Nonwired radio: an update, p. 50

Television/Radio Age

October 13, 1986 • $3.50

WHAT A

MAMA'S FAMILY

A JOE HAMILTON PRODUCTION

New York WOR-TV
SATURDAY 7:30PM
8.4 RATING/15 SHARE
+180%/+150%

Los Angeles KNBC-TV
SATURDAY 6:30PM
14.1 RATING/26 SHARE
+182%/+189%

Philadelphia WPHL-TV
SATURDAY 7:30PM
9.6 RATING/18 SHARE
+92%/+80%

San Francisco KGO-TV
SUNDAY 4:30PM*
7.5 RATING/20 SHARE
+88%/+82%

Washington WJLA-TV
SATURDAY 7:30PM*
8.1 RATING/18 SHARE
+103%/+80%

Miami WDZL-TV
SUNDAY 7:00PM
4.6 RATING/8 SHARE
+360%/+700%

Denver KDVR-TV
SATURDAY 5:30PM**
5.9 RATING/13 SHARE
+97%/+63%

Los Angeles KNBC-T
SATURDAY 7:00PM
14.6 RATING/26 SHAR
+143%/+136

Washington WDCA-T
SUNDAY 6:30PM*
5.5 RATING/10 SHAR
+38%/+43%

LORIMA

START!

t's a Living

WITT/THOMAS PRODUCTION

w York WOR-TV
SATURDAY 7:00PM*
1 RATING/14 SHARE
53%/+100%

iladelphia WPHL-TV
SATURDAY 6:00PM*
5 RATING/15 SHARE
50%/+15%

ami WDZL-TV
SUNDAY 7:30PM
.1 RATING/7 SHARE
310%/+600%

One Big Family

A WITT/THOMAS PRODUCTION

Los Angeles KTLA-TV
THURSDAY 7:30PM
12.1 RATING/20 SHARE
+142%/+150%

Philadelphia WPHL-TV
SATURDAY 6:30PM*
6.8 RATING/13 SHARE
+127%/+86%

Detroit WXON-TV
SUNDAY 6:30PM
4.2 RATING/9 SHARE
+5%/+29%

Miami WDZL-TV
SUNDAY 6:30PM
4.5 RATING/8 SHARE
+350%/+167%

Denver KWGN-TV
SUNDAY 6:30PM**
5.2 RATING/9 SHARE
+73%/+29%

elepictures™ The New King of Comedy

Source: NSI Overnights *ARB Overnights W/E 9/28/86 vs. 10/85 **NSI Overnights W/E 9/28/86 vs. 5/86 (10/85 not available)

Television/RadioAge

October 13, 1986 *Volume XXXIII, No. 6*

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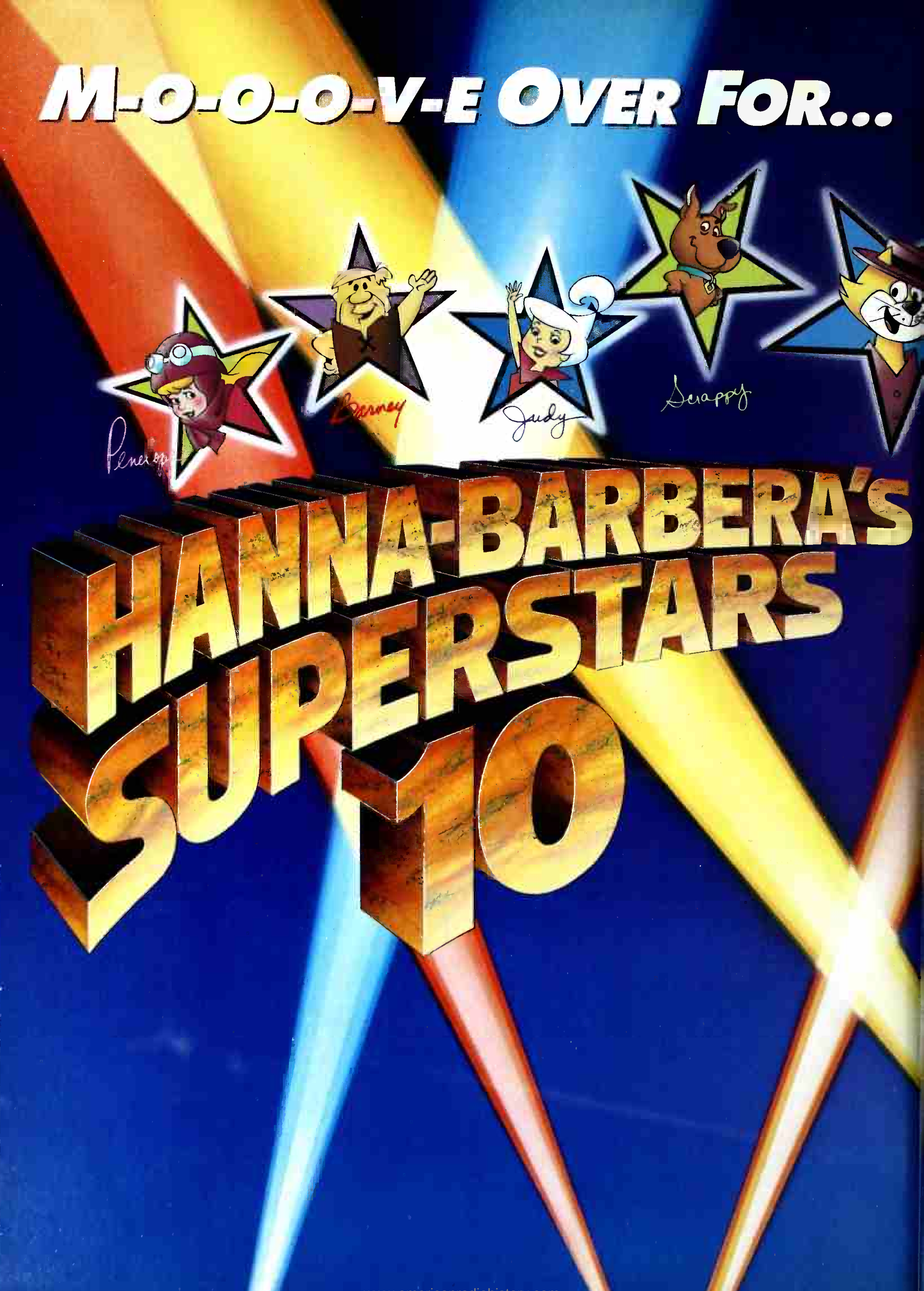
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10

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WHAT A CAST! WHAT A CLEARANCE!

(l. to r.) Gail Strickland, Julian Reyes, Garrett M. Brown, Ada Maris, Leila Hee-Olsen, Vijay Amritraj, Yakov Smirnoff, George Murdoch, Harry Waters, Jr.

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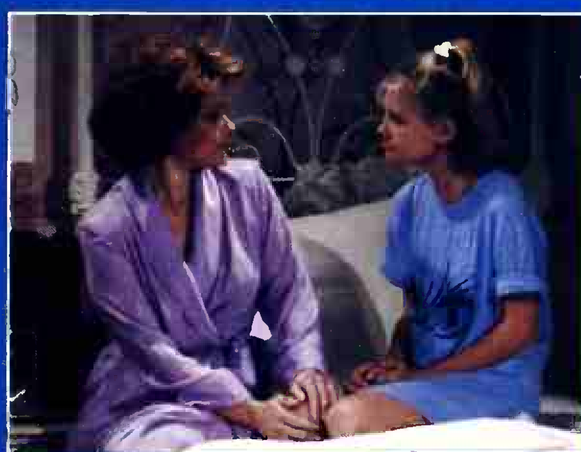

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ARRANGE FOR A SCREENING TODAY

Publisher's Letter

Networks' bottom line: Staff cuts easier than generating new business

Capital Cities/ABC has demonstrated that it can run the network with 1,200 less staff than when Cap Cities took over 10 months ago. CBS is currently going through its own catharsis with a change in top management. All three networks are, or will be, in the process of a transformation from the glamour of showbiz to the basics of lean business operations.

Several years ago, NBC engaged the management consultants, Booz, Allen & Hamilton to assess the entire NBC operation. As a result of the detailed study, some 500 persons were fired. David Sarnoff, chairman at that time of both RCA and NBC, was furious—not that 500 persons were dismissed, but, he stormed, what were they doing there in the first place?

Robert Wright, the new RCA/NBC chief executive officer, has let it be known that NBC, the number one network, can be efficiently operated with less staff. He feels, too, that news is one of the areas that may be overstaffed.

From a financial perspective, Laurence A. Tisch has said that the percentage return on CBS assets should eventually be 12 per cent. To look at it from a realistic perspective, this would mean the network would have to earn $380 million a year. CBS, in its top year (1984) netted $212.4 million. There are two ways increases in net revenues can be achieved. The first is by staff reduction in all aspects of the CBS operation. The other is by *increasing* revenues.

To an observer, there seems to be very little being done by all three networks to generate new business.

The impact and potential of the medium is acknowledged, but the spotlight is on staff reductions rather than on new business. Admittedly, it is a lot easier to take 2,000 persons off the payroll than to increase revenues. From a management standpoint, there is no sentiment involved in staff reduction. Awaiting the fall of the axe has become a corporate fact of life. In the television business, the press revels in these reductions. John F. Welch, Jr., chairman of General Electric and Bob Wright's boss, eliminated 100,000 jobs over a five-year period at G.E. with very little attendant publicity.

