov. 14, the city Law Department has been drafting contracts to put cable-company promises into legally binding form. Though the city had planned to complete the documents in December, the companies still have not seen

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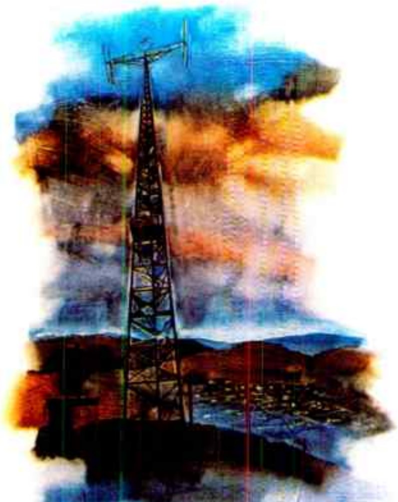

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First Amendment rights. "But cable doesn't have the same cooperative spirit or mutual support in maintaining the First Amendment that media like broadcasting and newspapers have.

"Whenever a major problem arises on an issue, you can't find anyone from the cable industry. They're absent or they cut and run. But, they're always saying all other people should defend their First Amendment rights," he states.

Wolf says he gets along reasonably well with cable people, "but my job does not require me to get along with all of them. I don't have much need to be in contact with top management. Press relations are very cordial but not sophisticated because of greenness in the middle ranks. There's hardly a company in my area where the resident flack hasn't changed four or five times."

Wolf declares that many of the companies he comes in contact with are "very weak in middle management, and top management personnel were former pole climbers who came out of the TV repair ranks and not out of programming and marketing." This was alleviated somewhat by the emergence of companies like Time Inc. and Westinghouse in his area.

He describes weak middle management as people having three or five years experience "who are callow—not thoughtful about what they're doing or experienced in talking with other constituencies they have to deal with. New York Times Cable is an exception. Of the 30 operators up and down the Delaware Valley, it's the only operator that comes to mind as a truly first-class operation" in the area of customer service, he declares.

One of the big cable stories Wolf has been following over the years has been Philadelphia's franchise activities, which includes four areas, each with 155,000 homes passed. "I've been covering the City Council, where political considerations have a long and dishonorable tradition. It's a never ending source of work for us to keep on top of what's happening in the city franchise process."

Does he get feedback on his stories? "I've rankled a few people. When I've done stories on missed deadlines in local franchising or things not getting done, the phones light up. In that sense I've had a series of mini-controversies," he says.

As for future relationships between cable and the news media, Wolf sees a worsening situation on the newspaper side. He says papers do not have the resources to cover all the emerging technologies of cable "like in the good old days." Listings also will be another problem since there is not enough newsprint to take care of this, he says.

He warns that operators can expect more friction from the likes of violence on MTV videos and bad customer service." He says *The Inquirer* is the bureau of last resort in the area of service complaints. "Our phone is an indicator of what's happening in the real world."

Maintaining that a number of years will have to pass before cable lives down its "overpromising" reputation, Wolf turns to more contemporary issues. "What astonishes me is cable's gripes about programming carriage fees. The only thing they have to sell is MTV and CNN. That is the inventory in the store. Cable is spoiled because they used to get programming free. Instead of complaining about paying 10 cents a subscriber they should be willing to pay 20 cents to get better stuff. Commercial TV and independents are attuned to these needs, but cable is still just bogging along," he asserts.

Analyzing slowed growth

Salley Bedell Smith, TV and cable news reporter for *The New York Times*, has been on this beat for three years, the same approximate time as for peers Wolf and Crook. In her view, cable's growth has slowed appreciably in recent years for a variety of reasons.

"New systems and markets did not materialize, and subscriber growth is not where it was projected to be. There is also grounds for disappointment in programming. So much of the original programming on basic and pay has not been terribly innovative. A lot of the films and series are not unlike those on networks, except in the areas of sex and violence.

"Bravo and Arts & Entertainment put on programming that we might have seen on public TV. But to their credit they put on a lot of things that have not been on TV, such as foreign and cultural films." She cites MTV for the most innovative programming on cable today.

Smith is also convinced that cable's blue skies promises continue to bedevil the industry today. "They made promises to get franchises with the notion that, once they got the franchises, they knew they could advance economic arguments that would preclude them from filling 150 channels with programming. MSOs were fairly pragmatic in this area of franchising and also manipulative. I always questioned whether a system could support 120 channels of programming considering the costs involved," she says.

Two of the big issues facing cable today, Smith asserts, are customer service, which needs to be reinforced by properly informing subscribers of all options available, and the need to increase channel capacity on the many outmoded systems now in operation throughout the U.S.

She says any criticism of the press by cable executives is generally unfounded and goes back to cable's grandiose promises in franchise dealings. "I think press coverage has been fair. The unflattering picture of cable today is not anything out of the imagination of the press."

But cable can still make a significant impact in its race with commercial networks for audience shares, Smith notes. "It's still a young industry and still has to go through growing pains." However, economically, cable is faced with a monumental task of competing against commercial networks' yearly programming budget, which now amounts to $1\frac{1}{2}$ billion, she says. "That's a very formidable resource to go up against,"

Pay-Per-View TV Is Gaining Subscribers As Fixed-Schedule Cable Loses Favor

By Laura Landro
taff Reporter of The Wall Street Journal

For 99 cents, about 200 cable-TV subcribers in Rochester, N.Y., last month ould instantly order the movie "Alice's estaurant" for their television set. A dolar more brought a selection ranging from The Joy of Sex" to "The Muppets Take anhattan." And for the top price of $3.99, ubscribers could see such recently reeased films as "The Natural" and "Greytoke, the Legend of Tarzan."

Those inexpensive movies were avail-ble through a "pay-per-view" service, a echnology that more than nine million cae TV subscribers will have access to by ear-end, says Paul Kagan, an industry onsultant. With pay-per-view, subscribers hoose a movie, tell the cable operator hat they want to see by telephone or twoay cable system and pay for only what hey watch. Movie studios describe the

50 with cable operators. By contrast, many videocassettes are rented instead of sold, preventing studios from sharing the proceeds.

Unlike pay-cable networks, pay-per-view "gives people control of what they view, and more importantly, control over their bill," says Gerald Jordan, president of World Video Library Inc., which provides the service in Rochester. HBO, in contrast, offers a set schedule of movies, specials, sports events and original programming 24 hours a day. Consumers pay $8 to $10 a month for that service, but many are disconnecting because of dissatisfaction over non-movie programming or the choice of movies.

Pay-per-view also has advantages over videocassettes. Most video stores stock

Pay-Per-View TV
Projected growth (in millions)

other companies are already weighing plans to become national distributors of pay-per-view. Among them are HBO, which owns several satellite transmitters, and Showtime/The Movie Channel, a pay service owned by Warner Communications Inc., Viacom International, and American Express Co.

Another big hurdle facing pay-per-view is that many cable operators don't have equipment capable of delivering the service. The high cost of building cable systems has prevented many from adding frills such as new state-of-the-art pay-per-view converters. Moreover, cable operators must choose from a range of different technologies, and it isn't yet clear which will be most efficient.

Currently, the most common method of offering pay-per-view is through one-way addressable cable converters. At the push of a button, cable operators send movies

Smith asserts.

Laura Landro has been covering the movie industry, consumer electronics and cable for *The Wall Street Journal* for three years, or ever since the cable industry began to take off. She says most of the excitement was on the programming side when she joined *WSJ* three years ago. "That's where a lot of the power was, but it has diminished somewhat today.

"It's a business that we see as surviving and coping with problems and projections that turned out less than expected. At one time nothing was supposed to stop HBO, but that has changed a bit. The cable story has changed. It's not in decline, but it has been subject to market changes," she says.

Landro declines to give her opinion on investment possibilities among companies that comprise the cable industry, but she does note that many analysts are recommending cable stocks, but strictly as a long-term investment.

Effect of deregulation

However, the *WSJ* staffer is bullish on cable, particularly in light of recent deregulation. She sees cable starting to turn into a manageable business because of it and observes that "cable was the only business I covered that was regulated." She also believes more cable companies will be able to "make a go of it" with deregulation in effect.

Landro asserts that the programming companies that are going to survive are there now. The shaking out has been completed and no major companies will fold. "When I first covered the industry there seemed to be hundreds of programming services out there. Any new services coming in today will have to be well funded to make it."

She says some of the significant stories she's covered were the problems HBO has experienced and "what it says about the cable TV slowdown" and deregulation. She also cites the New York City franchise story, which was her first page one story in *WSJ*. She also wrote a host of follow-up stories on New York City's franchising until *WSJ* editors decided that the story was stretchng out beyond reasonable limits.

Landro sees good long-term prospects for cable but she adds that although cable may have a respectable number of households now, it still has to market basic service as part of its complete success formula. She lauds cable program innovations like MTV, "an amazing success story that broadcast companies are copying" and terms CNN a "fabulous growth idea."

"Even old-programs on USA Network and the Christian Broadcasting Network [CNB Cable Network] have a market. For example, CBN recently bought 20-year-old episodes of *The Farmer's Daughter*. A lot of people today have never seen it or many of the old westerns that are also running. It's nostalgic and a campy thing to do today," she says.

Jeff Borden of *The Columbus Dispatch* in Columbus, Ohio, could be termed the dean of modern-day cable reporters since he's worked for the paper 10½ years, the last five of which involved covering the radio and TV beat. He says that without a doubt the biggest story he's covered in that time was the "collapse of Warner Amex's QUBE network."

"The network was launched at a cost of $1 million. When the interactive shows began to drop in the wake of corporate woes, so did a lot of the personnel at Columbus including 47 persons in January 1984, 20 in March and 22 in April and May. That story sticks out," he remembers.

Borden also remembers his "adversarial" role a few years ago with Warner Amex which revolved around the company's refusal to document the number of subscribers who participated in its interactive polls. "These guys wanted statistical validity in the paper without giving me numbers. They kept telling me that they couldn't violate subscriber privacy. But, I didn't want names just numbers," he says.

A particularly rankling memory to Borden today was "the calls from people in New York City telling me in a condescending way that I didn't understand the situation. They couldn't understand why I didn't get on their bandwagon. Like any reporter, I was suspicious, but I never won."

Borden says however that in recent times it developed that only 13 per cent of QUBE console holders admitted they used it. "It was a glorious experiment and produced a lot of commitment by good people. But it also produced program gaffes like the one involving Vice President Bush when he was considering the presidency in 1980. He was on QUBE and was told that over 90 per cent of the interactive audience thought he had excellent credentials. When he asked how many people that represented he got a runaround from the show's hostess that was embarassing."

Issue of poor service

Borden says the big issue facing cable today in Columbus and elsewhere is service. He says 95 per cent of the calls he gets involved poor service."Warner Amex has had three rate increases in the past year. But I think the customers have gotten little in return. And I'm not just talking about Warner Amex. I'm also including ATC, Coaxial Cable out of Tampa and a black-owned cable company in Columbus. I heard a story recently where one customer was on hold for 22 minutes on a service call and fell asleep waiting."

He says he currently has a fairly decent relationship with cable companies in Columbus, but like Wolf of *The Inquirer*, he finds "cable executives more sensitive to criticism than their broadcast brothers."

As far as Robert Enstad of *The Chicago Tribune* is concerned, he believes cable executives can't be faulted entirely for promises never kept. "There was a lot of hype three or four years ago, but to some degree it was justified. Cable programming was expanding."

Since the expansion stopped, Enstad, a general assignment reporter with the *Trib*, who has also covered cable during the last three or four years, says this can't be blamed entirely on MSOs. "They only deliver programming. They don't produce it." Enstad also says that other mitigating factors that impeded cable penetration in the Chicago suburbs and which will probably hinder the city when its system is built, are the plethora of broadcast programming available and the recent rapid growth of the VCR market in Chicago.

Noting the penetration rates of some systems are still in the 20 percentile range and "not many over 50 per cent" despite marketing and remarketing efforts, Enstad says rate increases are needed by MSOs. But, he adds, the 13 major MSOs in the Chicago area are in a conundrum as to the implementation of these increases in terms of keeping present subscribers and attracting new ones. "Many agree to the wisdom of not instituting costly hikes right away," he observes.

Deregulation will also help cable price uniformity, Enstad says. He notes that in some areas of Chicago subscribers are paying $9.95 for the same programming others are getting for only $5.95. "This irregularity stemmed from separate franchising negotiations, but deregulation should set it straight."

Enstad says that cable has to do a better job of selling itself and letting the public know what it is all about. He cited the NCTA for its efforts in this area while noting that "cable has to convince the public that it has something better to offer."

John Carman, TV columnist for *The Atlanta Journal and Constitution*, while he has a bone to pick with The Disney Channel, thinks the press has not always been clear-sighted in its dealings with the cable industry. And, he zeros in on *The New York Times* in this regard.

"I think the press has been fair for the most part, but sometimes it has been myopic. The biggest complaint I hear is that when a publication like *The New York Times* looks at cable it does so with narrow vision. The Times interest appears to center on big cable programmers like HBO and Showtime and not on basic cable interests."

Some of the feedback the columnist says he receives in Atlanta indicates that subscribers are disappointed with the 52-channel system now operated by Prime Cable, which took over the system from Cable America recently. He says one-third of the subscribers are asking, "How can I turn on TV with 52 channels and still not find something to watch?" Carman also is about the only news person to say he hasn't heard any major complaints about customer service.

Cable, Carman states, has not realized the hope of many people that it was going to revitalize programming by offering fare catering to narrower interests. In this area, he cites the fading enthusiasm for The Playboy Channel and Arts & Entertainment. "This doesn't seem to be the direction that is paying off. More across the board appeal is being sought, like on commercial TV."

Gerry Fabrikant, a staffer at *Business Week* magazine, names companies like Comcast, which has a "good track record," and Tele-Communications Inc.'s "terrific asset value" as candidates for "good buys" in the cable industry, but notes, "A lot of companies remain ignored because bad news travels faster than good news."

Fabrikant responds to charges that the press has been harsh in its treatment of cable companies by noting that this is "somewhat true." She believes publications have a tendency to focus on negative aspects rather than positive ones.