Sarnoff once said, "I can close a plant in Indianapolis and 5,000 persons are thrown out of work. It is regarded as prudent management. If a group of top-level executives leave, it is a front page 1,500-word story in *The Wall Street Journal*."

As the drama of the next few years is played out, one fact is certain between Welch, Tisch, and Thomas F. Murphy, CEO of Capital Cities/ABC; these are three of the most agile, powerful, financially astute men in American industry.

People meter. TV/RADIO AGE, in its issues of October 27 and November 10, will carry articles by Hugh M. "Mal" Beville, Jr., on the details and significance of people meter developments—past, present, and future. Mal is regarded as the dean of industry researchers. He was formerly vice president, planning and research at NBC and executive director of the Broadcast Rating Council (now Electronic Media Rating Council). His book, *Audience Ratings: Radio, Television, Cable*, published in 1985, has been widely praised and hailed as "a classic." Recently he was selected as a member of the Research Hall of Fame by the Market Research Council.

S. J. Paul

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America's Most Prog
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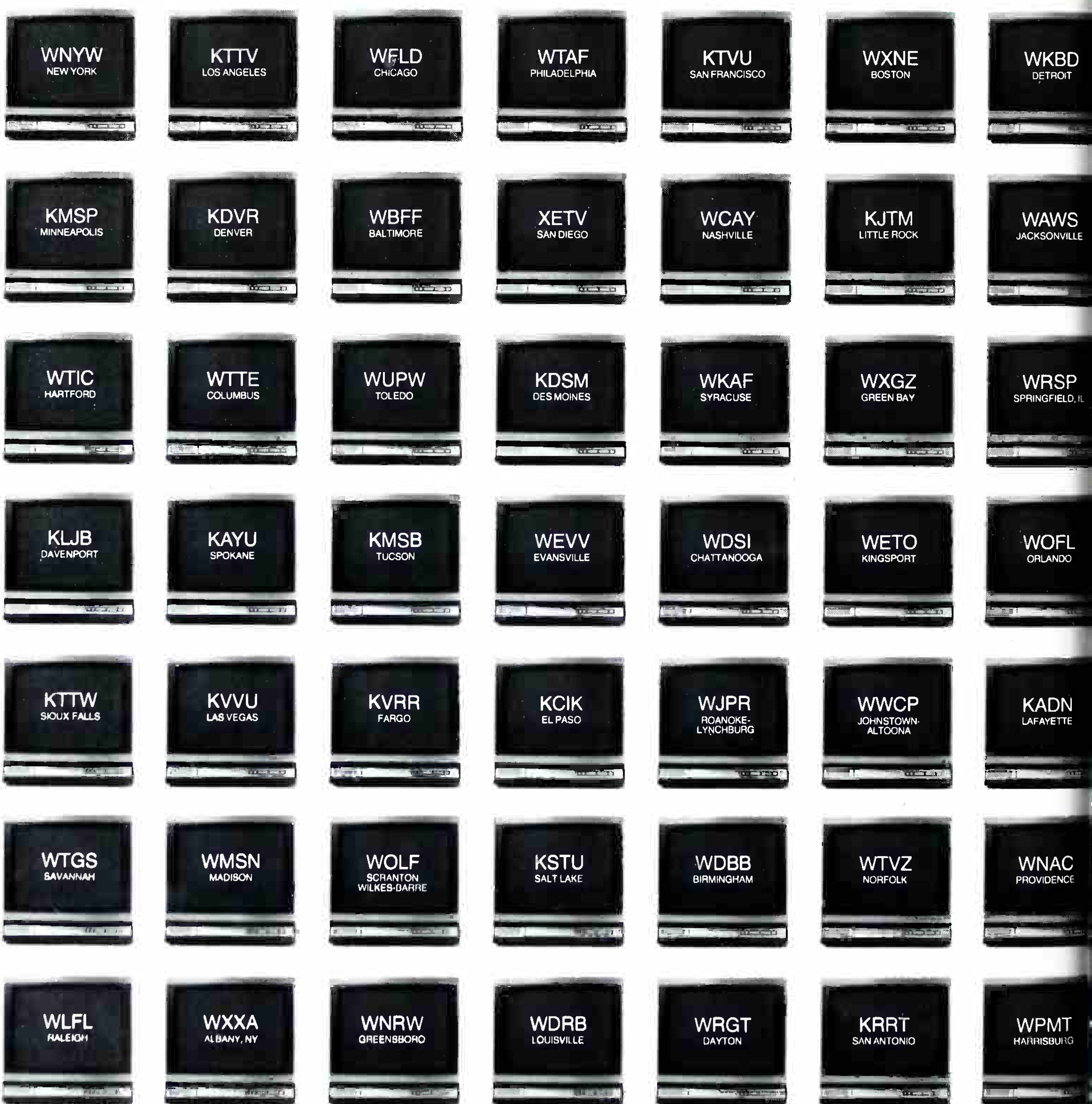

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FBC
FOX BROADCASTING COMPANY

Letters

It's in the book

I am writing in response to an article entitled *Local meter activity breaks through in smaller markets*, which was published in the September 1, 1986, issue of *Television/Radio Age*. I enjoyed the article and found it to be quite informative.

However, the last paragraph of the article, which addressed television metering for the Sacramento-Stockton market (number 20 in ADI and DMA market rankings), said that "... KSCH-TV just went on the air in April. It did not show up in the May Arbitron book." I must inform you that it is true that KSCH-TV, Channel 58, signed on the air in April of 1986. However, stating that KSCH-TV, Channel 58, did not show up in the May Arbitron book was incorrect. KSCH-TV, Channel 58, *did* show up in the May, 1986, Arbitron TMR book.

For only being on the air 17 days before the May Arbitron survey; KSCH-TV, Channel 58, received a 1 rating and 2 share, sign-on to sign-off, from our five county metro area (610,400 of the 914,700 TV households in our ADI). I feel that for a first book, a 1/2 metro rating/share, sign-on to sign-off, is quite impressive for any new start-up independent television station. But it is especially impressive in such a competitive market as Sacramento-Stockton, which has four independent television stations, and given the fact that KSCH-TV was on the air only 17 days prior to the May survey.

Furthermore, KSCH-TV's showing in the July Arbitron TMR book has indicated continued growth of our station's audience. KSCH-TV received a 1/3 ADI rating/share, sign-on to sign-off, and a 2/4 metro rating/share during Monday through Friday primetime.

Television audience estimates, or ratings, can be influenced from various factors. KSCH-TV feels our strength is best attributed to our quality family programming and our assiduous commitment to community involvement.

Finally, we encourage the metering of television markets in general (for the integrity of research and audience estimate accuracy) and are looking forward to television metering in the Sacramento-Stockton market.

LEIF KOLFLAT
Research director,
KSCH-TV, Channel 58
Stockton, Calif.

Editor's note: Reader Kolflat is correct. The copy neglected to say that the station did not show up in the ADI household column, sign-on to sign-off, which was the basis for the analysis on how many independents had a "recorded audience." The Arbitron book does, indeed, show that KSCH-TV had a metro audience.

Corrections

Due to a makeup error, a story in the September 15 issue of TV/RADIO AGE on Color Systems Technology, Inc. (*Color Systems public*, page 99) was inadvertently merged with a completely unrelated story on Macrovision.

Color Systems owns and operates a computer process for converting black-and-white feature films and television episodes into broadcast-quality color video tape. Macrovision manufactures a security device that prevents prerecorded videocassettes from being copied illegally.

Republic Pictures, previously known as NTA, was never a subsidiary of NBC. It only acquired NBC programs for TV syndication. An article on page 73 of the September 1 issue left an incorrect impression.

Sidelights

Bearing it all

The Tribune Co. used the distribution of its latest revenue and statistical summary to take a friendly swing on behalf of Chicago security analysts and the Chicago Cubs against their New York financial counterparts. In a separate letter summarizing earnings and other financial statistics for August 4–31, the Tribune Co. ended up the note, addressed to financial analysts and money managers, with the following:

("The apologies received from thoughtful professionals in the analytical community on behalf of their boorish colleagues, who continue to heap razberries on the performance of a prominent National League baseball team, is acknowledged and appreciated. There is always a next year, and it is fitting to remind these aggressive brethern, who, it seems, are for the most part from Gotham and the environs, that the urban area here by the lake is the seat of the World Champion Chicago Bears' football team, whose games are carried exclusively on WGN, 720 on your AM dial.")

The letter was signed by Joseph Andrew Hays, vice president, corporate relations at The Tribune Co.

Cosby as hit author

Bill Cosby is not only a hit with *The Bill Cosby Show*, weekly half-hour series which stars the comedian/actor on NBC, but he's also becoming the king of print. Cosby's *Fatherhood*, published by Doubleday's Dolphin imprint, has become one of the fastest selling hardcover books in publishing history, with about 2 million copies in print. And as if that weren't enough Cosby the author has still another book forthcoming. Called *Dancing in My Grave*, the book is scheduled for next fall release.

Fowler fan

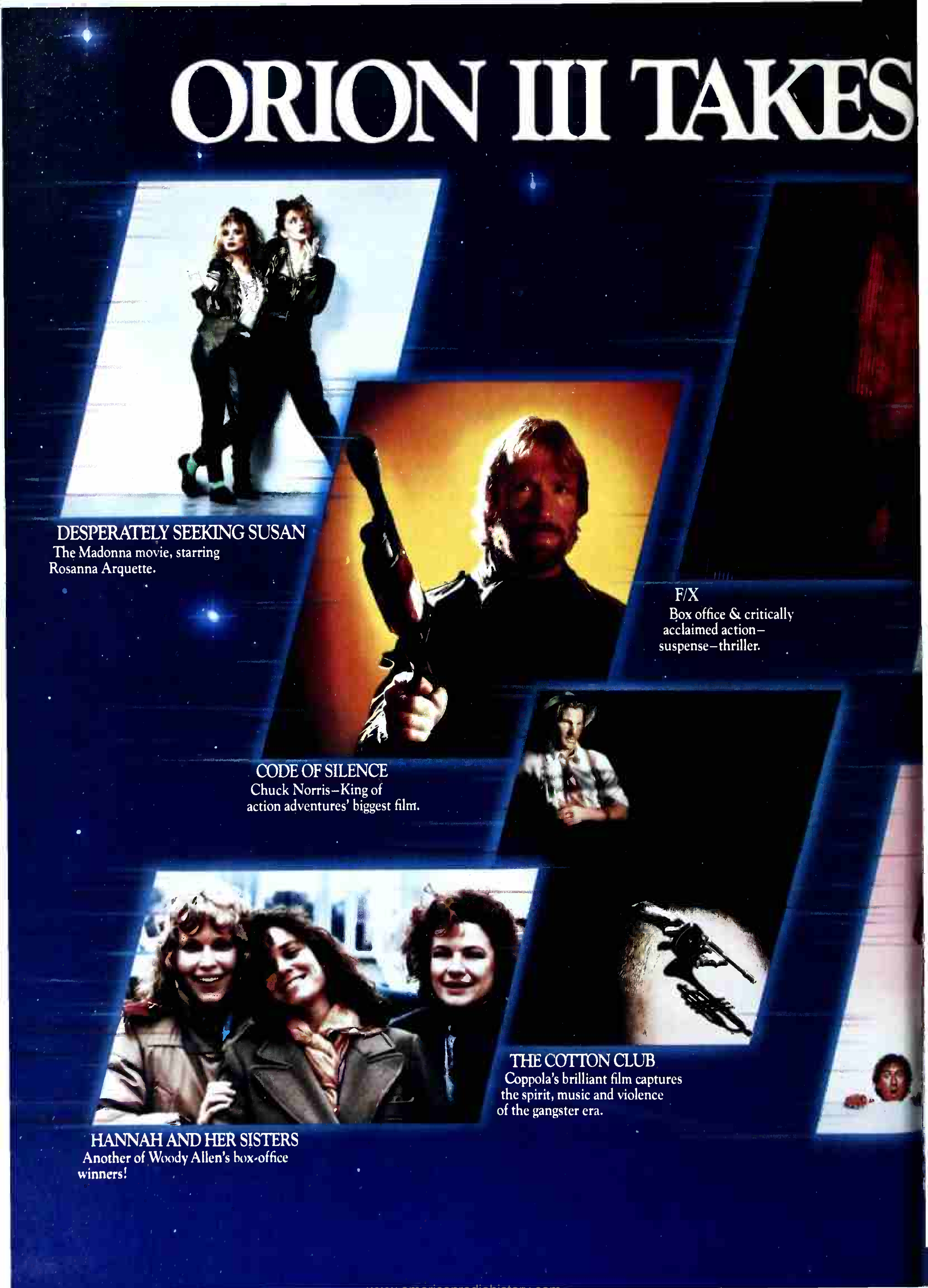
The following editorial is reprinted from a recent issue of "The Wall Street Journal":

The Constitution says "freedom of the press," but you don't have to be a judicial activist to extend this right to broadcasters. Yet since radio was invented, broadcasters have been the only Americans denied free speech.

The justification for government meddling with the content of speech carried through airwaves has been that there are only so many wavelengths to go around. It wasn't until Friday, however, that judicial notice was taken of the fact that everything in this world is scarce. With the scarcity myth exploded, broadcasters may be in line for the franchise.

D.C. Circuit Court Judge Robert Bork, joined by Judge Antonin Scalia, saw no way that the hoary "fairness

Buena Vista brought *its "Today's Business" crew to New York, to introduce the first run strip series at a party marking the launch of the show. From l., are, Fred Rheinstein, executive in charge of production of "Today's Business"; Andrew Tobias, analyst and commentator; Consuelo Mack, anchor and executive editor; and Jay Finkelman, vice president, marketing at Buena Vista.*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Jproarious comedy
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Invest in ORION III, and possess the quality and prestige of the finest in exclusive, theatrical free-TV premieres.

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TELEVISION SYNDICATION

doctrine" can be constitutional. This rule mandates "balanced" reporting on radio and TV, as measured by government regulators. "The line drawn between the print media and the broadcast media, resting as it does on the physical scarcity of the latter, is a distinction without a difference," Judge Bork wrote. Citing economist Ronald Coase, he noted that "economic goods are scarce, not least the newsprint, ink, delivery trucks, computers and other resources" needed to publish newspapers. Judge Bork and Justice-designate

FCC Chairman Mark Fowler *should "fast forward his deregulation efforts," according to "The Wall Street Journal."*

Scalia called on the Supreme Court to drop the print/broadcast distinction or find some other excuse for regulating.

The opinion said that the Federal Communications Commission need not apply the fairness doctrine to the new technology of teletext, which sends text and graphics through a decoder onto television screens. Subscribers can get weather forecasts, sports and local restaurant menus. Activist groups had sued the FCC saying the fairness doctrine must be applied to such services. The FCC saw no virtue in this idea. Nor can we see the benefit in pricing the fledgling services off the air by making them provide opposing views of the temperature, the Mets and the veal chops at Louie's.

It's about time the FCC was given some encouragement to deregulate. There is already no scarcity justification for regulating cable TV, which offers more channels than any city has newspapers. Also coming on line are direct broadcast satellite, multipoint distribution systems, and other new gadgetry to bring pictures and sound into your TV—what the cognoscenti now call a monitor. Some of these new signals travel on the radio frequency, some don't. Some travel through cables, some below and some above

Joseph C. Tirinato, *flanked by Derek Dawson, l., and Alan Joelson, co-chairmen of Southbrook International Television Co., plc., on an occasion celebrating Tirinato's appointment to president and chief executive officer of Southbrook TV Distribution Corp. The fete for Tirinato was held at the 21 Club in New York.*

ground. Some are broadcasting, some narrowcasting to subscribers.

Under Chairman Mark Fowler, the FCC wants the market to regulate the content of these new dimensions of broadcasting. Mr. Fowler also wants to drop the fairness doctrine for all broadcasting, but congressmen threaten to defund the agency—what a sweet dare—if he does. It's no mystery why they like the doctrine. It discriminates against challengers by giving incumbents unlimited coverage, but giving them equal time if challengers get on the air.

Mr. Fowler should fastforward his deregulation efforts. Only legislators with their own special interests are standing in the way of an unrestrained future for broadcasting.

Kevin and Carole O'Sullivan *are presented with The Child of Peace Award by the Catholic home bureau of the Archdiocese of New York, at a dinner in New York City. At l., is Sister Una McCormack. The award was given to the O'Sullivans for their concern and support, through the O'Sullivan Foundation, of more than 100 organizations involved with the care and education of children.*

TBS reorganization goal: more 'regular' management

Is Ted Turner's image as a "mercurial" manager the reason for the quietly executed management reorganization at Turner Broadcasting System?

Recent business deals executed by Turner—his acquisition of MGM/UA and subsequent divestment of all but the film library and the staging of the Olympics-like Goodwill Games, which cost TBS some $23 million—have raised questions on Wall Street about how the firm is managed.

To strengthen the management situation, Turner has agreed to delegate more day-to-day authority to the core group of lieutenants who have been with the firm for years. They are senior vice president, finance, William Bevins; executive vice president Robert Wussler; executive vice president, superstation WTBS, Jack Petrik; vice president, special projects, Terence McGuirk; and senior vice president, sales, Gerry Hogan. Turner reportedly retains his veto power over decisions made by subordinates.

Even some of Turner's supporters on Wall Street acknowledge that problems in management have hurt the TBS image.

"Ted was exhausted with the events of this past year," says John Reidy, analyst with Drexel Burnham Lambert, the firm which has handled the TBS extendible note "junk bond" debt financing in the MGM deal. The company was going in different directions, and they felt a need to clarify the chain of command."

The fact that Turner has agreed to give up some of his day-to-day duties "probably leads to a perception of a more regular, less mercurial, management structure," offers Reidy, who quickly adds, "but I don't think that's the primary reason why they did it." The main reason, he maintains, is simply better management. Analyst Bill Suter of Merrill Lynch Pierce Fenner & Smith points out that in the past, "Turner was in complete control, and he is erratic. Obviously, Turner's still the boss. How much this means, it's hard to say."

Wright's advice to agencies

Robert C. Wright has some advice for major agencies and advertisers: Quit making experimental media buys in order to exert leverage on the TV networks. "There are all kinds of things agencies and advertisers do," said the new president and CEO of NBC at an informal press luncheon last week. "They can make certain cable buys, shopping cart things. But don't come and tell me how great a buy these things are. Advertisers can only spend so much money not delivering audience."