As for her negatives, she says cable companies have not for the most part emphasized sophisticated marketing but rather paid more attention to system construction and franchise terms. Therefore, she reasons, "a strong marketing drive is needed" if companies are going to realize subscriber gains. □

Los Angeles Times

Tuesday, November 6, 1984

CNN IS OPENING SOME EYES IN NEWS COVERAGE

The Network Has Made Gains in Prestige, but It Still Suffers From Shortcomings

By DAVID CROOK, *Times Staff Writer*

CNN didn't invent the wheel, just a new vehicle to put it on.

—Cable News Network anchorwoman Chris Curle

Just before the opening of the Democratic convention in July

fraction of the budget and a modicum of talent.

In either case, CNN will be there tonight—live, all night long, just as it has been every night for the past 53 months.

Cuetones, pre-roll times coordinated more easily than placement, equipment

System operators seeking standards for ad insertion

BY GARY ROTHBART

Movements are underway on several fronts to standardize aspects of commercial insertion and eliminate the industry wide confusion that resulted when cable operators embraced local advertising as a potential source of revenue. The ultimate thought is that if the confusion is removed, so is one of the greatest impediments to growth of income from local advertising, which has come more slowly than industry savants predicted three years ago.

"Selling local advertising can be the next great frontier for cable television operators—if it is done right," declares Dennis Campo, national marketing director for TV Watch Inc. "It is a completely different business than selling cable subscriptions. You can't go into the local advertising sales business on the seat of your pants."

Both the National Cable Television Association and the Cabletelevision Advertising Bureau have committees looking into the standardization of several aspects of commercial insertion, with the goal of preventing cable operators from falling on their faces when they try local ad sales.

And, while operators, equipment manufacturers and satellite networks agree that more work is needed, there have been noticeable strides. Bill Killion, president of Channelmatic Inc., which provides about 85 per cent of the commercial insertion equipment to the cable industry, offers, "Cable operators are much more educated and understanding of the local advertising and commercial insertion business than they were just a few years ago. At one time, you could sell some operators any kind of bail of hay. But it is harder to do too much of that these days. Most of the manufacturers who got away with it in the beginnng are out of the business today."

Aspects of the business where significant standardization has taken place include cuetones, pre-roll times and system procedures. But efforts to standardize are going more slowly in the more complicated areas of placement of advertising avails during the telecasting hour and setting standards for equipment.

The cable industry's slowness in setting standards follows the lead of the broadcast industry, says Andy Setos, senior vice president of engineering and operations at MTV Networks Inc. "The broadcast industry never did anything like standards for commercial insertion. Most stations operate their equipment manually instead of using the automated systems used so much in the cable industry. Little money is spent on commercial insertion in the broadcast industry. It is sort of catch as catch can. So no one ever fought too hard for standards."

Advertising placement

One of the touchiest topics in the commercial insertion arena is the placement of local avails by the satellite networks. As more operators are trying to sell local advertising on avails from more networks, the attempt to show commercials on more than one network at the same time becomes increasingly complicated. The issue has pitted the networks, who say their choice of times during the hour for local avails must be a judicious business decision on their part, against the manufacturers, who say their equipment can't be expected to do 10 things at once, and the operators, who say the bunching of local avail minutes from all of the networks during the same parts of the hour leads to nightmares.

"You must understand all points of view on this issue," says Scott Tipton, director of radio frequency systems for Home Box Office and chairman of an NCTA committee studying the problems of commercial insertion. "The satellite networks feel the most opportune time to give local avails is at the quarter hour," he points out. "You are not going to get two programmers to agree to place their local avails at anything other than the most opportune time for their business. "But the operators are finding they need a separate machine to insert ads for each network if the local avails are coming down the pike at the same time each hour. That can get very expensive."

Killion explains, "It is hard to run even back to back avails on two different networks because you have to wait for the machine to locate the second spot in its memory. The machines just can't search fast enough."

Colony Communications is one of the industry's leaders in local advertising and is even being hired by other operators, including Heritage Communications and UA Cablesystems, to handle local advertising on some of their systems. The Providence-based MSO is trying to deal with the issue of spacing by offering discounts to local advertisers who buy ads for all four satellite channels on a run-of-schedule basis at a minimum of 12 spots a week. "If there are three breaks on three networks at the same time, the percentage of [not delivering the commercial on] one of them could go up 50 per cent," says Don Olson, executive director of broadcast operations. "Programmers program their network the way the want. It is hard to force ESPN and USA to space their ads a certain way because so much of their programming is live sports where they have no control over when the breaks in the game will come. But it would be better for the operator if we could convince let's say MTV, Lifetime and Cable News Network to space their ads so one of them would have the local avail at 10 minutes after the hour, the other at 20 mintues after the hour, another at 40 minutes after the hour and another one at 50 minutes after the hour. To deal with all of them offering their local avails at the same time takes

Bill Killion *of Channelmatic says that, with various networks running avails at the same time, it's hard to run even back to back avails on two different networks because insertion equipment can't search fast enough.*

Don Olson *of Colony Communications says dealing with the networks' simultaneous local avails takes "an octopus" and heightens the chance of the system failing to run a spot.*

an octopus."

Finding a solution, however, has not been so easy. The CAB's committee looking into commercial insertion standardization has asked the networks to think about staggering their breaks. Thom McKinney, Group W Cable's vice president of advertising sales and chairman of the CAB committee, points out the committee lacks the authority to make a stronger statement to the networks. "What else can we do?," he asks. "Who is to determine which network is to move its avails to another part of the hour if there is an overlap?"

So CAB is relying on the goodwill of the operators to make the change. "We are trying to make clear to the networks and the programmers in the industry that our interests are all the same," he says.

Response from networks

Response has been minimal, however. ESPN has converted its local avails all to 60 seconds, dropping a practice of using 30-, 60-, and 90-second avails. It turns out that the flexibility and creativity sought in the choice of avail times turned into an administrative nightmare for operators who weren't always prepared with the right length of commercial for a specific avail size, McKinney says.

"The one hurdle we still are working with is MTV's 120-second breaks," he says. "We would like to see them break up the two minute avail because MTV tends to attract the same type of local advertiser and it doesn't look good to put like ads back to back during the same avail. That situation is hard to avoid with two-minute avails. Breaking up the two-minute slots could really save an operator a host of editing time and expense."

Antitrust implications

Another key aspect of commercial insertion that is running into complication in relation to being standardized is equipment. "That is a very touchy subject," says Tipton. "We have our lawyer at every meeting of our NCTA committee. There are some serious antitrust issues involved here. It is difficult to set standards because you might cut somebody out, intentional or not. One guy isn't wrong because of the way he does something; he just does it a different way." A key standardization sought by operators has been a signaling device activated by a common tone amplitude and duration of advance warning.

McKinney adds that the CAB committee "tries to say, 'This is what we look for in equipment.' But we can't make any more than just a recommendation. It is not fair for us to force an operator to buy a specific kind of equipment. We just don't have the authority to do such a thing."

Campo, whose company would be affected by any standards set in the equipment area, comments, "We are all trying to solve the same problems without a standard approach. In a competitive environment, everyone wants to come up with a unique bell and whistle to make you stand out from all the others and create a reason for an operator to buy your product. Standardizing equipment means there is no real difference between products offered on the market.

"This is a problem because different operators have different needs at different prices. Software is developed around the needs of the operator. The more flexibility you have to offer different things, the more business an equipment manufacturer will get."

MTV Networks' Setos adds that standardizing equipment could burden operators with unnecessary costs. "Everyone doesn't have the same applications in mind. For instance, we don't use tones to signal our local avails on MTV and VH-1 because they are obtrusive on a music based program. We use a more expensive system of signals. But we do us a cheaper system of cuetones for Nickelodeon. "You just can't fit all operators in the same category. Of our affiliates, only one of four are automated in the commercial insertion area. The rest operate their commercial insertion equipment manually."

Another important area of commercial insertion being addressed by the industry is sales documentation. Bob Williams, president of New England CableRep, heads the sales documentation committee on the CAB. "We are trying to standardize the paperwork end of commercial insertion with sample affidavits and scripts," he explains. "In the past, different cable operators have had different formats, which holds back the growth of lucrative multi-system, multi-market sales. Some operators were using documents lacking the name of the system, which they know, but which an advertiser buying time in several systems wouldn't know. This can inhibit the renewal of a contract. In addition, you get paid in this business if there is no confusion about the ad running. If there is confusion, you don't get paid."

Olson at Colony adds that some operators document ads with handwritten scribbled notes that aren't notarized. "There are some real ghosts in this industry," he says.

According to Williams, one of the biggest needs of the commercial insertion process is a workable computer software program. "Everyone feels the commercial insertion process should be as automatic as possible, but no one has found a software program," he says. Some MSOs are working internally to develop their own software, but one operator, Adams-Russell has developed a program that it is selling to other operators.

"We see the trend toward a more broadcast orientation," says Roger Strawbridge, project director for ARVIS, Adams-Russell's computerized commercial insertion package. "We will do everything to set you up as a televi-

Thom McKinney *of Group W Cable chairs a CAB committee that's attempting to coordinate avail scheduling with the networks, but he notes the committee lacks the authority to do anything beyond making suggestions.*

sion station because you are competing with local television or radio. And we do it as a total system package. Let's say MTV adds another 30-second local spot in eight positions a day. It is simply a floppy disk change for us."

As far as the documentation question is concerned, ARVIS contains a switching device that documents that the ad was shown. According to Strawbridge, Adams-Russell continues to land three or four new system operators as customers each month.

Technology issues

Tipton's NCTA committee has already drafted standards in the cue tone area. "We started two years ago because operators were experiencing unreliability with the equipment. It turned out the problem was related to the fact that the programmers had no tone amplitude, duration, intertone spacing or distortion content standards. In some networks, the amplitude was too high for some of the commercial insertion equipment to work. That didn't give the operator much of a chance to begin with," he says.

For a long time, pre-roll time was a matter of controversy. "Every meeting we had, everyone wanted to talk about pre-roll time. We finally agreed on eight seconds after the cueing information is sent. The absence of any video and audio gives the operators' tape recorders the chance to get ready for the commercial."

Work is continuing in the area of where to place the commands for commercial activation. "I feel as if it is archaic to have it in the program audio," Tipton says. "My feeling is that we should move the command into a high speed data channel or sub-carrier or vertical blanking interval to increase the effectiveness. Operators could receive hard copy of the program changes. A single channel per carrier via satellite can be used by a group who buy the transponder. The operators would need another antenna to receive the massive amounts of data. Support could come cooperatively among programmers, operators and a coordinator that would be chosen by the programmers and operators."

McKinney's committee is also looking into the same issue. "We are looking into the information network issue because there has to be a way for the programmers to inform the operators of changes in scheduling," McKinney says. "A lot of things change at the last minute. Say, for instance, a game that was supposed to be telecast is pulled 48 hours ahead of its telecast time because of a problem with rights. The network can't exactly embark on a letter-writing campaign to let its affiliates know there has been a change. The operator doesn't have enough time to respond to the change."

Like the NCTA committee, the CAB group is discussing the feasibility of setting aside a single channel or using the vertical blanking interval for such communication between network and operator. Southern Satellite Systems is testing out the latter approach (CABLEAGE, October 15, 1984).

Killion suggests that a digital tone system devleoped by the Bell system should be adopted for efficiency and reliability.

According to Olson, the cuetones and pre-roll times aren't the problem they were six months ago, thanks to the efforts of the CAB and NCTA, but more work needs to be done in the areas of timebase correctors and audio control of sound levels. "Some commercial production is done without automatic suppressors, and the sound level can blow you out."

The bottom line in all this is that operators and programmers and equipment manufacturers need to share their thoughts and needs more. According to Williams, sales managers in the Boston area are finding that quarterly meetings among different systems are helping each other's profit margins grow. "They realize that no man is an island," Williams says. □

Doyle Dane Bernbach cable chief scores lack of comparable ratings

Numerical analysis plus common sense is McHugh formula

To Bart McHugh, the third generation of his family involved in the entertainment business and now senior vice president, director of cable television, for Doyle Dane Bernbach, buying time on cable has to be a mixture of the numbers game and common sense. In his current post since last September, he concedes he still has a lot to learn about cable and that it's taking more time than he thought it would: "You can't miss a day. You've got to read every word that comes out. There are a tremendous number of people and companies scrambling for the top of the mountain."

But, as the person who made DDB's first cable buy in 1978 when he put Volkswagen on the English Channel, there are some areas where he has firm convictions. One is in the inconsistency of ratings data put out by the cable networks.

"Each network is making its own deal with Nielsen and asks for different things in different forms to prove its point," he asserts. "You need a brain surgeon and two personal computers to prove the differences between four networks. Some put out weekly figures, some monthly, some quarterly—and some go by hours of the day, some by programs. Some can provide demographic data, and some can't; some have it and keep it for themselves, and will only give it to you on request." In this instance, he notes, the data is presented in whatever form the network deems suitable. McHugh awaits the day "when I can pick up a book sent to me by Nielsen that provides all these answers," and believes that "someday there will be." (see *News Front*, page C6).

Creative approaches

But McHugh also demonstrates some of the instincts inherited from his father—who, as J. Walter Thompson's vice president of programming, was involved with such agency produced radio and television shows as Lux Theater and Kraft Music Hall—and his grandfather—who was a vaudevelle talent agent and started the Mummers Parade in Philadelphia in 1900.

Bart McHugh

"I'm a strong believer in using your head," he contends. "If you know tennis reaches an upscale audience, you can figure it will reach an upscale audience on cable.

An example of an instinctive buy that he was involved in recently is the Harvest Jazz Festival—four single-hour programs on Arts & Entertainment Network that cost a total of $32,000 to buy for client Paul Masson. The festival had been taped in 1982 at the Paul Masson vineyards but was only recently purchased by A&E for telecasting.

"History says that the kind of people who like that kind of music are wine drinkers," McHugh points out. "This is narrowcasting in the true sense. When measured, this type of program could come out to a .2 or .3 rating, and I don't know what the cost-per-1,000 would come out to, but for that program and that wine, the association is valuable."