Wright, who has already participated in a meeting between the network and Procter & Gamble, said one of his missions will be to keep reminding clients that the networks—and NBC specifically—are "the best buy for a large percentage of the audience."

That's not to say that Wright doesn't recognize the webs are living in a treacherous media world with new technologies that have cut into their strength. Acknowledging that "we have lost a lot of market share in the last five years," he added that, "there's no reason to believe it has to tumble from where it is." The fight to keep that from happening, though; "will be very hard."

Quick study. The former president of General Electric Financial Services, Inc. demonstrated that he is a quick study on a number of broadcast subjects.

He emphasized that his involvement in programming will be very limited because "we have a very well-developed organization that it took a number of years to put together." Nevertheless, he is up on current programming strategy, such as the decision to pit *Miami Vice* against CBS' *Dallas* at 9 p.m. on Friday nights. "We're not in this business on a laid back basis," he said. "We're not going to give up a time slot. *Dallas* is long in the tooth, and we think that audience is receptive to change."

On the National Football League contract: "We'd hate to lose it, but we're not the Ford Foundation . . ."

On the people meter: "There's some concern that it doesn't measure the volume of people. [If that's true] we would essentially be selling more audience than we're getting paid for. But the real issue is—are we comfortable with it?"

On the Olympics: "Our target is not to lose money, to make sure we cover our costs. Against that objective, it looks like we're doing very well."

On the financial interest rule: "I don't know that it's worth taking another run. The three networks got burned so badly in 1983."

Robert C. Wright

And, finally, on the subject receiving the lion's share of attention at the other two networks—personnel cutbacks: "To the extent we're doing things we don't have to, there should be cutbacks . . . I didn't come here to be a cost-reduction expert, but you've got to cut costs in certain areas to grow the business in other areas.

"We are primarily a method of delivering sports, entertainment and news," he said, "and I don't want to lose that position. If we lose that position, we're going to have to have it wrestled away from us."

The biggest threat to NBC's future? "Tunnelvision. We can't continue to believe we can do everything as in the past."

Syndication exposure

INTV and NATPE International have finally gotten together, joining forces to get first-run syndication included as part of the Television Critics Association (TCA) January press tour in Los Angeles.

Both groups have sent out forms to syndicators who want to participate in the event, which the groups say has been "penciled in" for January 14 as part of the tour that usually is limited to the three major networks, PBS and cable.

A letter to syndication executives, over the signatures of INTV president Preston Padden and NATPE president David Simon, advises that the two groups will provide their staff resources for the project, but that participants will have to share the estimated $100,000 cost.

The project was put together by a working group of promotion executives representing syndicators.

Future syndication dates

Petry Television has published a report on the projected syndication dates of the present slate of network programs based on a five-year web run. Of course, several of the primetime series currently on the air will not make it through five years. But be that as it may, the report lists a total of 45 programs, with MCA TV as the leading distributor, having six potential syndicated shows, followed by Lorimar-Telepictures with five; both Columbia Pictures Television and 20th Century Fox each have four shows, while Buena Vista, Warner Bros. and Viacom have three series. Other producers represented by more than one series are New World and Embassy. According to the Petry report, 26 of the series are hours, while 19 are half hours.

'Passive' people meter

The "conformed," or two-sample system should be the industry standard for people meter measurement of network TV. This was the position taken by NBC research vice president William Rubens in his talk before the Radio & TV Research Council last month, it was learned. The conformed sample in this case involves a passive household meter sample plus a separate people meter sample, whose data would be adjusted by the household meter levels. Nielsen will be making a decision by the end of this year about whether to field a conformed sample or an integrated sample, the latter involving one sample in which meters collect both household and people data.

Rubens urged the conformed sample—though it would cost more than an integrated sample—on the basis of Nielsen research tracking results from its gradually growing people meter sample plus a Nielsen telephone coincidental survey.

NBC's multicassette system

Among the equipment still to be developed by NBC for Panasonic's MII system (see story on page 48) is an automated multicassette machine to air programs and commercials, but particularly the latter. NBC is currently evaluating two multicassette systems for the purpose of integrating MII tape transports.

One is made by Odetics, a robotics firm, which manufactured the multicassette machine with Panasonic's M-type transports that the RCA broadcast equipment division showed before it closed down its operation. The other is made by Asaca. The latter showed a 600-cassette machine at the NAB convention last April.

Odetics became a factor in this market because a critical aspect of the equipment is the reliability of the mechanical apparatus which moves cassettes around for recording and playback.

FCC on the defensive

What was intended to be a carefully orchestrated congressional hearing on the problems that black-owned radio stations are having in attracting national advertising dollars got lost in what turned out to be instead a "bash the FCC" session.

Rep. Cardiss Collins (D-Ill.) called a hearing on the issue to be held during the annual management conference of the National Association of Black Owned Broadcasters (NABOB), when some of the station owners who have suffered what they feel is discrimination would be in town.

In the meantime, the Federal Communications Commission filed a brief in federal court claiming that its own policy for giving preferences to women and minorities was unconstitutional. That position united members of the House Telecommunications Subcommittee more strongly than they have been on any other recent issue.

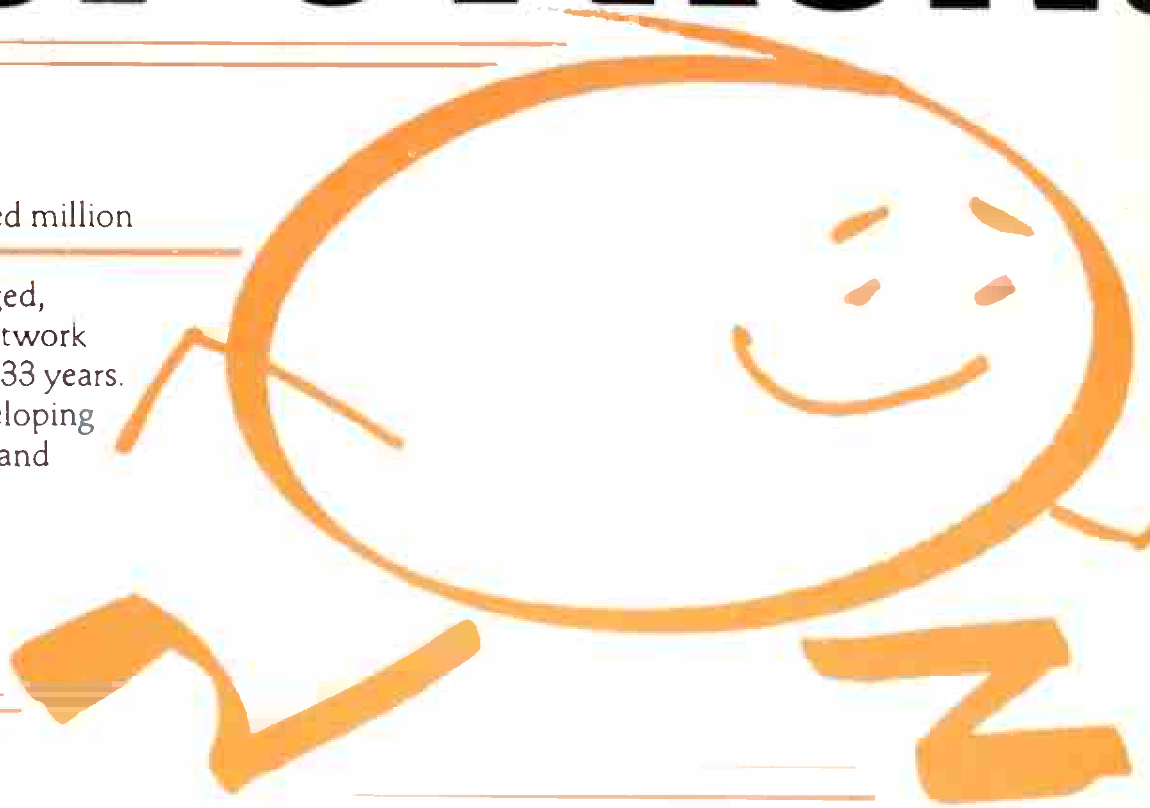
Many members showed up to lambast the five commissioners sitting before them, and few were around later in the afternoon to hear the complaints of broadcasters about advertisers.

Malrite public offering

Proceeds from a public offering by Malrite Communications Group and the newly formed Malrite Guaranteed Broadcast Partners I Limited Partnership will be used for acquisition of radio and TV stations, working capital and reduction of short-term indebtedness, Malrite reports. A registration statement has been filed for a $100 million public offering of 100,000 investment units.

The investment units, subject to increase, consist of $97,500,000 of units of beneficial interest in limited partnership interests offered by the partnership and $2.5 million of warrants to purchase 1 million shares of class A stock offered by Malrite Communications Group. E. F. Hutton & Co. is selling agent for the offering.

SEE SPOT RUN!



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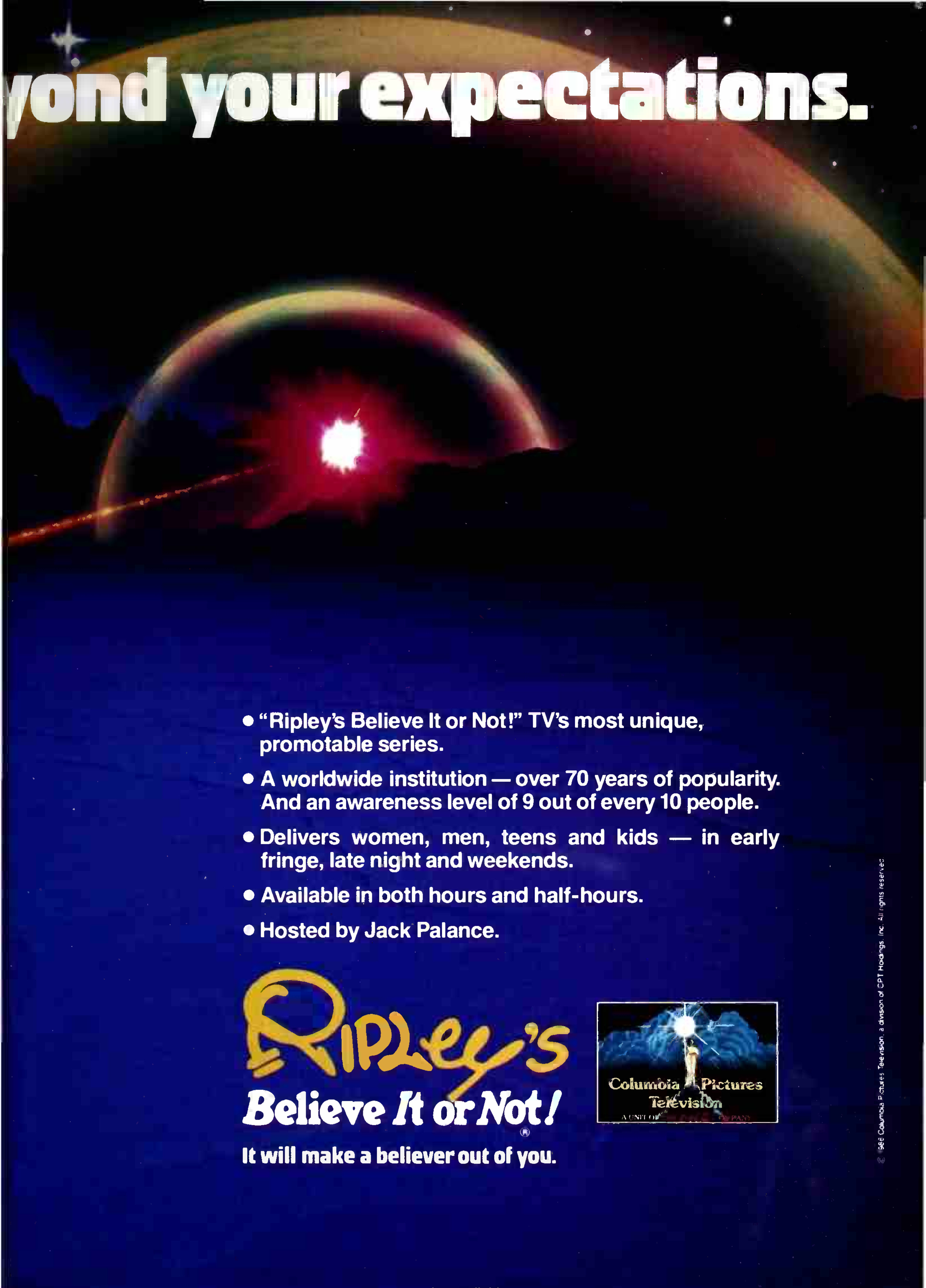

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Ripley's
Believe It or Not!®
It will make a believer out of you.
Columbia Pictures Television

TV Business Barometer

Spot TV in August jumps up 15.0%

Spot TV business was relatively quiet through July since early spring, but in August, it suddenly showed signs of real life. The big question is: How much of that surge was due to the fact that August, '86, was a five-week Standard Broadcast Month (SBM) while August of last year was four-weeks?

The spot numbers were good ones. Overall, according to the *TV Business Barometer* sample of stations, spot TV time sales rose 15.0 per cent in August over the year before.

It was a big jump over the previous month's growth rate. In July, according to the *Barometer* sample, the spot increase was a mere 3.6 per cent. And there had been only single digit increases since March; March was up 8.4 per cent; April, 6.4 per cent; May, 7.1 per cent; June, 5.8 per cent.

During this time, local business, while showing ups and downs, did a lot better than spot. May and June, for example, registered double-digit increases. By the end of July, spot showed a year-to-date rise of 7.7 per cent, hitting $3,154.9 million, while local business went up 11.7 per cent, reaching $2,823.3 million.

Spot volume in August reached $429.5 million, below that of June and July, which came to $477.4 and $476.2 million, respectively, as per the seasonal pattern. Other than January and February, August is traditionally the lowest billing month of the year. Last year, spot TV in August was $373.5 million.

For the eight months to date, spot time sales are $3,584.4 million, up from $3,301.9 million last year. The increase thus stands at 8.6 per cent.

The smaller stations (those in the under $7 million annual revenue category) showed the highest percentage increase for spot in August, the third month this year in which this occurred. The pattern for smaller stations has been erratic relative to bigger-billing outlets this year, possibly because they include both smaller market stations and independents in large markets.

Also, independents are appearing in the *Barometer* sample in greater numbers this year, which affects, of course, the year-to-year comparisons.

The medium-size stations—those with annual revenue of between $7 million and $15 million—have shown up first in percentage increases during five months this year. August is the second month in a row that they were second in percentage rises. During one month—January—they were third.

Big station data

The larger outlets, falling in the $15 million-and-over category, were third in percentage rises for the fourth month this year. During the other four months they were second.

National spot +15.0%

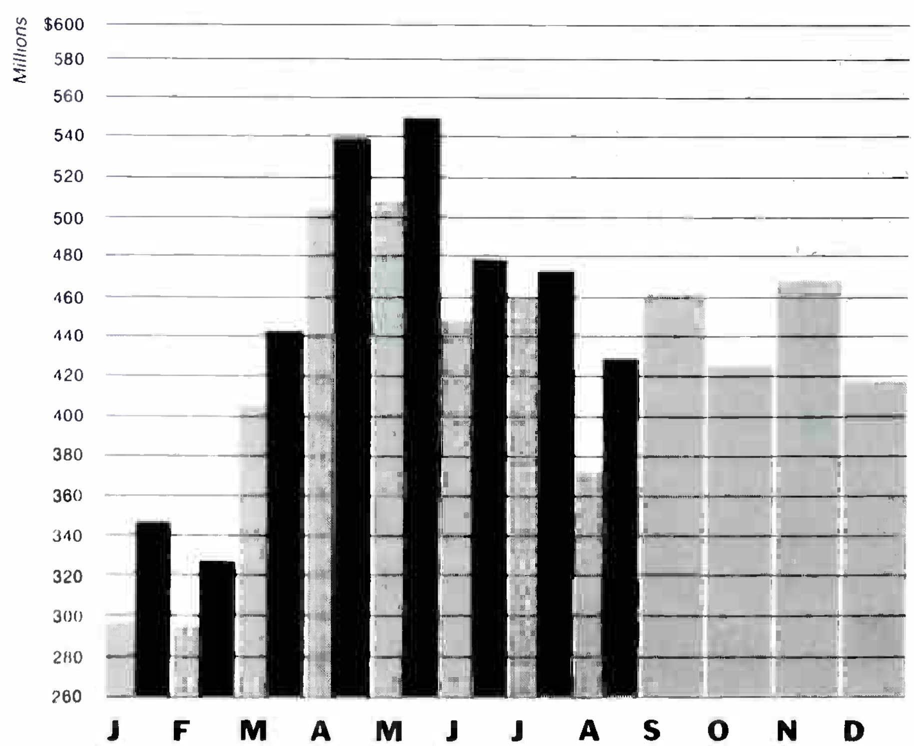
(millions)