McHugh, who had been involved in radio and TV programming at DDB as well as two other agencies, notes that the agency has a unit called Storytellers, which provides the capability of producing or supervising production of programs for clients. The only cable series it is currently involved with is *The Weight Watchers Show* on Lifetime, sponsored by Foodways' Weight Watchers brand of foods, Starkist, Alba and Bristol-Myers. The unit previously did the *Reflections* drop-in programming for American Greeting Corp. on Lifetime, as well as *Better Homes and Gardens Idea Notebook* on USA Network and *Future Sport* on ESPN.

"The idea of having Storytellers," he explains, "is to have the facilities to advise and help advertisers who want to approach it from this point of view. We're not out to compete with Norman Lear. We're an advertising agency."

DDB spent some $14 million on cable in 1984 and expects to spend close to $18 million this year, but McHugh says his job is not to advocate cable but only to ensure that it is considered: "We are and will continue to be on a constant search for the right advertising vehicles and locations for all of our clients. Sometimes cable will not be the answer, and that's fine. Our job is not to push cable. I'm concerned with the best possible mix of media to best serve our clients' needs."

Major opportunity

One client that he considers as having significantly greater opportunities in cable in the future is IBM: "They don't do anything quickly, but we and other agencies have put them into cable, and they've put themselves into cable, and I believe there are greater opportunities in things like cultural and financial services. IBM has been on C-SPAN, where I believe it should be."

Hershey Foods, which had done no advertising at all less than a decade ago, has used MTV: Music Television to reach the young adult market, as well as Nickelodeon and Lifetime for their specific demographics. Universal Pictures has been placed on MTV, USA and ESPN in search of young, moviegoing audiences.

Meanwhile, McHugh reports, Foodways, Chanel and Colombian Coffee have been placed on various programs primarily for efficiencies. He states cable networks are a bargain on a cost-per-1,000 basis, "but I don't know that this will always be." The Weather Channel has been used for Michelin tires, and McHugh comments, "For a long time, people have questioned whether The Weather Channel will continue to exist. I think it's here and it will continue." Another boost is given to Lifetime's new "talk-back" programming: "I know it's worked very well in radio, and there's every indication that it will continue to work here. They're jamming the switchboards."

The agency executive says the cable networks are doing a better job of servicing the agencies: "It all boils down to people relationships. We're kept aware of what's going on, and they're taking the time to become aware of our challenges with our clients. They're getting more professional. A couple years ago, these networks never had marketing plans." □

Movie Lineup

Pay service buys, April

Title	Distributor	Play status
HBO		
Against All Odds	Columbia	P*
Alphabet City	Atlantic	P
Hard To Hold	Universal	P
Heat And Dust	Universal	P
Making The Grade	MGM/UA	P
Mike's Murder	Warner Bros.	P
Misunderstood	MGM/UA	P
Moscow On The Hudson	Columbia	P
Rare Breed	New World	P
Reuben, Reuben	Fox	P
Romancing The Stone	Fox	P
Running Brave	Touchstone	P
Slayground	EMI	P
Swing Shift	Warner Bros.	P
Trenchcoat	Touchstone	P
American Hot Wax	Paramount	E**
Blue Skies Again	Warner Bros.	E
Brainstorm	MGM/UA	E
Breathless	Orion	E
Damien: Omen II	Fox	E
Draw!	Wholestar	E
Dressed To Kill	Orion	E
The Earthling	Orion	E
Easy Money	Orion	E
Eddie And The Cruisers	Embassy	E
Hurricane	Paramount	E
Local Hero	Warner Bros.	E
Losin' It	Embassy	E
The Magic Of Lassie	Lassie Productions	E
Massacre In Rome	Andrews	E
D. B. Cooper	Polygram	E
Rumble Fish	Universal	E
Spring Break	Columbia	E
The Star Chamber	Fox	E
Twilight Zone	Warner Bros.	E
Watership Down	Beheer	E
All The Right Moves	Fox	E
The Big Chill	Columbia	E
Blame It On Rio	Fox	E
The Buddy System	Fox	E
Finnegan Begin Again	Consolidated	E
Forbidden	Jozak/Decade	E
Gorky Park	Orion	E
Gulag	Lorimar	E
Harry & Son	Orion	E
The Right Stuff	Warner Bros.	E
Splash	Buena Vista	E
Two Of A Kind	Fox	E
Yentl	MGM/UA	E

Cinemax

Romancing The Stone	Fox	P
Against All Odds	Columbia	P
Moscow On The Hudson	Columbia	P
Up The Creek	Orion	P
Brooklyn Bridge	Cannon	P
Young Lady Chatterley	Film Gallery	E
Tender Cousins	Crown	P
Naughty Wives	Cannon	E
Private School	Universal	E
Midnight Express	Columbia	P
Space Raiders	New Horizons	P
The Moonrunners	MGM/UA	P
Vice Squad	Embassy	E
Mr. Mom	Fox	P
Silent Movie	Fox	E
Risky Business	Warner Bros.	E
Easy Money	Orion	E
Meaning of Life	Universal	P
The Survivors	Columbia	E
Dodsworth	S. Goldwyn	P
Wonder Man	S. Goldwyn	P
The Bishop's Wife	S. Goldwyn	E
The Spirit Of St. Louis	Warner Bros.	E
The Man Between	Janus	P
And The Ship Sails On	Columbia	P
Repo Man	Universal	P
Champions	Embassy	P
Where The Lilies Bloom	MGM/UA	P
Wuthering Heights	S. Goldwyn	E
A Long Way Home	Alan Landsburg	E
The Browning Vision	Janus	E
Gandhi	Embassy	E
High Road To China	Galaxy	E
We Of The Never Never	Columbia	E
The Amityville Horror	Orion	E
Silkwood	ABC	E
Cross Creek	EMI	E
Blue Thunder	Columbia	E
Vacation	Warner Bros.	E
Oklahoma	S. Goldwyn	E
Funny Lady	Columbia	E
Over The Edge	Warner Bros.	P
Savannah Smiles	Embassy	E
The Fifth Musketeer	Columbia	E
Jaws III	Universal	E
Losin' It	Embassy	E
Pieces Of Dreams	MGM/UA	P
Riddle Of The Sands	Satori	P

Valley Girl	Atlantic	E
The Wiz	Universal	E
Yellowbeard	Orion	E
Hound of the Baskervilles	Holmes	E
Harry Tracy	Quartet	P
Goin' Coconuts	Time Life Films	P
Big Bad Mama	New World	E
Siege	Viacom	E
Dot And The Kangaroo	Satori	E
The Night My Number Came Up	Janus	P
Octopussy	MGM/UA	E
Angel	New World	E
Bananas	MGM/UA	E
Blue Lagoon	Columbia	E
Broadway Danny Rose	Orion	E
Class	Orion	C***
The Dresser	Columbia	E
The Man Who Loved Women	Columbia	E
The Private Eyes	Private Eyes	E
Seems Like Old Times	Columbia	E
Sudden Impact	Warner Bros.	E

Showtime

Romancing The Stone	Fox	P
Against All Odds	Columbia	P
Moscow On The Hudson	Columbia	P
Swing Shift	Warner Bros.	P
Hard To Hold	Universal	P
Running Brave	Touchstone	P
Mike's Murder	Warner Bros.	P
Trenchcoat	Touchstone	P
Alphabet City	Atlantic	P
Twice Upon A Time	Warner Bros.	P
Last Plane Out	New World	P
Coma	MGM/UA	P
True Confessions	MGM/UA	E
Who's Afraid Of Virginia Woolf	Warner Bros.	P
National Lampoon's Vacation	Warner Bros.	E
A Midsummer Night's Sex Comedy	Warner Bros.	E
The Dark Crystal	Henson	E
Valley Girl	Atlantic	E
Yes, Giorgio	MGM/UA	E
Raiders Of The Lost Ark	Paramount	E
Never Say Never Again	Warner Bros.	E
All The Right Moves	Fox	E
One From The Heart	Zoetrope	E
The Survivors	Columbia	E
Seems Like Old Times	Columbia	E
Chained Heat	Movie Store	P
The Being	Best Film	P
Killpoint	Crown	P
Last Tango In Paris	MGM/UA	E
Forever Emmmanuelle	Rumsen	E
Lovely But Deadly	Video Media	E
Pink Motel	Wescom	E
The Seven Hills Of Rome	MGM	P
Gaslight	MGM	P
Many Rivers To Cross	MGM	P
The Safecracker	MGM	P
The Doctor And The Girl	MGM	P
It Happened At The World's Fair	MGM	E
All At Sea	MGM	E
To Please A Lady	MGM	E
Up In Arms	S. Goldwyn	P
Splendor	S. Goldwyn	E
A Minor Miracle	K-Pay	P
Alice The Chimp	Satori	P
Visit To A Chief's Son	MGM/UA	P
No Big Deal	Film Gallery	P
Dot And The Bunny	Satori	E
Heartbreak House	Showtime	P
Racing With The Moon	Paramount	C
The Dead Zone	Paramount	C
Ice Pirates	MGM/UA	C
The Blue Lagoon	Columbia	C
Neighbors	Columbia	C
The Lords Of Discipline	Paramount	C
The Star Chamber	Fox	C
The Gift	S. Goldwyn	C
Slumber Party Massacre	Viacom	C
Night Of The Zombies	Blum	C
Reckless Disregard	Showtime	C

The Movie Channel

Romancing The Stone	Fox	P
Against All Odds	Columbia	P
Moscow On The Hudson	Columbia	P
Swing Shift	Warner Bros.	P
Hard To Hold	Universal	P
Rear Window	Universal	P
Weekend Pass	Crown	P
Misunderstood	MGM/UA	P
Repo Man	Universal	P
Making The Grade	MGM/UA	P
Reuben, Reuben	Fox	P
. . .All The Marbles	MGM/UA	E
National Lampoon's Vacation	Warner Bros.	E

Twilight Zone: The Movie	Warner Bros.	E
Local Hero	Warner Bros.	E
National Lampoon's Class Reunion	ABC Video	E
Blue Skies Again	Warner Bros.	E
Enigma	Embassy	E
Beyond Reasonable Doubt	Satori	E
A Fistful Of Dynamite	MGM/UA	E
Bring Me The Head Of Alfredo Garcia	MGM/UA	E
Jeremy	MGM/UA	E
Foxes	MGM/UA	E
The Right Stuff	Warner Bros.	E
Star 80	Warner Bros.	E
The Bride Wore Black	MGM/UA	E
The Young Warriors	Viacom	P
The Devonsville Terror	Atlantic	P
The Moonrunners	MGM/UA	P
Motel Hell	MGM/UA	E
Hair	MGM/UA	P
The Song Remains The Same	Warner Bros.	P
The Hunger	MGM/UA	E
Somebody Killed Her Husband	Viacom	P
Yankee Doodle Dandy	MGM/UA	P
Ceiling Zero	MGM/UA	P
What Price Glory?	Fox	P
Love Me Or Leave Me	MGM/UA	P
James Cagney: That Yankee Doodle Dandy	MGM/UA	P
Oklahoma!	S. Goldwyn	P
The Wiz	Universal	P
Man Of La Mancha	MGM/UA	E
South Pacific	S. Goldwyn	E
Bells Are Ringing	MGM/UA	E
Easy Rider	Columbia	P
Carnal Knowledge	Embassy	P
They Got Me Covered	S. Goldwyn	P
A Night In Casablanca	Castle Hill	E
Where The Lilies Bloom	MGM/UA	P
Professor Potter's Magic Potion	Satori	P
Runaway Island—The Exiles	Grundy	P
The Golden Seal	S. Goldwyn	E
Terms of Endearment	Paramount	C
Hot Dog: The Movie	MGM/UA	C
Strangers Kiss	Movie Store	C
The One And Only	Paramount	C
The World's Greatest Lover	Fox	C
Man, Woman And Child	Paramount	C
The Spikes Gang	MGM/UA	C
One Flew Over The Cuckoo's Nest	MGM/UA	C
Chariots Of Fire	Warner Bros.	C
Cimarron	MGM/UA	C
Wings	Paramount	C
The Tin Drum	Viacom	C
The Optimists	Paramount	C
Jack The Giant Killer	MGM/UA	C
Cheech And Chong Still Smokin'	Paramount	C
Baby It's You	Paramount	C
The Octagon	Viacom	C
A Force Of One	Viacom	C
Three Little Words	MGM/UA	C

Home Theater Network

Bells Are Ringing	MGM	E
Blue Skies Again	Warner	E
Brainstorm	MGM/UA	E
The Brinks Job	Universal	E
The Cay	Universal	E
Deal Of The Century	Warner	E
Dot And The Bunny	Satori	P
A Man, A Car, A Legend	Filmoption	P
Gaslight	MGM	P
Hard To Hold	Universal	P
It Happened At The World's Fair	MGM	P
Local Hero	Warner	E
The Man Who Knew Too Much	Universal	P
The Miracle Of Kathy Miller	Universal	E
Misunderstood	MGM/UA	P
Scarface '32	Universal	P
Secret Of The Golden Dragon	Satori	P
Smokey And The Bandit III	Universal	E
Spy With My Face	MGM/UA	P
Stars On 45	Universal	P
Three Little Words	MGM	P
Twice Upon A Time	Warner	E
Twilight Zone—The Movie	Warner	E
War Games	MGM/UA	E

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Wall Street Analysis

Industry projections

Cable and pay television comprise one of the leading three segments of a $50 billion communications industry in terms of five year growth in revenues, income, cash flow and profit margins, according to a communications industry report issued by Veronis, Suhler & Associates, a New York investment banking firm. Running close in the 10 communications segments analyzed are business information services and newspapers.

Cable television is the leading segment in terms of compound annual revenue growth in the past five years—45.1 per cent, compared with the industry's overall rate of 12.9 per cent, the report says. Cable also led all other segments of the communications industry in the past five years' compound average annual growth in pre-tax operating income with 35.3 percent, while the industry's overall growth rate was 11.6 per cent.

Other areas in which cable and pay television led include: percentage of growth in 1983, at 31 per cent; five-year compound annual growth rate in assets, 45.5 percent; five-year annual compound growth in pro-forma operating cash flow, with 39.5 per cent; and pro-forma operating cash flow 1983 margins, with 32.5 per cent. Cable and pay television ranked second of 10 communications industry segments in the categories of 1983 asset growth and 1983 pro-forma operating cash flow, and 1983 pre-tax operating income margins.