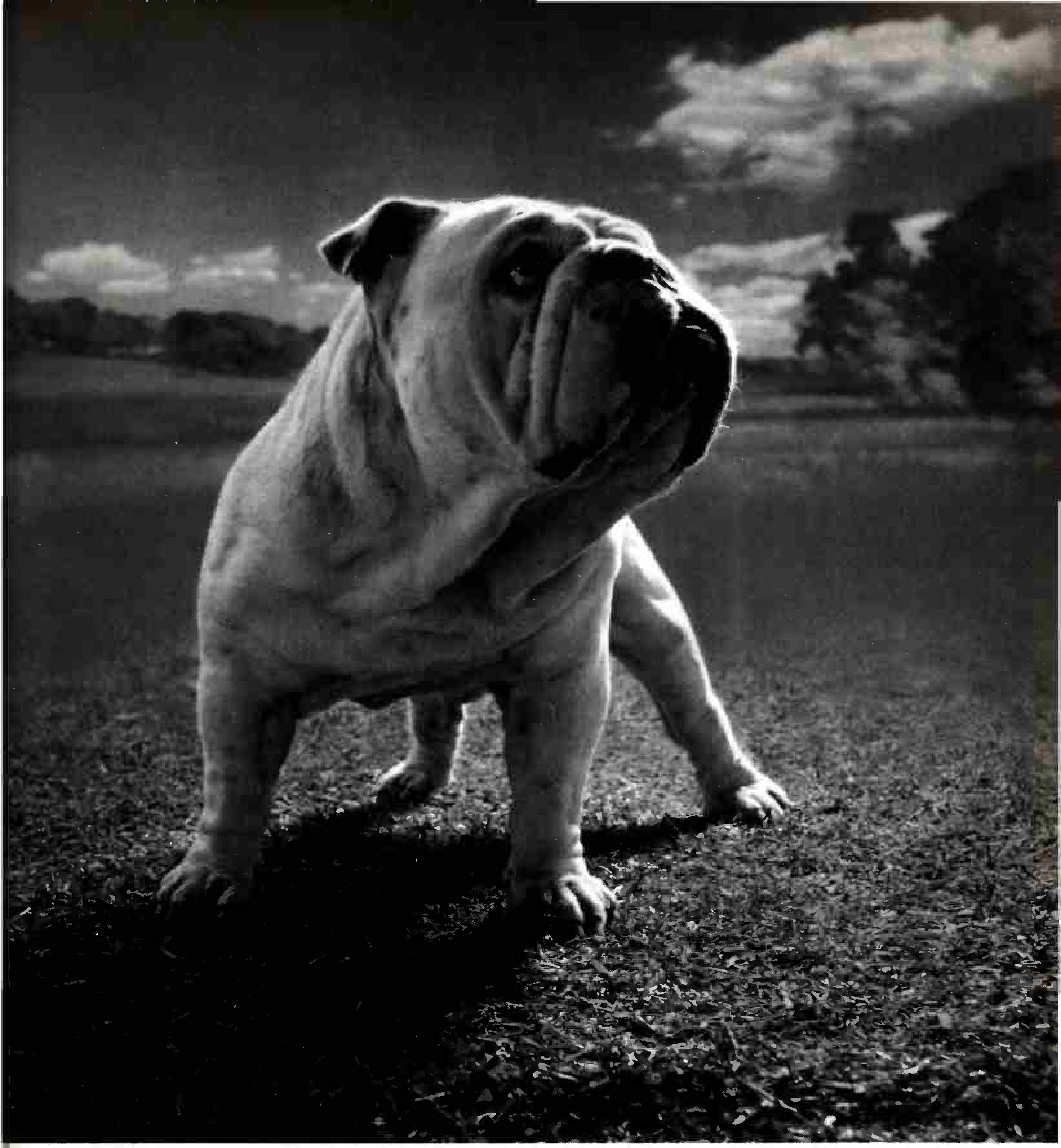
1985: $373.5 **1986: $429.5**

Changes by annual station revenue

Under $7 million	+27.6%
$7–15 million	+23.8%
$15 million up	+9.9%

August





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Television

International Report

London

Government oks use of satellite video links in court

The British government has approved the use of live satellite video links in courtrooms when important witnesses are unable to attend trials. Although current laws require the witness to be physically present, new legislation is expected to be passed next summer.

The suggestion is one of several proposals to combat fraud and other serious crimes. A satellite video link is "only a small element" of the anti-fraud package, emphasizes a home office spokesman.

If implemented, however, the move would solve the problem of cross-examining witnesses who are living overseas and who refuse to return to Britain to attend trials.

BBC Enterprises targets U.S. market for expanded sales

The new chief executive of BBC Enterprises, James Arnold-Baker, proclaims the U.S. his major target for expanded sales. He told a London press conference that Enterprises sales director, Roy Gibbs, will be going to New York to become Lionheart Television International senior vice president of programming, declaring that the move is aimed at strengthening links with the U.S., reemphasizing the importance of the market. At the same time, Arnold-Baker praised Lionheart president, Frank Miller, whom he said has done a lot already to drive up the potential. Arnold-Baker also said he, too, would be spending a great deal of time in the U.S. The new head joined Enterprises from Fisher-Price toys, where he was vice president, Europe. Although he has not had any previous broadcast experience, he said he believed that was both positive and negative: "I have a lot to learn, but perhaps I can bring some outside experience as well."

Commercial networks. While Arnold-Baker said he would like to get more commercial network exposure for BBC programs in the States, he acknowledged the difficulty. He pointed, however, with some pride to the program, *Edge of Darkness*, which he said bettered the network ratings when it was broadcast recently in Los Angeles on three successive nights. The BBC, he said, will explore ways of repeating the Los Angeles success story with its programs in other markets.

Starting next month, BBC programs will also be available on cassette for the U.S. market, through CBS Fox.

Arnold-Baker's arrival coincides with the announcement that all co-production activity involving the BBC, both internally and with outside producers, will be amalgamated within enterprises, allowing the organization in the future to "speak with one voice."

BBC Enterprises is the world's largest exporter of TV programs with an annual turnover of well over $150 million.

NBC mulls sending news shows to U.K. hotels via satellite

NBC is looking at the possibility of broadcasting two of its current affairs programs, *Nightly News* and the *Today Show*, direct to the U.K. by satellite, it has been reported.

An NBC spokesman would only confirm that "we are in negotiations," but it is understood that the shows would be available to hotels, cable TV operators and Britons in possession of TVROs.

It also is believed that the company could be considering severing ties with the BBC and Independent U.K. networks in order to deliver other programs directly, although what programs and how NBC would fund the transmissions is unclear.

Paris

La Cinq revamps schedule, pulling prestige programs

La Cinq has pulled prestige programs out of its lineup. As of September 26, the station reverted to a straight diet of series and TV movies in across the board horizontal programming (i.e., similar shows in similar nightly time slots). Miniseries, sports exclusives and special programs already acquired, such as *Roots-Part II*, will not be aired for the time being.

The broadcaster says advertisers' defections, due to public service stations exceeding their ad revenue quotas, has forced La Cinq to cut costs. The move is seen as an attempt to retain a bigger share of the prime-time audience—the company is apparently operating on the theory that more predictable standard fare encourages regular viewing.

Johannesburg

SABC denies charges that losses are due to mismanagement

The South African Broadcasting Corp. may have a loss of as much as 60,000,000 rand ($28,125,000/£18,750,000) this year. But allegations by the Johannesburg daily *Beeld* that the losses might be due to mismanagement have been dismissed by the SABC as "extraordinary."

The losses, said the SABC, were mainly due to a 17 per cent drop in advertising revenue.

Using its own Johannesburg home service to refute the charges, the SABC said that its operating efficiency in cost-per-broadcast-hour is 50 per cent less than the British Broadcasting Corp. License fees, it explained, constitute only one quarter of its income, so that the loss of ad revenue has a considerable impact.

This loss, it was noted, is primarily due to the deterioration of the South African economy.

The company also referred to considerable cutbacks in its budget this year, including an 8.5 per cent staff reduction and a scaling down of capital projects. It also pointed out losses incurred by TV2 and TV3 and extending transmissions to rural areas. Further factors contributing to the losses, it was noted, included the increased cost of importing programs and the decline in the exchange value of the rand.

Hollywood

Former Disney execs to distribute shows to Europe

A production/marketing/distribution company called International Creative Exchange has been formed to package U.S. films and TV programs for European television. President and CEO of the company is Oliver de Courson and chairman is Ron Miller.

De Courson, who is French, is a former president of Walt Disney Telecommunications and of The Disney Channel, a pay cable network in the U.S. Miller is a former president and CEO of Walt Disney Productions.

Peking

China launches 'open university' transmissions

China's new satellite "open university" transmissions began regular service October 3. Trial transmissions last July were successful, said officials, and 480 ground stations throughout China have been installed.

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Tele 7 Jours Dinner Show

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during which the Nymphs and special prizes will be distributed.

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ANTHONY PERKINS HOSTS THE HORROR SHOW


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THE RETURN OF MARCUS WELBY, M.D.

RE MADE FOR TELEVISION.
THAT MAKE TELEVISION.
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THE GIRL WHO SAVED THE WORLD


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MCA TV

Cable Report

Tempo goes shopping

The Tempo Television network, a cable outlet most noted for its international and informational programming, now is turning toward home shopping as a primary programming format.

The 24-hour network, based in Tulsa, has entered into a partnership with a subsidiary of the Horn & Hardart Co., whose Hanover House division is a leader in direct marketing. The partners plan a November launch for the first of three half-hour, pretaped shopping shows, each focused on a segment of merchandise—first-line women's apparel, men's wear and household goods. Executives call it a "boutique" approach that differentiates its fare from other shopping services that specialize in closeout goods.

Tempo plans to expand to eight hours a day of shopping shows by January of 1987. The network currently runs the syndicated *Telephone Auction* shopping program, but executives say the continued airing of that series is problematic.

Signaling Tempo's change, president Dick Smith says the network is dropping its monthly affiliate carriage fees to cable operators, which averages about five cents per subscriber. Instead, it will give cable operators a 6 per cent cut of gross sales from the shopping shows.

Chairman Ed Taylor also says Tempo has plans to produce half-hour "boutique" shopping shows for syndication to broadcast stations. Tempo already is airing the self-produced *Jewelry Showcase*, which also is airing on the firm's two broadcast stations, WIHT in Ann Arbor, Mich., and KGST in Tulsa. The jewelry show does not involve Horn & Hardart.

Another shopper planned. Meanwhile, yet another home shopping network is in the works, this one created for the multibillion-dollar catalog industry, arguably the direct merchandising segment most threatened by the cable shopping phenomenon.