Other rankings had cable and pay television sixth in 1983 segment revenues, fourth in 1983 pre-tax operating income, third in 1983 assets, fourth in 1983 pro-forma operating cash flow, third in percentage of pre-tax operating income growth, ninth in 1983 margins for pre-tax operating income return on assets and ninth in 1983 margin index for pre-tax operating income return on assets. Also, it was seventh in pro-forma operating cash flow return on assets and eighth in the margin index for that category.

In terms of dollars, the report states that the cable segment saw growth in annual revenues from $777.1 million in 1979 to $3.4 billion in 1983. Growth of pre-tax operating income went from $187.2 million in 1979 to $626.5 million in 1983. Assets for the cable industry, according to the report, expanded from $1.5 billion in 1979 to $6.9 billion in 1983.

Time earnings

Time Inc. recorded 1984 income from continuing operations of $216.4 million, or $3.37 per share, on revenues of $3.1 billion, compared with income from continuing operations of $143.2 million, or $2.25 per share, on revenues of $2.7 billion during the preceding year.

J. Richard Munro, president and chief executive officer, comments, "The company's strong performance is due primarily to all-time high revenues and profits for magazines." Time Inc.'s Video Group profits were down slightly. American Television and Communications had a record year in terms of profits, primarily because of continued subscriber growth and rate increases, the company reports. Home Box Office, however, showed a decline in profits due to slower subscriber growth and increased programming costs.

For the year, revenue from the video group grew from $1 billion to $1.2 billion. Income from continuing operations before taxes, however, fell from $215.3 million to $212.2 million.

Viacom statement

Viacom International is making substantial financial gains resulting from certain business opportunities it it took advantage of in the past year, Viacom president and chief executive officer Terrence Elkes told the Entertainment Analysts Group of The New York Society of Security Analysts. "We expect record profits for 1984 and anticipate that the coming year will be another year of growth for the company," Elkes told the analysts.

"The merger of Showtime and The Movie Channel has resulted in the building of a solid, well-financed pay cable service that is cutting into the competition's market share," he says. "Viacom's cable division will not only report record profits in 1984 but produce positive cash flow as well. This puts us a year ahead of schedule in terms of generating net cash, after capital expenditures, from these operations."

Elkes cited other reasons for his enthusiasm about Viacom's future. They include: the Cable Communications Policy Act of 1984, which limits cities' power to regulate prices charged by cable companies, and the significantly enhanced market position of Showtime/The Movie Channel.

Zenith raised

Moody's Investors Service has raised the rating for notes issued by Zenith Electronics Corp. from Baa2 to medium grade Baa1. Separate notes worth $75 million were offered on Jan. 10, to yield 12.19 per cent, through Morgan Stanley & Co. The notes will be issued in denominations of $1,000 or any integral multiple thereof. Interest of 12.125 per cent will be payable semiannually, on Jan. 15 and July 15 beginning this July 15.

Moody's assigned a rating of Baa1 to the new $75 million note offering and raised the rating on its Springfield, Mo. industrial revenue bonds from Baa2 to Baa1. About $1.2 million of this issue is outstanding.

"The rating reflects the expanding earnings contribution of Zenith Electronics Corp.'s new businesses and the resultant reduction in its dependence on the intensely competitive consumer electronics market," Moody's explains. "Sales of computer systems and peripherals, cable TV products, and component products now constitute nearly two-fifths of total revenues. While sales of cable TV products will likely remain sluggish until demand in the industry recovers, several large government contracts and an expanding base of customers for Zenith's components should stimulate further sales growth in the other two areas, thereby enhancing the company's long term outlook."

The cable products operation, which produces cable TV decoders, electronic studio equipment, and teletext and videotex decoders and encoders, makes up 12.7 per cent of the parent company's sales. For the whole company, sales grew in the past five years ending 1983 by 26.6 per cent to $1.3 billion. During the same period, net income increased 163.1 per cent to $46.3 million.

Short term debt is 6.8 per cent of capitalization, or $46.5 million. Long term debt, 26.3 per cent, amounts to $179.7 million. Total debt, $226.2 million, comprises 33.1 per cent of total capitalization. Stockholder equity, $431.2 million, represents 63.2 per cent, and deferred income taxes of $25 million, represents 3.7 per cent.

Cash flow, including net income, depreciation and deferred income taxes, changed from $20.9 million in 1979 to $37.9 million in 1980 and $33.3 million in 1981, down to $3.8 million in 1982 and then up to $78.3 million in 1983. Capital expenditures, meanwhile, for the same five years, went from $20.7 million in 1979 to $27.5 million in 1983. Net cash flow as a percentage of net capital expenditures went from 101 per cent in 1979 to 12.8 per cent in 1982 and 284.7 per cent in 1983. Net cash flow as a percentage of long term debt was 18.5 per cent in 1979 and 2.3 per cent in 1982 before jumping to 74.8 per cent in 1983. Net cash flow as a percentage of total debt was 15.9 per cent in 1979, 2.1 per cent in 1982 and 70.2 per cent in 1983.

United results

United Cable Television reports a revenue increase of 23 per cent for the quarter ending Nov. 30. Revenues for the quarter were $42.3 million and for the six month period were $82 million, or an increase of 22 per cent. Operating income for the quarter grew to $16.9 million, an increase of 25 per cent over the $13.6 million for the second quarter of the prior fiscal year. For the six months just ended, operating income increased 22 per cent to $32.2 million.

Net earnings for the current year periods were reduced by the previously announced $1.3 million writeoff of costs related to the unsuccessful attempt to acquire Communicom, the cable system in Los Angeles. This one time charge reduced net earnings for the quarter and six months ending Nov. 30 by $1.1 million or 9 cents per share.

After the writeoff, net earnings for the quarter were $2.2 million, or 15 cents per share, compared to $2.5 million or 19 cents per share. For the six months, net earnings were $4.3 million or 30 cents per share, compared with $4.5 million or 34 cents per share during the same six-month period last year.

Jones Intercable figures

Jones Intercable reports a 28 per cent increase in revenues and an 8 per cent increase in net income for the second quarter of fiscal 1985 ending Nov. 30. Total revenues for the quarter were $3.1 million, compared with $2.4 million a year ago. Net income for the three months was $512,000, or 6 cents per share, compared with $475,100, or 5 cents per share reported last year.

Revenues from subscriber service fees increased 10 per cent while management fees earned from managing systems owned by Jones Intercable limited partnerships increased 85 per cent. The increase in management fees resulted from revenues earned by newly acquired Cable TV Fund 11 partnership systems as well as growth in revenues of prior partnerships.

The company's assets increased 68 per cent from $35.8 million at May 31 to $60 million currently, the company says. The increase is largely due to a $35 million debt offering completed in July. Part of the proceeds have been used to repay bank indebtedness, make advances to management limited parnerships for the purpose of financing the expansion and/or rebuilding of systems owned by such partnerships and to provide for the enhancement of the company's own cable properties. The remaining proceeds are currently invested in short term, interest bearing investment and are anticipated to be used to complete construction of a franchise in Suffolk, Va., and to acquire interests in cable television properties.

The company says it expects to invest in yet additional cable systems with the proceeds from the sale of partnership interest now being offered under the Cable TV Fund 12 program.

C-Cor's second quarter

C-Cor Electronics reports drastically decreased net income and but increased revenues for the second quarter ending Dec. 31. Net income fell from $238,000 during second quarter of the previous year to $96,000, representing an earnings per share decrease from seven cents to three cents. Sales, however, showed a surge upward from $3.7 million to $6.4 million.

Net income for the first six months totaled $298,000 on sales of $13.3 million compared to $538,000 in net income on sales of $7.6 million for the first six months of fiscal 1984. Earnings per share for the first six months were 10 cents, compared with 16 cents for the first half of fiscal 1984.

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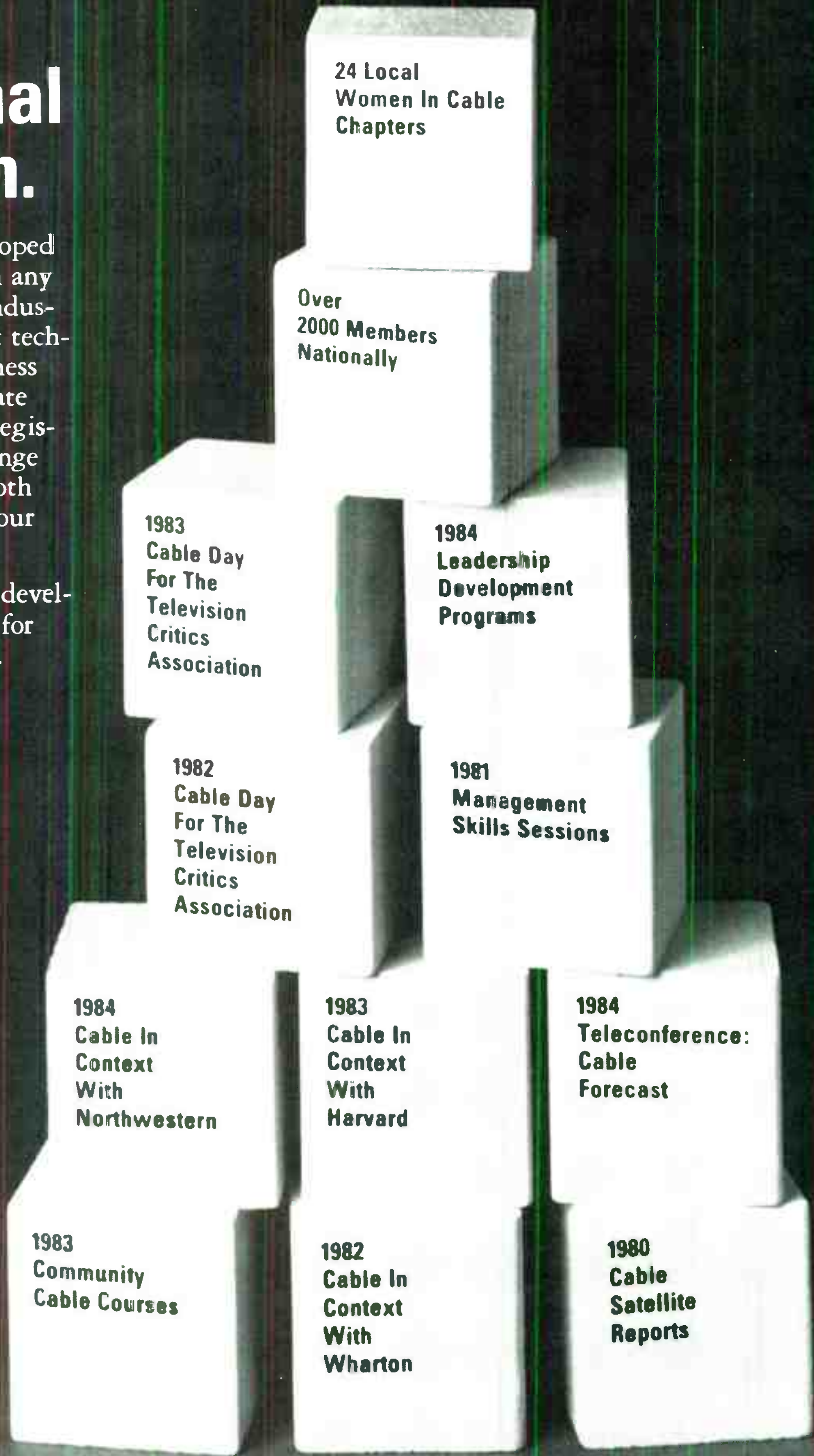

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Corporate Profile

Philadelphia franchise seen important for Comcast

Comcast Corp. took a major growth step recently when it was awarded the cable TV franchise rights for the northeast section of Philadelphia. Construction is expected to begin in 1985. When finished the system will pass about 155,000 homes. Over the near-term the start-up cost could have an adverse impact on earnings. The addition of the Philadelphia franchise means the company will have franchise areas that include over one million homes. The currently owned and managed systems serve over 468,000 subscribers. Although the company has attracted attention as a cable TV concern it also has a sound communications and merchandising services segment that has had 15 years of operation with growth each year in subscribers and revenues. The company has the largest independent network of Muzak franchises.

Ralph J. Roberts, president, asserts, "We are pleased with the results of operations and with our ability to maintain consistent increases in earnings during a period of rapid expansion. In addition to our impressive performance, we have increased our cash position to more than $110 million with the October 2, 1984 issuance of $30 million of 9½ per cent convertible subordinated debentures due in the year 2009. This substantial cash position should enable the company to participate in the consolidation of the cable television industry over the next several years."

Third quarter results

Revenues for the third quarter of 1984, ending Sept. 30, 1984, were $26.3 million, up 26 per cent over the like 1983 quarter, and net earnings rose to $3.1 million, also up 26 per cent over the like quarter of 1983. Cash generated from operations rose to $7.5 million, up 25 per cent over the like 1983 quarter.

For the nine months ended Sept. 30, 1984 revenues gained 25 per cent over the like 1983 period, net income gained 33 per cent and cash generated from operations went up 32 per cent from the like 1983 period.

The growth pattern of the company is attributable to: (a) increase in subscribers in older cable TV systems due to extension of those systems and a better ratio of basic subscribers to homes passed, (b) construction of cable TV systems in new areas, (c) more pay cable subscriptions, (d) partnership fees for debt placement and cable TV system acquisition and management, (e) growth in the sound service segment because of more customers and higher rates. Management expects these trends to continue.

Expenses generally are expected to continue with the growth of service income but the most significant part of the higher expenses came from providing pay cable to subscribers. Property additions also add to depreciation expense. These expense trends are also expected

Comcast Corp.

	Service Income (000$)	Funds provided by operations (000$)	Net earnings (000$)	Total assets (000$)	Long-term debt (000$)	Equity (000$)
1989	166,304	48,934	18,160	380,496	178,538	128,903
1988	151,319	44,466	16,527	347,121	163,893	117,009
1987	136,334	39,998	14,893	313,746	149,249	105,115
1986	121,349	35,530	13,260	280,372	134,604	93,220
1985	106,364	31,062	11,627	246,997	119,959	81,326
1984 (a)	99,530	29,357	10,997	220,391	99,541	75,975
1983	84,437	24,001	9,025	188,647	88,584	68,741
1982	62,838	17,388	6,526	171,404	109,514	36,394
1981	39,456	12,283	4,895	120,031	72,400	30,319
1980	26,661	7,236	3,077	64,871	28,922	25,315
1979	21,811	5,634	2,168	40,798	24,237	10,351
Correlation coefficient:						
Years	0.9824	0.9899	0.9929	0.9739	0.8423	0.9630
Service inc.		0.9975	0.9952	0.9703	0.8360	0.9690
Funds, oper.			0.9993	0.9725	0.8353	0.9726
Net earn.				0.9728	0.8324	0.9773
Tot. assets					0.9362	0.9197
L.-T. debt						0.7263
Compound annual change:						
1985–1989	11.8%	12.0%	11.8%	11.4%	10.5%	12.2%
1979–9/30/1984	30.1	33.1	32.5	33.9	27.7	41.2

(a) Year ended September 30, 1984. Note: Data for years 1985–1989 are projected by applying the linear estimation method to 1979–Sept. 30, 1984 historical data.

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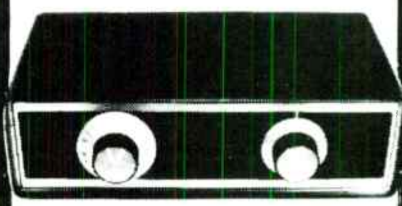

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Operating results and operating margins of recently built cable TV systems reflect higher overall costs of construction and operation resulting from inflation, the use of more modern and more complex technology and more expensive devices in customers' homes to modify TV receivers to accomodate a fuller scope of cable services. New systems have relatively higher costs relative to income due to fixed costs incurred before the system is marketed and developed.

The company reports financial results by business segment. The three reported segments are cable TV, sound communications and merchandising and the corporate segment.

For 1983 the service income of the company was $84.4 million, of which cable TV contributed $68 million, or 80.6 per cent, and the sound segment added the balance. In 1982 cable TV contributed 76 per cent, and in 1981 it contributed 70 per cent. Operating profit in 1983 was $16.1 million, to which cable TV contributed $19.2 million, or 119.2 per cent; sound contributed $2 million or 12.4 per cent; and the corporate segment had an operating deficit of $5.1 million, or a negative contribution of 31.6 per cent. For 1982 cable TV contributed $13.1 million, or 119.4 per cent; sound added $1.8 million, or 16.3 per cent; and the corporate segment had an operating deficit of $3.9 million, making for a negative contribution of 35.7 per cent. For 1981 the operating profit was $7 million, to which cable TV added 122.1 per cent; sound put in 23.8 per cent and the negative contribution of the corporate segment was 45.9 per cent.

Operating profit

Operating profit as a proportion of service income for the company as a whole was 19.1 per cent in 1983, 17.4 per cent in 1982 and 17.8 per cent in 1981. For the cable TV segment the figure for 1983 was 28.2 per cent; for 1982, it was 27.4 per cent; and for 1981, it was 31.1 per cent. For the sound segment the figures are: 1983, 12.3 per cent; 1982, 11.8 per cent; and 1981, 14.2 per cent.

At the close of 1983, total assets were $188.6 million of which 69.8 per cent was in the cable TV segment, in 1982 they were 69.7 per cent and for 1981 they were 71 per cent. The sound segment had 6.5 per cent of assets in 1983, 6.1 per cent in 1982 and 8.1 per cent in 1981. The corporate segment had 23.5 per cent in 1983, 24.2 per cent in 1982 and 20.9 per cent in 1981.

When interest expense is allocated among the segments according to their use of the assets and the net income is allocated among the segments in proportion to their contribution to operating income and they are added and this sum is divided by the assets used by the segment, it is possible to arrive at an estimate of the return on assets by segment as well as for the company as a whole.

In this instance the interest expense figures used are net interest expense figures. For the company as a whole the estimated return on assets is 7 per cent for 1983, 5.4 per cent for 1982 and 4.2 per cent for 1981. For the cable TV segment the return on assets are 10 per cent for 1983, 8.2 per cent for 1982 and 7.1 per cent for 1981. For the sound segment the return on assets is 10.9 per cent for 1983, 11.8 for 1982 and 12.1 for 1981. For the corporate segment the return on assets was minus 4.2 per cent for 1983, minus 4 for 1982 and minus 8.8 for 1981.

Return on equity

When the equity of the company is allocated among the segments according to their use of assets and this is divided into net income that is allocated according to contribution to operating income, it is possible to have an estimate of return on equity by segment.

For the company as a whole, the return on equity was 13.1 per cent for 1983, 17.9 per cent for 1982 and 16.1 for 1981. For the cable TV segment the figures were 22.4 per cent for 1983, 30.7 for 1982 and 27.8 for 1981. For the sound segment the like figures were 24.8 per cent for 1983, 47 for 1982 and 47.4 for 1981. For the corporate segment, minus 17.6 per cent for 1983, minus 26.5 for 1982 and minus 35.5 for 1981.

The balance sheet as of September 30, 1984 showed total assets of $220.4 million, of which the lead item was plant and equipment at depreciated cost, at $96.8 million, or 43.9 per cent of the total, and this was followed closely by current assets at $93.2 million, or 42.3 per cent; next was investments in and advances to affiliates at 6.9 per cent.

On the liability and equity side the lead item was long-term debt, less current part, at $99.5 million, or 45.2 per cent, followed by equity at $76 million, or 34.5 per cent, and current liabilities at $31.6 million, or 14.4 per cent.

Price/earnings ratio

As of September 30, 1984 the book value of the stock was $5.99 per share and the price of the stock as of the close of the week ended January 25, 1985 was $23.375. On the basis of the indicated 12 cents per share dividend rate the indicated yield is 0.5 per cent. The earnings for the 12 months ended September 30, 1984, on the basis of primary earnings for 1983, were 87 cents per share, adjusted for a stock split of September 1984. On this basis the price/earnings ratio is 26.9 times and the earnings/price rate of return is 3.7 per cent.—**Basil Shanahan**

Appointments

Susan Douglas Rubes, president, The Family Channel, P.O. Box 48, Toronto-Dominion Centre, Toronto, Ontario, M5K 1E6. *From: Executive Director, CBC Radio Drama.*

Joel S. Rudich, president and chief operating officer, Coaxial Communications, 3770 East Livingston Avenue, Columbus, OH 43227. *From: Vice President, administration, Warner Amex National Division.*

Phil Boyer, vice president, international development, ABC Video Enterprises, Inc., 1330 Avenue of the Americas, New York, NY 10019. *From: Vice president and general manager, product development, ABC Owned Television Stations.*

Mark J. Estren, senior vice president, news and programming, Financial News Network, 600 Madison Avenue, 23rd floor, New York, NY 10022. *From: Senior director, news and programming.*

Steven Rothman, vice president, business affairs, MCA Home Entertainment Group, MCA Home Video, Inc., 70 Universal City Plaza, Universal City, CA 91608. *From: Director of business affairs.*

Phil Pictaggi, vice president of operations and strategic planning, MCA Home Entertainment Group, MCA Home Video, Inc., 70 Universal City Plaza, Universal City, CA. 91608. *From: Vice president of operations.*

Amy Shapiro, vice president of sales administration, Universal Pay Television, 70 Universal City Plaza, Universal City, CA 91608. *From: Director of sales.*

Richard N. Clevenger, vice president of engineering, Cox Cable Communications, Inc., 1400 Lake Hearn Drive, Atlanta, CA 30319. *From: Director of corporate engineering.*

Ajit M. Dalvi, vice president of marketing planning & development, Cox Cable Communications, Inc., 1400 Lake Hearn Drive, Atlanta, GA 30319. *From: Director of marketing.*

Merritt S. Rose, Jr., vice president of advertising sales, Cox Cable Communications, Inc., 1400 Lake Hearn Drive, Atlanta, GA 30319. *From: Director of advertising sales.*

Tom Calabro, vice president, sales, Pioneer Communications of America, Inc., 2200 Dividend Drive, Columbus, OH 43228. *From: General manager, sales.*

Larry C. Brown, vice president, new business development, Pioneer Communications of America, Inc., 2200 Dividend Drive, Columbus, OH 43288. *From: General manager of engineering.*

Tom Holder, vice president of sales, Texscan Corp., 2960 Grand Avenue, Phoenix, AZ 85017. *From: Director of western sales, Oak Industries CATV.*

Dan Murrell, area vice president and general manager, Oregon area cable operations, Storer Communications, 142-00, S.W. Brigadoon Court, Beaverton, OR 97005. *From: Regional business manager.*

Susan D. Harrison, vice president and head of market research services, Frazier, Gross & Kadlec, 4801 Massachusetts Avenue, N.W., Washington, D.C. 20016. *From: Vice president, economic studies and valuations.*

Greg Batiste, Plainfield system general manager Storer Communications, 336-40 East Front Street, Plainfield, NJ 07061. *From: Management consultant, Rogers Cablesystems.*

Jerry Masin, Eatontown system general manager, Storer Communications, 403 South Street, Eatontown, NJ 07724. *From: Plainfield system general manager.*

Sue Minke, Kentucky area business manager, Storer Communications, 9200 Shelbyville Road, Louisville, KY 40222. *From: Supervisor of budgets, Whirlpool Corp.*

Tom Davis, South Dade system general manager, Storer Communications, 12232 SW 114th Place, Miami, FL 33176. *From: Manager, West Pasco system.*

Joe Cantwell, Sarasota system sales manager, Storer Communications, 5205 Fruitville Road, Sarasota, FL 33578. *From: Assistant regional sales manager.*

Dale Miller, area trainer, Storer Communications, 9200 Shelbyville Road, Louisville, KY 40222. *From:*

(Continued on next page)


Joel S. Rudich


Phil Boyer


Mark J. Estren


Richard N. Clevenger


Ajit M. Dalvi

Appointments

Community programming department.

Kathleen Bellora, assistant regional sales manager, Storer Communications, 5205 Fruitville Road, Sarasota, FL 33578. *From: Programming specialist, marketing department.*

Jeff Eden, Hermosa Beach system general manager, Storer Communications, 1529 Valley Drive, Hermosa Beach, CA 90254. *From: Union City system manager.*

Laurie Charbonneau, assistant regional sales manager, Western region, Storer Communications, 1529 Valley Drive, Hermosa, CA 90254. *From: Phoenix sales supervisor.*

Bob Lumbard, director of programming for the cable division, Storer Communications, 12000 Biscayne Boulevard, P.O. Box 61-8000, Miami, FL 33261. *From: Programming manager.*

Sherill S. Smith, director, international, business development, MTV Networks, Inc., 75 Rockefeller Plaza, New York, NY 10019. *From: Manager of business development.*

John F. Cannelli, director, business operations, MTV Networks Inc., 75 Rockefeller Plaza, New York, NY 10019. *From: Business manager, Nickelodeon.*

David Liu, director of programming, Lifetime, Hearst/ABC-Viacom Entertainment Services, 1211 Avenue of the Americas, New York, NY 10036. *From: Producer-writer, NBC-TV's "Tomorrow Show."*

Mark J. Mersky, director, marketing and media research, Group W Satellite Communications, Westinghouse Broadcasting and Cable, Inc., 41 Harbor Plaza Drive, P.O. Box 10210, Stamford, CT 06905. *From: Director, sales promotion and media research.*

Steve Casey, director, music programming, VH-1, MTV Networks Inc., 75 Rockefeller Plaza, New York, NY 10019. *From: Operations manager, WLS Chicago.*

Lynne Stauffer, director of affiliate relations, Cable Networks, Inc., 600 Third Avenue, New York, NY 10016. *From: National sales staff.*

Margaret M. Boller, director, direct response marketing, Showtime/The Movie Channel Inc., 1633 Broadway, New York, NY 10019. *From: Manager, national promotions.*

Roy Weissman, regional director, Northeast region, Showtime/The Movie Channel Inc., 1633 Broadway, New York, NY 10019. *From: Principal, Advent Communications.*

Elizabeth Stilz Mill, director of corporate communications, Multimedia, Inc., Box 1688, 305 South Main Street, Greenville, SC 29602. *From: Vice president, Multimedia Entertainment Cincinnati division.*

Joe Girard, Western regional engineering manager, Showtime/The Movie Channel Inc. 10900 Wilshire Boulevard, Los Angeles, CA 90024. *From: Operations manager, Video Engineering Inc.*

Bob Van Cleave, Detroit sales manager, Group W Satellite Communications, Suite 243, 25900 Greenfield Road, Oak Park, MI 48237. *From: Account executive.*

Bonnie Baker, sales manager, Chicago office, Cable Networks, Inc., 360 North Michigan Avenue, 14th Floor, Chicago, IL 60601. *From: Account executive, McGavren Guild Radio.*

Denise McSweeney, subscriber marketing manager, Adams-Russell Cable Services Division, 280 Bear Hill Road, Waltham, MA 02154. *From: Sales manager, Adams-Russell Braintree system.*

Sonja Farrand, general manager, targeting advertising sales, Telecable of Overland Park, 8221 W. 119th Street, Overland Park, KS 66212. *From: General sales manager, KMBZ-KMBR Kansas City.*

Carolyn P. Scott, program manager, Copley/Colony Harbor Cablevision, 605 East G Street, Wilmington, CA 90744. *From: Customer service support manager, Xerox Corp.*

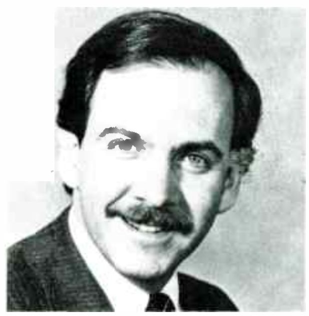
John H. Arbenz, account executive, Financial News Network, 600 Madison Avenue, 23rd floor, New York, NY 10022. *From: Account executive, ESPN.*