The American Catalog Shopper's Network is being formed by Mann Media of North Carolina. The firm's head is radio broadcaster Bernard Mann, former chief of the National Radio Broadcasters Association and chairman and CEO of Mann Media Inc., owner of two North Carolina radio properties.

Mann claims to have secured the interest of major catalog merchandisers and plans to formally announce his sponsors at the Direct Marketing Association's national conference in October in Las Vegas. He hopes to have his 24-hour, satellite-fed network in place by the first quarter of next year, and predicts a launch to more than 30 million cable homes.

"This concept differs from every other shop-by television venture because it will serve, rather than compete with, the nation's mail-order catalog industry," Mann says. "Catalog houses will be able to expand preferred customer lists in precisely targeted market segments and save printing and distribution costs as the public takes to upscale shopping on television," he adds.

Shop channels expand

The battle among the existing cable shopping players with the deepest pockets continues with two major developments.

The Home Shopping Network, which now reaches over 15 million cable homes with its original HSN 1, continues its expansion into the broadcast arena with the acquisition, pending FCC approval, of a ninth UHF television station—KIHS Los Angeles. Purchase price was $35 million. The acquisition will put HSN2, its second 24-hour shopping service, into more than 4 million homes in the Los Angeles area—by far the biggest single expansion move of HSN to date.

Meanwhile, another 24-hour shopping service, TelShop, is making aggressive moves to catch up with HSN. TelShop, which is now cablecast for six hours daily and 17 hours a day on weekends on the transponder carrying the daytime Financial News Network, has expanded its live weekday production and added a second satellite feed.

TelShop now is produced live for 19 hours per weekday and five hours a night on weekends. However, that is a total of the two satellite feeds. To access the new hours of production, a cable operator must pick up the new TelShop feed on Satcom IV, transponder 6. That feed goes from 2 a.m. to 7 p.m. weekdays, and from midnight to 5 p.m. on weekends. In primetime, the satellite slot is occupied by Madison Square Garden Network, the northeastern regional sports service.

Still on IIIR. Meanwhile, TelShop will continue to be cablecast in a more abbreviated form on Satcom IIIR, transponder 4, from midnight to 6 a.m. on weekdays, and from midnight to 5 p.m. on weekends. The rest of the time, that satellite slot is used by FNN, which reaches some 22 million households, and its evening sports service, SCORE, which penetrates 18 million homes.

Although more cable systems look at Satcom IIIR than Satcom IV, TelShop officials expect to add some 10 million households to TelShop's present reach of 15 million households.

Significantly, TelShop has quietly followed industry leader HSN into the broadcast world. UHF broadcast stations in Miami (WBFS), Philadelphia (WGBS), Chicago (WGBO), Atlanta (WVEU) and San Francisco (KSTS) have been airing segments of the service at selected times over the past month. TelShop cable affiliates in these markets will receive full revenue sharing compensation for sales generated in their regions, even if the order was generated by viewing to broadcast rather than cable, according to TelShop. TelShop officials say the addition of the second transponder could open up new opportunities for expansion of TelShop's reach, notably on the broadcast side.

TelShop, which differentiates itself from other services by offering more top-line, latest-model merchandise as opposed to close-outs, is a partnership of FNN and Comp-U-Card International, a leader in shopping by computer service, mostly top-line, rather than close-out, merchandise.

Travel network itinerary

A cable network focusing on travel, the World Travel Network, plans to launch 12 hours of daily satellite-fed service in the first quarter of 1987.

The operation, which will be advertiser-supported and offered free to cable system operators, is backed financially by the Mercator Corp., international merchant banker. The network's president is Harry Francis, former top programming executive at Meredith Broadcasting Group.

More than half of the network's programming will be original, Francis says, consisting of "live-on-tape profiles of worldwide destinations and their hotels, restaurants, attractions and landmarks."

"We do not plan to make this a wall-to-wall commercial venture for a single advertiser," Francis says. "We want to build credibility with our customers."

The network plans a travel-trivia show, *On Your Way*, to be produced by Nicholson-Muir, producer of *The Newlywed Game*.

Another show, *The American Experience*, will be hosted by Nancy Foreman, lifestyle correspondent for NBC's *Today* program. The show will feature domestic vacations and quick getaways.

Francis says negotiations are underway to secure a satellite transponder.

More exclusivity moves

The exclusivity battle in pay TV shows signs of cooling down. Home Box Office, whose corporate fathers have eschewed exclusivity as a strategy, nonetheless is touting its exclusive deal with Paramount Pictures for pay TV rights to *Indiana Jones and the Temple of Doom*, one of the film industry's top 10 blockbusters of all time.

Industry sources estimated the license fee at more than $10 million.

That five-year, $500 million exclusivity deal that competitor Showtime/The Movie Channel made a couple years back had a provision for the exclusion of certain titles, and *Indiana* was one of them.

Meanwhile, Showtime/TMC continues on its exclusivity binge with a five-year pay TV/pay-per-view pact with Orion Pictures, said to be worth nearly $200 million. Covered are all Orion titles going into production after August 1 of this year.

Cable saves 'Uncle Floyd'

Cable TV—specifically, the Cable Television Network of New Jersey, an industry cooperative—is letting the show go on for one of the Northeast's premier "kid-dult" TV hosts, "Uncle Floyd" Vivino.

The Uncle Floyd Show is ostensibly a kiddie program hosted by Vivino, a 1980's version of Pinkie Lee who is known for his pork-pie hat, silly songs and inane, often sarcastic humor—some double entendre, some pointed at his home state of New Jersey.

The show has run on broadcast, in syndication, and, most recently, on the New Jersey Network, a link of public TV stations in the garden state. It seems, however, that officials of the network took a strong dislike to Vivino's brand of loose, low-brow humor and recently said he was being dropped.

The cancellation prompted howls of protest from Uncle Floyd fans, who couldn't bear the thought of TV life without Oogie, Mugsy, and Loony Skip Rooney. Among the show's fans is Jim DeBold, executive director of the CTN cable network, who quickly made a co-production deal for a daily half-hour show, to premiere November 3.

Under the pact, Vivino is paying a set fee, said to be well under CTN's normal $700 per half hour, for air time. He also gets production facilities at Storer Cable in Hightstown, N.J., and the right to sell and profit from five minutes of advertising per half hour. CTN retains one minute of ad time.

DeBold sees *Uncle Floyd* as "an absolute audience-builder" for CTN, which is carried by 37 cable affiliates reaching more than 1.2 million Jersey homes.

Local programming exchange

Four major cable multiple system operators are forming an information exchange to share ideas and strategies on local programming. The MSOs are American Cablesystems, American Television and Communications, Cox Cable and Viacom Cable.

The firms have sent a questionnaire to about 30 other MSOs, seeking guidance on what topics to cover in the exchange. Topics of coverage are likely to include such things as successful local programming concepts, tools for measuring local audiences and revenue-generating methods.

The group plans an organizational meeting during the Western Cable Show in Anaheim, Calif., December 3–5.

Colorization pays off

Colorization has sparked a fierce debate among film aficionados, many of whom have chastised Ted Turner for authorizing the colorization of his newly-owned MGM film classics—including such black-and-white gems as *Casablanca* and *The Maltese Falcon*.

The controversy notwithstanding, colorization apparently pays off in ratings, according to numbers released by Turner Broadcasting System's superstation WTBS. The Monday, September 8, color premiere of 1942 classic, *Yankee Doodle Dandy*, starring James Cagney, scored 4.4 rating/7 share in the WTBS universe, in 8–10:45 p.m. ET time period.

The rating makes the film the best viewed movie of the summer for WTBS. The most recent primetime weekly movie to turn in a similarly impressive performance was *Sergeant York*, which did a 4.3/7 on Monday, May 26.

Why Television Age International is the world's leading broadcast publication.

Radio Report

Study to "determine spot radio advertiser needs"

Members of the new National Spot Radio Task Force have agreed to authorize a study to "determine advertiser needs in light of their current perceptions of radio and in relation to national spot sales." The study will be conducted by Butterfield Communications Group of Cambridge, Mass, says Don Macfarlane, director of marketing for CBS Radio Representatives and chairman of SRA's National Radio Marketing Group, "to give us a better fix on where the opportunities lie for national spot radio down the road, so we can put together our marketing plan and presentations accordingly."

Macfarlane emphasizes that the work of the NSTF "will be a joint effort of not only many different radio reps but of a number of station people and of the Station Representatives Association and the Radio Advertising Bureau as well. We expect to be dovetailing Butterfield's findings with existing information already in RAB's research pool. Both Bill Stakelin (president, RAB) and Jerry Feniger (managing director of SRA) were at the meeting and were as enthusiastic about our joint project as I am."

The meeting, Monday, October 6, at the New York headquarters of John Blair & Co., and hosted by Barbara Crooks, executive vice president of Blair Radio's Representation Division was a followup to earlier discussions among reps and station managers at the Radio '86 Convention in New Orleans in mid-September.

Arbitron contracts

Arbitron Ratings has recently signed five-year contracts with radio broadcasters valued at $48 million, according to Anthony "Rick" Aurichio, president of the company. Aurichio says this represents almost 25 per cent of Arbitron's revenue from syndicated radio ratings. It's been estimated that Arbitron collects more than $50 million annually from radio broadcasters.