Linda Fint, account executive, Financial News Network, One Illinois Center, 111 E. Wacker Street, Suite 143, Chicago, IL 60601. *From: Account executive, SuperStation WTBS.*

Merritt S. Rose

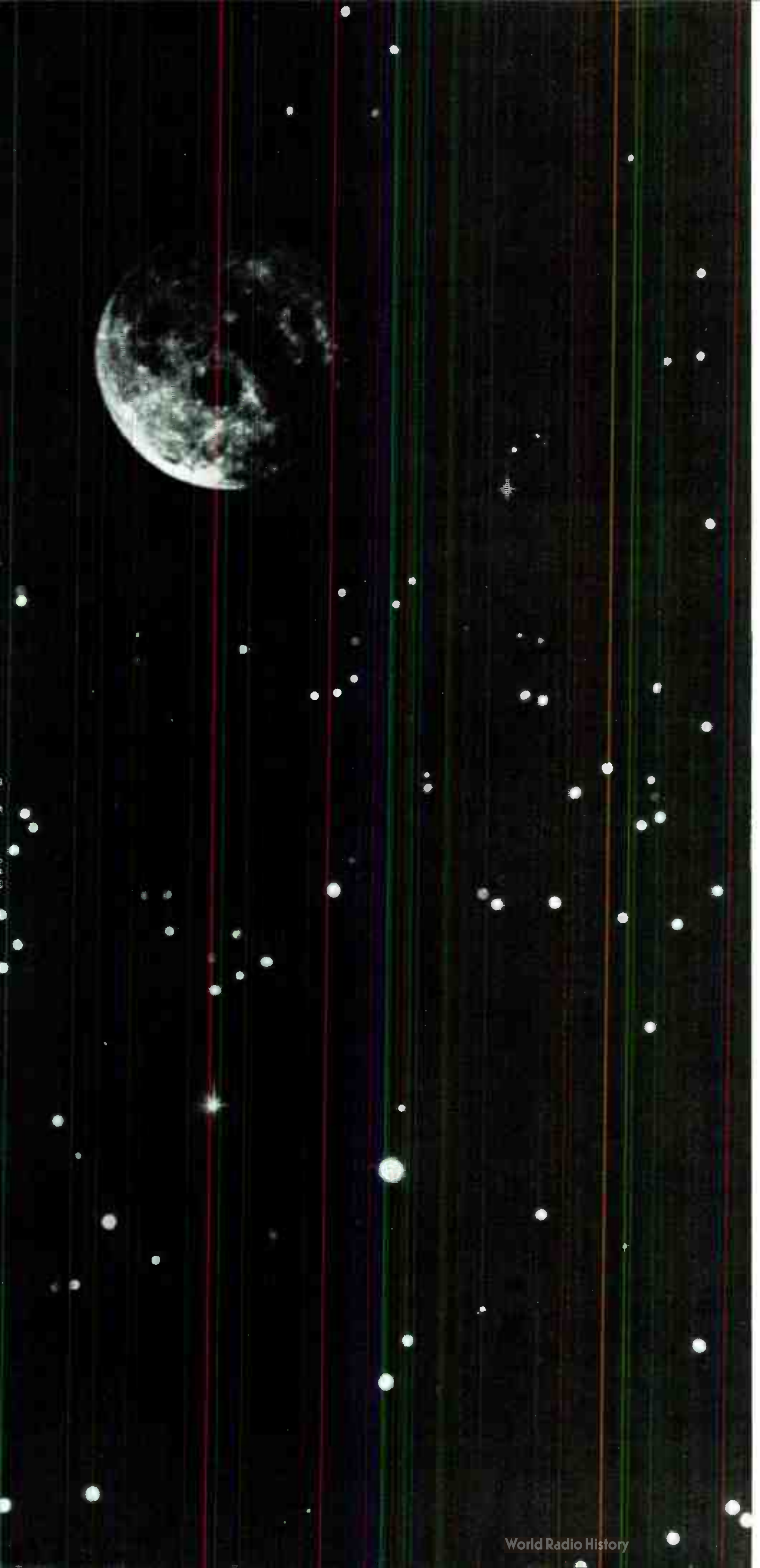
Tom Holder

David Liu



Mark Mersky

Sonja Farrand



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Wall Street Report

Lee Enterprises first quarter net rises 22% on 12.1% revenue increase

Lee Enterprises' net income and earnings per share for the first quarter ended December 31, 1984 rose 22 per cent on a revenue increase of 12.1 per cent over the comparable period a year earlier.

First quarter net income and earnings per share totaled $7,713,000 and 56¢, respectively, compared with the previous year's $6,322,000 and 46¢. Revenues for the quarter ended December 31,1984, were $54,824,000, up from $48,897,000.

Last month, the company's board of directors increased the quarterly cash dividend by 15 per cent to 23¢ from 20¢.

For the year ended September 30, 1984, Lee's net income was up 17.5 per cent to $26,749,000 from $22,774,000 on an operating revenue increase of 10.1 per cent to $190,009,000 from $172,557,000. Earnings per share rose 18.9 per cent to $1.95 from $1.64.

Broadcast income

Operating income for the broadcasting division, however, declined by 3.2 per cent in fiscal 1984 to $9,929,000 from '83's $10,262,000. Broadcasting revenues for the same period rose 6.5 per cent to $48,480,000 from $45,511,000.

The slight decrease in broadcasting earnings is attributed to two factors: competition from new independent television stations (all four of Lee's TV outlets are affiliates) and increasing programming costs.

However, in the company's annual report, Lloyd G. Schermer, president, was not overly concerned about the long-range impact of the new indie competition.

"Although the equations may change," he said, "we are confident the broadcasting business will remain a solid one. Following a period of adjustment to the new independents, network-affiliated stations will remain in a strong position because of the enormous amount of original programming they provide."

Lee Enterprises, Inc.

	Three months ended December 31, 1984	1983
Operating revenue	$54,824,000	$48,897,000
Net income	7,713,000	6,322,000
Earnings per share	0.56	0.46
Average shares outstanding	13,681,000	13,811,000

Lee's broadcasting division includes four television stations and four radio outlets: KOIN-TV Portland, Ore.; KGMB-TV Honolulu; WSAZ-TV Charleston-Huntington; and KHQA-TV Quincy-Hannibal; KFAB/KGOR(FM) Omaha; and WTAD/WQCY(FM) Quincy, Ill.

Lee's Portland station, KOIN-TV, a CBS affiliate, moved into a new 33-story broadcast center last May. As part of the ceremonies celebrating the move, *The CBS Evening News with Dan Rather* originated from there on two consecutive days.

Production unit projects

Two major projects of Lee Productions, Inc. during 1984 were: *The Most Beautiful Girl in the World*, an NBC special produced in association with Dick Clark Co., Inc.; and *Beyond the Great Wall: Journey to the Demon Kingdom of China*, a documentary made as part of a joint effort with the National China Television Network.

This was the second production to emanate from the alliance. The first was *Beyond the Great Wall: Journey to the End of China*.

While the broadcasting division experienced some earnings problems in fiscal 1984, the newspapers division had a 16.6 increase in operating income to $34,917,000 from $29,952,000 on a revenues rise of 10.3 per cent to $133,007,000 from $120,548,000.

Newspaper ad challenge

The major accomplishment of the Lee newspapers over the past decade, according to Schermer, was increasing the productivity of their mechanical departments.

"The challenge for the next decade," he said, "will be on the revenue side of the equation. The U.S. Postal Service has become a significant competitor in the delivery of hard-copy advertising to our customers.

"This has shifted retail linage out of our newspapers as run of press and into separate printed publications. Some of these are delivered by the postman and others by our carriers as part of the newspaper package at significantly lower rates.

"In addition," he continued, "the proliferation of free shopper publications and other stand-alone pieces directed at specific markets are all eroding our revenue base.

"Our goal is to counter this trend by creating new products for audiences which will lead to an increased share of advertising dollars."

Lee's newspapers division includes 18 publications in eight states—Iowa, Wisconsin, Illinois, Minnesota, Nebraska, North Dakota, Montana and Oregon.

The company also owns a graphic arts company, NAPP Systems (USA) Inc., a joint venture with Lee and Nippon Paint Co., Ltd., Osaka, Japan. NAPP, based in San Marcos, Calif., had a "significant gain" in earnings in fiscal 1984. It is the leading producer of photosensitive polymer printing plates for newspapers.

Currently, research and development emphasis at NAPP is being put on achieving a process called flexographic printing, which would allow newspapers to equal or better offset quality without converting to offset presses.

Sales *(from page 39)*

The data we have collected on these characteristics while evaluating scores of stations hold some good news about industry-wide sales performance. The first piece of good news is that, across all markets, buyers appear generally satisfied with the quality of broadcast sales. We ask buyers to rate stations "outstanding," "above average," "average," or "below average" on the six sales force performance issues. Most stations are rated "above average" or better by a majority of buyers on each characteristic.

Table 1
Percentage of buyers rating all stations "Above average" or better

Knowledge	58%
Service	65%
Understanding client and buyer needs	56%
Credibility, integrity, reliability	61%
Creativity	51%
Professionalism	67%

The second piece of good news is that buyers see broadcast salespeople as stronger than print salespeople. Using professionalism as an example, broadcast salespeople outscored print salespeople in every market where they were compared.

Sixty-four per cent of our interviewees gave television sales forces above-average scores on professionalism, 46 per cent said the same of radio salespeople, and only 12 per cent rated newspaper sales staffs above average. The local television sales force was rated more professional in three-quarters of the markets we examined; radio led in the remaining markets.

Definite impact

Do these measures make a difference? Absolutely. First, when we ask buyers to name the top salespeople in a market, salespeople at stations which score consistently well on these measures are mentioned more often than those at lower-rated stations. Second, buyers report that they are more likely to give those stations their first call for avails. Finally, higher-scoring stations are more often considered must-buys (although, as we noted earlier, must-buy stations are becoming scarce). And each of these measures translates directly into sales dollars.

Independents taken as a group, score lower than affiliates on each performance measure. However, this is the result of relatively inexperienced sales forces at the many new independents. When data on these stations is disregarded, established independents appear competitive in every aspect of selling.

Across the entire sample, an independent sales force rates highest in the market in one-quarter of the markets we have examined, and independents take second place in another one-third of all markets.

Station variances

These averages are good for getting a general sense of performance across the industry; but performance on each of these issues varies substantially from station to station, and there remains plenty of opportunity for improvement. Table 2 shows the percentage of stations rated "outstanding" on each issue by at least 25 per cent of the buyers we have interviewed.

Table 2
Percentage of stations rated outstanding by at least 25% of buyers

Knowledge	18%
Service	29%
Understanding client and buyer needs	11%
Credibility, integrity, reliability	16%
Creativity	13%
Professionalism	21%

Only one-third of all stations are judged as excellent on any performance issue by at least a quarter of the buyers. Again, service and professionalism are seen as strong points in the industry. Overall, scores on creativity are lower than the 13 per cent figure in the table indicates.

While the one or two strongest sales operations in a given market typically score as well on creativity as on other measures, creativity scores fall rapidly among the rest of the pack. Variation among stations is greater on creativity than on any other issue.

Looking at the performance of individual station sales forces, we find that leaders and losers generally score consistently high or low across all six issues. In one-quarter of the markets we have examined, buyers identify one station as the clear leader on all six issues. In three-quarters of the markets, one station leads on at least five performance measures. Similarly, a single station brings up last place on every issue in three-quarters of the markets we looked at.

Consistent performance, bad or good, is what separates losers and leaders from the rest of the pack. Most stations show spotty performance, taking second place with a high score on one or two performance measures and finishing near the bottom on others. Our data does not suggest that, across all markets, one performance issue is more important to buyers than another.

When we ask them what makes for a superior sales effort, buyers touch all the bases:

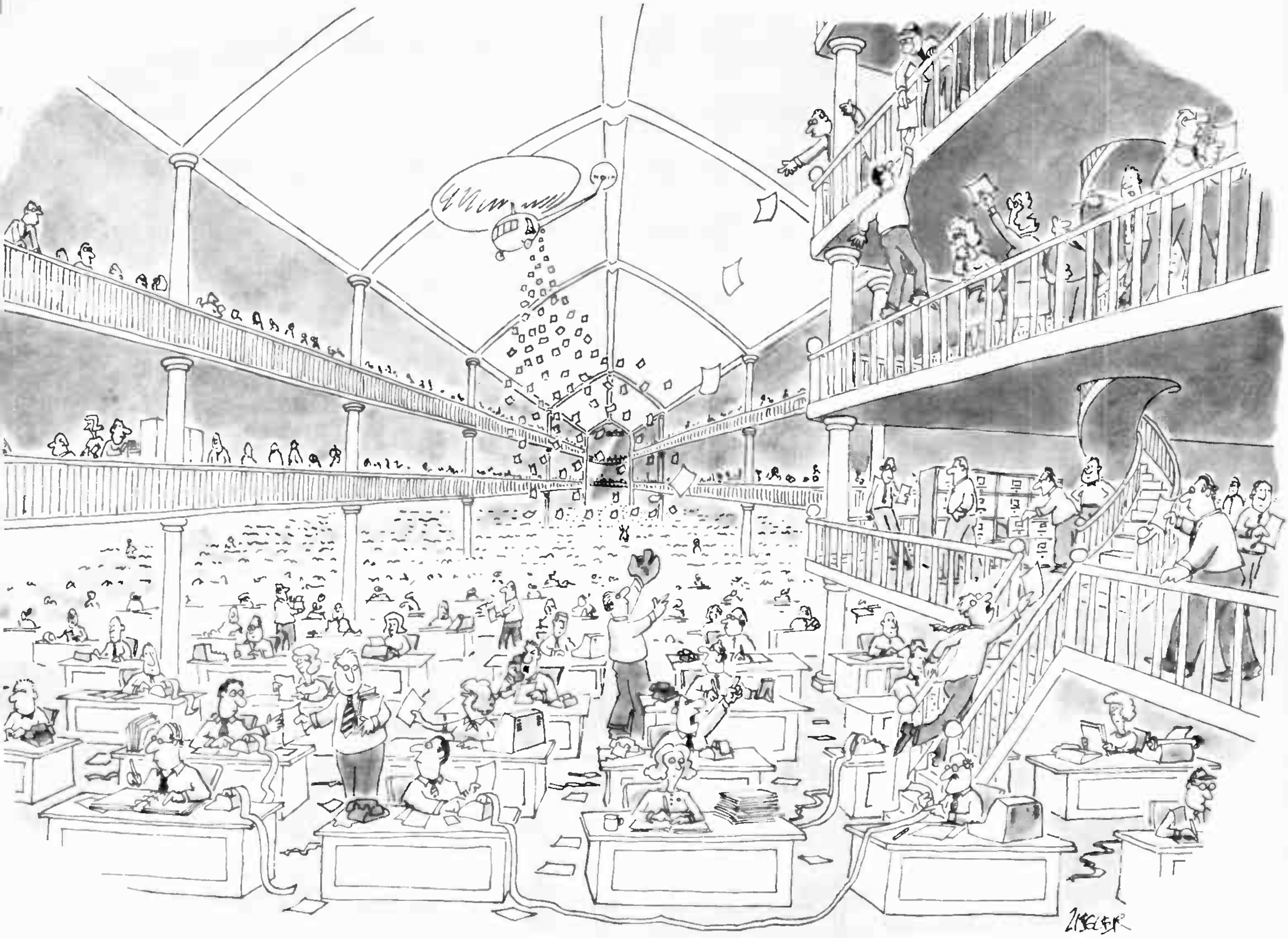
> "Servicing me well. Providing information pertaining to the buy or client needs—going beyond order-taking. Aggressive. Being prompt with phone calls and avails."

> "Understanding my needs and time pressures. Understanding my clients' needs. Knowing their own programming, and understanding how the numbers work."

Consistent, high-quality performance is the key to attracting buyers and the budgets they place. In a given market, however, buyers may indicate that performance on one issue is particularly important—typically when scores on that measure are low across the market—and individual stations can take advantage of this. In a market with a shortage of sales force creativity, for instance, stations can use creative packaging and presentation to set themselves apart and attract buyer attention and business.

'Buyers see broadcast salespeople as stronger than print salespeople. Broadcast salespeople outscored print salespeople in every market where they were compared.'

While buyers clearly see the station salesperson as critical to the buying process, they also appear to be placing increased emphasis on pre-sell and post-sell issues. On-air look, research quality, schedule security, and traffic and billing problems emerge as partic-



ularly influential when stations have rough parity in ratings and sales force quality.

Pre-sell: building credibility. We frequently ask buyers questions aimed at uncovering their general attitudes toward the stations they deal with, and their answers reveal two points of interest. First, buyers have opinions of stations independently of whether or not low rates, outstanding salespeople, or desirable demos attract their business. Second, it's better for the station as a whole to be seen favorably by buyers than unfavorably.

For example, in most markets, one station is generally seen by at least half the buyers as a community institution, distinguishing itself by a history of local programming, participation in public service activities, and continuing concern with community issues. This characteristic falls solidly in the middle of the list of things buyers like most about the station.

Buyers generally feel their clients are well served by placement on a station like the major market affiliate one buyer called "a role model in the TV community, with a leader posture."

Similarly, buyers have distinct opinions about the programming strategies and air-looks of the stations they buy. Only about one-fifth of the stations we studied were seen by 50 per cent or more of their local buyers as well-programmed.

In the last two years, a quarter of the "well-programmed" stations were independents, a noticeable change from five years ago.

More significantly, however, was the fact that a "well-programmed" station was much more likely to be called first for avails or rated a must-buy. Buyers were even more critical of the air-look of stations in their market, rating only one in seven as outstanding, but this dim view seemed to have little impact on their buying choices.

Finally, in most markets, one station is seen by buyers as having significantly stronger research than its competitors. The quality of research by itself, however, doesn't seem to generate buys. Instead, it most often fits into the overall picture of a station's selling effort. Simply stated, stations which sell outstandingly generally have first-rate research; the also-rans tend not to.

Post-sell: delivering the goals. If pre-sell involves shaping buyers' admittedly subjective attitudes toward the station as a whole, post-sell, more often than not, means meeting very explicit buyer expectations of performance in several areas, including schedule security, ratings projections, and traffic and billing.

Thirty-nine per cent of the buyers we interviewed complain of schedule-security problems at one or more stations in their market. Preemptions are a major concern for buyers, because negotiating, scheduling, and bookkeeping makegoods can double the amount of time and effort devoted to a single buy.

We find significant preemption problems in six out of every 10 markets we examine. Although generally confined to one or two stations in a market, it is a substantial problem for those stations. Our surveys have uncovered several stations with preemption problems great enough to cause buyers to avoid calling them for avails, undercutting an otherwise strong sales effort.

A high preemption rate can also be an insidious problem, because it may not be apparent from station record-keeping. In one case where we found a serious preemption problem, station management pointed out that their records showed less than 4 per cent of spots not running as scheduled.

But when a sample of individual

(continued on page 127)

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Nielsen Station Index

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Barbara Steinhauer
International Contest
Verena Michel
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Telex: 33.161

North America

John Nathan
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New York, N.Y. 10022
Tel (212) 223-0044
Telex: 235309

Sales *(from page 122)*

contracts was examined, we found that the 4 per cent preemption rate was spread over 40 per cent of the station's contracts. In other words, on four of every 10 contracts written by the station, after negotiating and finalizing the buy, and completing the paperwork, the buyer had to go back and negotiate makegoods.

Sixty per cent of our buyer sample report overprojections of specials, sports, or new series audiences at one or more stations. However, the amount of overprojection appears to vary by market. In one market in our sample, no more than one in 10 buyers complains about overprojections at any station; in another, more than half the buyers report overprojections at every station. In some cases, stations seem to be involved in an escalating game of one-upmanship with their ratings estimates.

The problem overestimates present for buyers is obvious: either delivering the client less than he paid for or negotiating makegoods. Buyers would like to avoid both.

Our interviews indicate that overprojections can be a serious problem for stations as well. First, buyers are less inclined to buy stations which overestimate. Perhaps more importantly, overestimation damages the credibility of the station and its sales force. Scores on sales force credibility and integrity are consistently lower among stations that regularly overproject.

When overprojection is a problem across all the stations in a market, buyers are inclined to distrust all station estimates and to demand guarantees when they do accept them. As one buyer in a market with overprojection problems told us, "A form letter from our agency states that the CPM of a station will be bought; but they'd better deliver or they will go without business for quite a while."

Finally, while few stations seem to have problems in their traffic and billing systems, when those problems occur, they are felt widely in the buying community. Only about one station in six was seen by more than an occasional buyer as having problems here. But for that one, as many as 40 per cent of the buyers in the market rated the problem as serious.

In summary: Data collected in our interviews with hundreds of local media buyers over the past five years confirm that a superior sales effort is a powerful tool for building and maintaining local market share. Its value is greatest in highly competitive situations, when stations are tied in the ratings book, or when a new station is trying to gain a foothold in the market. The key to superior sales is a superior sales force—knowledgeable, creative, credible, and professional—because buyers' perceptions of a station are largely shaped by their perceptions of its reps. But sales force is not the whole of sales; pre- and post-sell issues also influence buying decisions.

A subsequent article will explore the data further, examining pricing issues, what we have learned about buyers themselves, why buyers don't buy stations, and, finally, what constitutes sales excellence. □

About the authors

David Butterfield *is president, and* **Gregory Hawkins** *is vice president of Butterfield Communications Group, a seven-year old broadcast marketing and management consulting firm located in Cambridge, Mass. This article is based on information collected in the firm's Benchmark Studies, proprietary evaluations of station sales effectiveness conducted periodically for television and radio broadcasters.*

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Unwired *(from page 42)*

the target audiences they deliver and that there is no price break.

"Our stations set our pricing," says Supernet's Kehlbeck. "They know what they need to clear their inventory."

Adds Internet's Lion: "The pricing is like any other form of radio—it's supply and demand. There's no such thing as an upfront discount."

'Highest rate possible'

Katz's Swetz says, "We get the highest rate possible. We intelligently use the station's inventory in response to an announced opportunity." Originally, Swetz says, when unwired webs were taking on the line networks, "they had to come up with a (lower) price. Now the rates are closely aligned with the going rates. It's not a cheap way to buy radio."

Unwired networks though, according to Y&R's Stein, "can prove to be more efficient in delivering a specific target audience. The cost of the inventory will generally be lower (than with spot). But you don't go into it for that reason."

A main advantage of unwired webs, Stein says, is "the relative ease of setting up a buy."

However, he emphasizes that "we insist on only what we consider to be the top stations in a market. We approach this the same way we approach a true local spot buy. When a list is submitted to us, we prune it very, very carefully. We're not buying the 10th-rated station in order to be CPM-efficient. We pick and choose." There are, he points out, some cost-savings that have nothing to do with CPMs.

"All the buying is concentrated in one office, as compared to four or five. There are bookkeeping savings—the sending out of one check for, say, 75 markets with two or three stations in each market."

Adds Tracy Locke's Spiegel: "There is a cost advantage to buying a group of stations." The important aspect of an unwired buy, he emphasizes, is "in the end, making sure you're getting what you paid for."

New-to-radio business

The greatest challenge facing unwired networks, according to Internet's Lion, is attracting new-to-radio business. "That's what unwired is all about." George Pine, vice president, regional manager for McGavren Guild Radio, adds that a major thrust of the company in 1985–86 is to go after accounts that use "very little or no radio but tons of other media.

"We will be analyzing these accounts' marketing needs, approaching them and coming back with something we have," which, in many cases, he says, will be an unwired network.

It is difficult for the multiple rep unwired groups to gauge business by comparing it with past performance because none of the groups has been around in their present form for very long. Internet was launched last April at the National Association of Broadcasters convention. The Katz Radio Group was born a month later. And Supernet just started

(continued on page 132)

"Our stations," says Supernet's Bill Kehlbeck, "set our pricing. They know what they need to clear their inventory." Adds Internet's Bob Lion: "The pricing is like any other form of radio—it's supply and demand. There's no such thing as an upfront discount."

Political tool

A recent unique use of unwired networks was their employment during last fall's election campaign.

Joan Rutman, who was radio manager for the political unit at Ed Libov Associates (now Botway-Libov), found that the unwired webs worked very well for the Tuesday Team's placement of radio spots on behalf of Reagan-Bush.

"We used all the unwired networks," she says, "and we found them incredible to work with. We used 2,000 stations. If we had tried to put that together ourselves, in that amount of time, we'd have never been on the air. They even did a lot of shipping of tapes for us."

If there had been no such animal as an unwired network, what would the Tuesday Team have done?

"It would have been some sort of a spot buy," Rutman says. □

In the Picture

Robert L. James

President and new chief executive officer of McCann-Erickson Worldwide, and soon-to-be chairman, talks about innovators and imitators in the new product race to market, and about the value of ownership, or at least majority control, of an agency's overseas agency affiliates.

Owning own overseas agencies called 'key' in attracting new accounts

McCann-Erickson Worldwide added $100 million in new business around the world in January alone. Bob James, president of the agency, who will take over Bill Mackey's job of chief executive officer in March, and his title of chairman when Mackey retires in July, says that a key advantage in attracting new overseas billing "is our policy of owning our overseas agencies. We're in 65 countries now, including China. We have either outright ownership, or majority control in 47 of these countries. We'd have it in the other 18, except that their laws prohibit foreign control. We're the only major global agency network that holds majority ownership of our Japanese affiliate."

James calls control "an enormous advantage" because, "It gives us the leverage to get things done, even in cases where the judgment of the local management may be opposed. That's what can often happen to some agencies whose overseas offices are more on the order of cooperative partnerships as opposed to having actual financial control, because any one office may have a different local interest, contrary to the overall global interest of a client. The reason for our orientation to control is because our global clients know this, and have told us this is the way they want it."

Airlines and cars

Domestically, following McCann's recent appointment as new agency for the $15 to $18 million Ponderosa Steakhouse account, are there any other category fields left for the agency to conquer? Says James: "We work for Lufthansa internationally, but we're not now in the airline business over here. We'd also like to get into the car rental business. So there are still a few areas around that leave us some room to grow."

Asked about new products, James sees us "living in a world starved for new products," because, "the relatively slow economy of the last four or five years discouraged companies from investing as much in new product development as they otherwise might have."

The result is that, "What we see most often today is not so many introductions that represent real innovation, but more that are simply line extensions of existing brands." But he adds, "Right now, more manufacturers have been encouraged by the recently brighter economic outlook, and are now starting to invest in actual new products. But it will take a little time before we see the results coming off the other end of the assembly line."

James points out that in coming up with products that are really new, "There's more risk today—especially with high-tech, because competitors are able to duplicate your very temporary advantage so quickly that the first man to come up with the idea can't afford the luxury of taking the time for thorough market testing. Competitors are so close on the innovator's heels, he's usually forced to run with what he has on much thinner test results than used to be the case. Today's patent laws just don't seem to be strong enough to protect him."

And after that, continues James, "*If* his innovation does prove a success, he's lucky if the return is 5 to 10 per cent on his investment after taxes. He could get that just salting his money away in the bank. It seems to me that innovators need greater inducement than this if we're to continue to make progress."

Sharing clients' risks

From the agency's point of view, he adds, "We share our clients' risks. Their problems are our problems. We can work on a new product development for months, only to see it ripped off quickly in the market place by imitators. All of this puts the burden on the innovator and on his agency to be sure that before we start, the new product meets a genuine consumer need, so we know it will win acceptance, once it does reach the marketplace. And since we don't have the test marketing time we once did, it's doubly important to check out everything we can, as thoroughly as we can up front—before the competition is on to what we're up to. We have to move faster, and with more confidence, with less information."

Yacht racing enthusiast

James' leisure life is as competitive as his business drive. His "passion" is yacht racing, and he and his New York 40 (40-foot) *Carronade* have logged three Bermuda runs, one Marblehead-to-Halifax event, and one Vineyard race, 320 miles long, from Stamford, Conn., around Block Island and back.

The New York 40, he explains, was designed to be a standard model so that everyone from the New York Yacht Club would start with exactly the same boat, and "No one would be running with a handicap. This way, when you *do* win, you know its *you*—not your boat."

Unwired *(from page 130)*
last month, although there was a loose relationship among the four participating reps before that.

Blair's Boden estimates that total unwired rep web revenues in 1984 amounted to about $40 million, which, he points out, is approximately 5 per cent of the $818 million done in spot (based on Radio Expenditure Report data).

Katz's Swetz has been tracking the unwired network business since May 15, 1984, the day KRG began. From that point until the end of the year, he says, "there were 93 rep network opportunities, accounting for approximately $28 million.

"Thirty per cent of the opportunities—or 28 different availabilities—were in youth-oriented business, 12–34. That accounted for $6.4 million, or 23 per cent of revenues.

"Seventy per cent of the opportunities," he continues, "were in the adult portion—18–49, 25–54, 18+, 25+." This, he says, represents 65 different availabilities and $21.6 million in revenues.

Who got the business

Swetz also has a breakdown of who got the business among the major unwired entities.

His own group, with about 550 stations, made sales, he says, on 89 of the 93 opportunities, for a 38 per cent share of the business.

Internet, with about 1,000 stations, closed on 82 of the opportunities, Swetz says, for 29 per cent of the monies; and Supernet, also with about 1,000 stations, made 73 sales for 18 per cent of the business. The remaining 18 per cent, he says, was among Blair, (including Blair/RAR, about 200 stations), 8 per cent; CBS Radio Spot Sales, 3 per cent; and "other different entities," 4 per cent.

Both Internet and KRG are putting increased emphasis on targeting of their rep networks more specifically than just on a demographic base.

Internet, in fact, has said its distinct purpose is to provide advertisers with unwired station lineups specifically targeted to heavy users of product or service categories or subgroups of such categories, based on Simmons Market Research Bureau data.

The targeting, the company says, is accomplished by selecting stations with formats that reach specific consumer types.

Tracy-Locke, according to executive vice president Larry Spiegel, increased its total radio expenditures by 250 per cent—from $12 million in 1983 to $30 million in 1984. The bulk of that, he says, was spot, but unwired spending about doubled during that time. Radio overall is also increasing in importance as a medium at Wells, Rich, Greene.

Swetz says his company is "in the process of selling targeted accounts."

But one agency executive, preferring not to be quoted for attribution, says, "We can pretty much do the targeting ourselves based on demos. For instance, if you're selling stocks and bonds, you're not going to go on WAPP (a CHR station) in New York."

As for the unwired outlook in '85, Internet's Lion believes there is "a great deal more activity yet to be seen."

He predicts unwired networks "will outperform the increase in traditional spot" for '85.

Swetz sees "very encouraging things for '85" and adds that KRG is going to take on the wired networks "more aggressively."

Stein says Young & Rubicam "should do no less" with unwired networks in '85 and could "possibly do a little bit more."

Tracy-Locke, according to Spiegel, increased its total radio expenditures by 250 per cent—from $12 million in 1983 to $30 million in 1984.

The bulk of that, he says, was spot, but unwired spending about doubled during that time.

Radio overall is also increasing in importance as a medium at Wells, Rich Greene, for three primary reasons. They are, according to Geis:

- "The fact that the cost of doing business on television—especially network television—has increased so much. For some clients, building the frequency they need is not affordable on TV."
- "More attention is being paid by some of our clients to local (spot) advertising.

"They're finding that radio is a good local medium."
- "To fill in against certain demo groups that network television doesn't do the job in. This has been an historical reason to use radio, but with the erosion of network television, we're doing a lot more demo targeting." □

Katz's Ken Swetz has been tracking the unwired network business since May 15, 1984, the day KRG began. From that point until the end of the year, he says, "there were 93 rep network opportunities, accounting for approximately $28 million. Thirty per cent of the opportunities—or 28 different availabilities—were in youth-oriented business. That accounted for $6.4 million. Seventy per cent were in the adult portion."

Inside the FCC

James H. Quello

FCC commissioner, in a recent speech before the National Conference of Black Lawyers in Washington.

FCC has made great progress in marketplace approach to technology

We are living in an era of rapidly changing telecommunications technology but perhaps less rapidly changing telecommunication policy. Madison once described the inefficiencies in government as guaranteeing us our freedom. I would cautiously disagree with Madison and argue that inefficiency in policy development is thwarting the development of new telecommunication technologies. I believe that it is the commission's role to provide the regulatory framework in which the growth and development of new technologies is strongly encouraged. As a former broadcaster and as a commissioner with tenure of over 10 years, I think I can provide a unique perspective on both telecommunication development and telecommunication policy. Certainly, I have seen many mistakes in regulatory policy, and I hope that I have learned something along the way.

Regarding telecommunication technology, I believe the commission has made great progress in its marketplace approach, thereby enabling the rapid implementation of new technologies. By relying on the marketplace, we are not guaranteeing the success of these new technologies, only ensuring that they have their chance in the marketplace. As policies change to permit the implementation of new technologies, many people have hopes that such technologies would provide an outlet for minority voices in the community. I believe that the commission and the broadcast industry have made great strides in their responsibility to promote additional outlets for the expression of minority voices. Nevertheless, more remains to be done by all parties to assure that minrity viewpoints are heard.

EEO 'sense of responsibility'

With this in mind, I would like to focus my remarks on responsibility. Specifically, the responsibility associated with equal employment opportunities and minority ownership. The commission, and I might add, Congress, have instilled through regulation and law a sense of responsibility pertaining to EEO and ownership. The broadcast industry is also nurturing it's own sense of responsibility to improve employment opportunities and minority ownership. Nehru, the great Indian democrat once said: "Democracy does not mean shouting loudly and persistently, though that might occasionally have some value. Freedom and democracy require responsibility and certain standards of behavior and self-discipline." In my view these are qualities that must be stressed as we continue to pursue fair telecommunications policy making.

Historically speaking, the FCC became involved in two broad areas of policies that impact minority representation in the telecommunication industries. The commission has recognized that there is a direct nexus between broadcasters' employment practices and the fulfillment of their public interest duty to present diverse programming that meets the needs and desires of the entire public. The commission prefers to encourage program diversity by showing that industry employment reflects the demographic composition of the audience served rather than involving itself more directly in program content.

Discriminatory hiring rule

In 1968, the commission indicated that discriminatory hiring practices would raise serious questions about a licensee's capability to operate in the public interest. In 1969, the commission adopted a rule requiring equal opportunities in employment and by 1970, the commission required licensees to file annual employment reports and written EEO programs. Additionally, in 1970, gender was added as a category to the non-discrimination rules and reporting requirements. At this time the commission also included networks in filing requirements for equal employment opportunity programs. Much happened in 1972, the commission adopted rules requiring cable operators with five or more full-time employees to file an initial EEO program statement at the time of registration, as well as annual employment reports. Processing standards were authorized for broadcast stations with more than 10 full time employees (later, changed to five fulltime employees) based on the absence or decline of women and/or minorities on the station's staff. The D.C. Circuit Court in *Stone v. FCC* determined that employment and minorities need not be proportional to their percentages in the population of the community, but must be within a "zone of reasonableness."

Court decisions and commission actions throughout the 1970s created a more rigorous equal employment opportunity program for broadcast licensees and cable operators. Efforts were made to interpret what the court meant by the "zone of reasonableness" standard and in 1976 the commission adopted a 10 point model EEO program. Toward the end of the decade the FCC signed a

Memorandum of Understanding with the Equal Employment Opportunities Commission that delineates investigative jurisdictions and outlines methods of cooperation.

Starting out the decade of the 1980s, the commission proposed amendments to the model EEO program to provide a more complete and accurate record of licensee EEO performance. The commission also began utilizing statistical processing criteria to identify cable employment units having questionable EEO programs. Just last year, the commission designated the renewal applications of two broadcast licensees for hearings on possible misrepresentation of EEO data and deficient EEO programs.

Industry's own awareness

Now I would like to put on the hat of a former broadcaster and note that the industry itself has recognized its responsibility regarding equal employment opportunities. Regulatory policies like cattle prods may be necessary to get licensees moving in a certain direction. However, after regulatory policies have become established, then licensees can live either by the letter of the law or by the spirit of the law. It is far more effective for all if the parties abide by the spirit of the law.

Significant efforts have been made by the broadcast industry to increase their awareness of equal employment opportunities. Broadcasters through their associations have published information that would facilitate effective EEO programs by broadcast licensees. Such publications include a "Broadcaster's Guide to Designing and Implementing an EEO Program" published in 1980 by the National Association of Broadcasters, "It's a Lot Easier Than You Think . . . Living With EEO," again a publication by the NAB in 1981, and several publications to licensees keeping them posted on changes in EEO requirements and also means of implementing effective EEO programs. As a former broadcaster, I know how important one's sense of responsibility is if change is to be implemented. I am proud of my record at WJR in Detroit in its hiring and advancement of minorities. I know first-hand how effective a responsible licensee can be.

The third major area where I note progress involves Congress. The Cable Act of 1984 marked a milestone in the telecommunications industry with the codification of equal employment opportunity requirements. Section 634(c) of the Act states that any entity specified in this Section shall establish, maintain, and execute a positive continuing program of specific practices designed to insure equal opportunity in every aspect of its employment policies and practices. The commission is currently developing a Notice of Proposed Rule Making addressing the areas of responsibility regarding equal employment opportunities delegated to the commission by the Cable Act. On January 3, 1985, Congressman Leland introduced a bill in the 99th Congress that would amend the Communications Act of 1934 to assure that equal employment opportunities are afforded to all by radio and television broadcast stations. Essentially Congressman Leland's bill parallels the EEO requirements found in the Cable Act. We will have to see what Congress does with this bill.

Minority ownership

The second major area of responsibility I would like to discuss today is minority ownership opportunities. In April of 1977, the commission sponsored the Conference on Minority Ownership, and in May, 1978, it released a policy statement pertaining to minority ownership of broadcast facilities. The commission adopted the use of tax certificates to promote minority ownership. Tax certificates enabled the holder of a license to defer capital gains tax upon the sale of a broadcast property to a minority entrepreneur.

The policy statement continued the distress sale policy to encourage sales to minorities. This policy provides that a licensee whose renewal application has been designated for hearing can sell the station to a minority buyer at a "distress sale" price limited to 75 of the fair market value of the station. This option permits the seller to avoid the expense of hearings and the posibility that a license will be revoked.

Underrepresentation issue

In 1981, the commission convened the Advisory Committee on Alternative Financing for Minority Opportunities in Telecommunications to address the issue of underrepresentation by minorities in the ownership of broadcast stations. In 1982, the commission adopted a second policy statement regarding the advancement of minority ownership of broadcasting stations and a policy statement on minority ownership of cable television facilities. Under the new policy statement, distress sale and tax certificate policies are now available to limited partnership situations in which the general partner is a minority and holds at least a 20 percent equity interest. Previously, distress sale and tax certificate policies were available only to entities in which minorities owned more than 50 percent. The commission also extended the availability of tax certificates to transactions involving cable television. To expedite the handling of distress sales, the commission now permits the Mass Media Bureau on delegated authority to process and grant routine distress sale petitions.

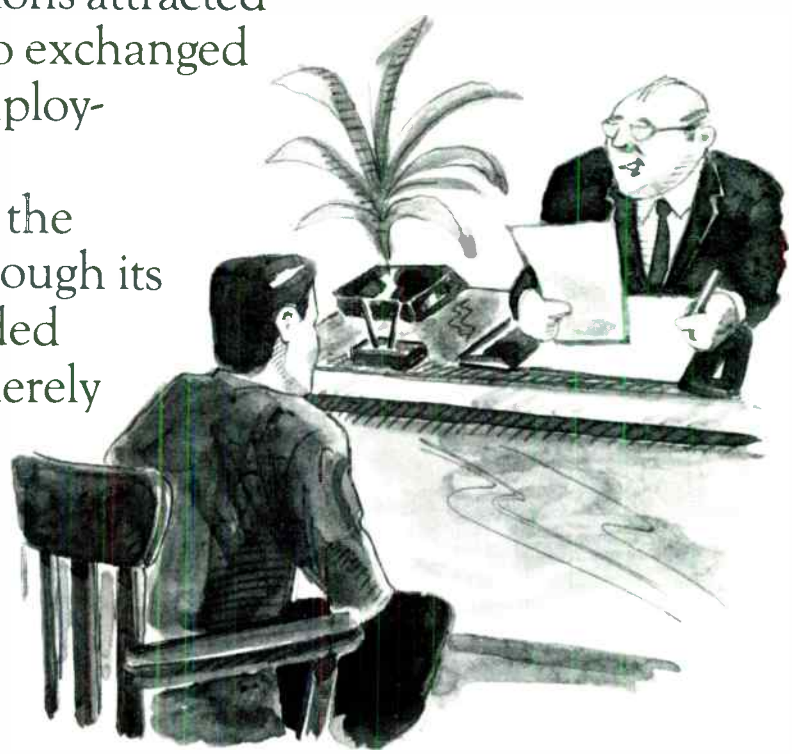
To facilitate minority ownership of broadcast entities, the commission provided for a minority preference in the lottery system used to award low-power TV licenses. The commission also has included a preference for minority ownership in the lottery system that will be used to award multipoint distribution service licenses.

TALK BRINGS ACTION.

Unemployment is a social problem whose solution has defied the best efforts of public and private agencies. But last year, a dynamic new approach to the issue was provided in Boston by WRKO-FM talk-show host, Dr. Harry J. Sobel.

As part of his weekday program, "The Thought Process," Dr. Sobel aired "Workline Network." His innovative program focused each week on a different community and allowed on-air callers to broadcast their work qualifications. Off-air, contact was facilitated by the station providing interested employers with these callers' first names and phone numbers. Representatives of the state employment office and local chambers of commerce also appeared regularly as guests, describing available jobs and needed services. Three on-the-road networking sessions attracted nearly 1500 participants, who exchanged ideas and information on employment opportunities.

Unheard, the problems of the unemployed go ignored. Through its programming, WRKO provided many jobless residents not merely a voice, but a practical solution to their dilemma.



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