Arbitron started with five-year contracts 10 years ago, and about one-third of all its contracts have expired or will expire during the period September through February. In the case of the recent contract signings, Aurichio says he hasn't lost any of the majors so far.

Birch signs BDA/BBDO

Birch Radio has signed BDA/BBDO, Atlanta, as the exclusive service for markets it measures, the rating service reports. This is the third BBDO office signed by Birch. The agency's New York and Los Angeles offices use Birch as its "primary" radio rating service, according to Birch.

Meanwhile, Birch Radio executive vice president William Engel announced the three remaining members of the Birch Radio Technical Advisory Board in advance of its first meeting October 10 (see also *Radio Report*, September 15). The trio includes Edward Schillmoeller, senior vice president, statistical research, Nielsen Media Research Group; Steve Sussman, manager of programming, BDA/BBDO, and Nicholas Schiavone, vice president, radio research, NBC.

Jackson urges action

The Rev. Jesse Jackson won a great deal of support, and funding, during a speech to the National Association of Black Owned Broadcasters (NABOB), when it held its annual fall conference in Washington, D.C. He ridiculed the room of black broadcasters for thinking they can work with the FCC, record companies and advertising agencies on their terms.

Fresh from a black-sponsored victory in getting sanctions imposed against South Africa, Jackson invited the broadcasters to a meeting in Chicago a few days later to help plan a strategy of protest to force the agency and two industries to deal with the issues the black broadcasters are complaining about—FCC policies that fail to encourage black ownership of stations, record company discrimination between black-format stations and white-owned top 40s, and discrimination by national advertising agencies against black-format stations.

He suggested placing pickets in front of FCC headquarters, boycotting the discs of record companies that spurn black stations when black artists reach the top 40, and boycotting agencies that refuse to place ads on black-formatted stations.

"Writing letters and spending a lot on airplane fare don't work," Jackson said. "A thousand pickets in front of the FCC will work; it will begin to make things happen."

Just as blacks in the past have targeted bus companies, stores, an entire city, and even CBS in Chicago to win equal treatment for blacks, Jackson said, "We must now target an advertising agency not giving us our share of ads, target the FCC and target the major record companies."

Station use urged. He urged the broadcasters to use their stations to get the word out to their listeners about the three forms of discrimination they now are facing: "those who have access to our ear should put the information in our ears."

He added, "If we cannot get our share of advertising from these companies that expect sales in our community, we've got to come by 10." It's all right to march around the South African embassy, he said, "but someone needs to march around the FCC, sit up in there, go to jail in there."

He added, "When the FCC offends us, we must respond to them. When we collectively announce on a given day that we are going to put a thousand people in front of FCC, you will get some action. . ..That's the language they understand."

Jackson asked for funds for his Rainbow Coalition at the end of his speech and received several thousand dollars in contributions.

Panache buys 4 stations

Panache Broadcasting Corp. will buy the assets of radio stations WWDB-FM Philadelphia, WTUX/WTLC-FM Indianapolis and WBLZ-FM Hamilton (Cincinnati) for $28,500,000 in cash, subject to review and approval by the FCC. The stations are being purchased from BENI Broadcasting Associates, Inc.; BENI of Indiana, Inc.; NEWSystems-WMLF of Indiana, Inc.; and NEWSystems of Pennsylvania, Inc. WWDB-FM is an 18,000-watt Class B station; WBLZ-FM is a 19,300-watt Class B outlet; WTLC-FM is a Class B, 50,000 watter; and WTUX (formerly WMLF) is a Class III AM, and uses 5,000 watts during daylight hours and 1,000 watts at night.

According to Charles D. Schwartz, president and CEO of Panache, a newly formed corporation, no major changes are anticipated in the format or operation of the stations once the transaction is closed. "The sale will mandate no changes in management or personnel at the stations," says Schwartz. The seller is controlled by Ragan A. Henry, Philadelphia attorney and broadcast group owner. Henry says he'll continue to operate stations "and I have some other plans which I will announce soon." After the transaction is completed, Henry says, he will devote three months in organization and fund-raising efforts of the National Black Media Coalition. The buyer was represented by Communications Equity Associates, which has been retained as its investment advisor.

Spot radio's silver lining

The bad news from radio Advertising Bureau is that spot radio was virtually flat—down 0.2 per cent—in the first six months of this year compared with last year's like period. But the good news is that 10 advertiser categories grew significantly in the medium.

The two biggest gainers were government and retail, up 66.3 and 61 per cent respectively. Included in government's $10.1 million expenditures in the six months are lotteries, political, military recruitment and postal marketing. Other categories with significant gains are: education, 44.4 per cent; pet products, 37.1; professional employment, 27.7; publishing and media, 13.8; communication, 13.3; drug products, 13.3; health care services, 13 and food products, 7.

Banks banking on radio

Seventy-seven per cent of all banks used radio advertising in 1985, spending an average of $25,216 per bank, or 15 per cent of all advertising expenditures, according to the annual Bank Marketing Association study of advertising expenditures. Analyzing this study of 1,036 full-service banks, Kenneth J. Costa, vice president for marketing information at the Radio Advertising Bureau, notes that, while this represents only a 1 per cent increase over the previous year, it spells out a steady growth in an industry experiencing such chaotic developments as deregulation, the shrinking number of banks and increased non-bank competition.

The study shows the average bank increased its radio spending by 8.2 per cent over 1983 levels. Costa points out that, if the average radio spending per bank is projected to include the 10,000 full-service banks operating in the U.S. at the end of 1985, the industry total—excluding savings-and-loan banks and mutual savings banks—would be $378.2 million devoted to radio advertising.

NAB syndication directory

The National Association of Broadcasters 1986 directory of syndicated radio programming has been published and is available to members at a cost of $10 and $20 for nonmembers. The directory lists production libraries, jingles, and formats (automated, live and live-assist), plus music-oriented and general special programs. The publication contains most of the independently produced and nationally marketed radio programming available as of August, 1986. Each listing is accompanied by the producer's company name and a reference index of company addresses and telephone numbers. The directory is available from NAB Services.

POP Radio shows results

Point-of-Purchase (POP) Radio Network recently showed a 282 per cent total increase in the sale of eight tested items advertised on the network in a recent 10-store test with Eckerd Drug Co. in southern states. POP Radio, designed to sound like "live" radio with music, information and commercials, brings more than 40 advertisers into over 3,000 drug stores, including also People's Drug, Adams Drug and Fay's Drug.

The 10 Eckerd stores whose sales of the items were tracked via Universal Product Code were compared with another 10 where the POP Radio system was removed. In the stores with the service, individual product sales at least doubled for each of the eight products over the control store and were up as much as 24 times, according to Robert Gray, chairman of POP Radio.

Gray says point-of-purchase industry research indicates that over 65 per cent of all brand decisions are made by shoppers in-store. POP Radio has been in Eckerd stores for more than a year. Advertisers include Bristol Myers, Chesebrough-Ponds, Colgate-Palmolive and Procter & Gamble.

Radio Business Barometer

August spot radio up 6.8%, adjusted

August was the first month this year in which the Standard Broadcast Month (SBM) was a different length than the year before. Hence, when August figures from Radio Expenditure Reports showed an increase of 33.5 per cent in commissionable spot radio billings in the wake of flat sales during the first six months of the year, it was obvious where that increase came from: August, '86, was a five-week SBM, while August, '85, was four weeks.

What RER does in cases like that is adjust the previous year. And when that was accomplished, the picture looked a little different—an increase of 6.8 per cent for August. What RER did was increase the August, '85, total by 25 per cent, representing five weeks.

The five-week figure for August this year showed spot radio billings of $94,046,600. The four-week figure for August, '85, was $70,448,100. Adding 25 per cent to that brought the adjusted total to $88,060,100.

The 6.8 per cent increase for August doesn't sound like much, but it was the best monthly percentage increase this year. The best previous month in terms of growth in '86 was May, which showed a rise of 4.9 per cent. Four months during '86 showed declines from the year before, including every month during the first quarter.

Total commissionable billings for spot radio through the first eight months of '86 came to $600,313,000. But with the difference in SBMs in August, it turns out that the year-to-date figure for '86 covers 35 weeks while the year-to-date figure for '85 covers 34 weeks. The unadjusted '85 figure for eight months came to $574,001,700, representing an '86 increase of 4.6 per cent. Adjusting the '85 figure upward to $590,884,100 representing 35 weeks, brought the year-to-date increase to 1.6 per cent.

All four market groups measured by RER showed increases during August, as might be expected in a four-week-vs.-five-week situation. The best performance as usual was turned in by the 51-plus markets, which accounted for $23,309,500 in time sales vs. $16,686,400 last year, for an unadjusted increase of 39.7 per cent. The adjusted figure of $20,858,000 brought the increase down to 11.8 per cent.

Next best performance was that of the 26–50 markets group, with $14,499,000 in billings, up 35.8 per cent, unadjusted, from $10,672,900. The adjusted billings figure, $13,341,100, represents an 8.7 per cent rise.

The biggest market group in terms of spot radio billings—the top 10 markets—was up 31.5 per cent, unadjusted, to $35,731,900, as against $27,174,600 last year. The '85 adjusted billings figure is $33,968,300, which puts the adjusted rise for the top 10 markets at 5.2 per cent.

Finally, the 11–25 markets were up 28.9 per cent to $20,506,200, unadjusted, as against $15,914,200 in '85.

National spot +6.8%*

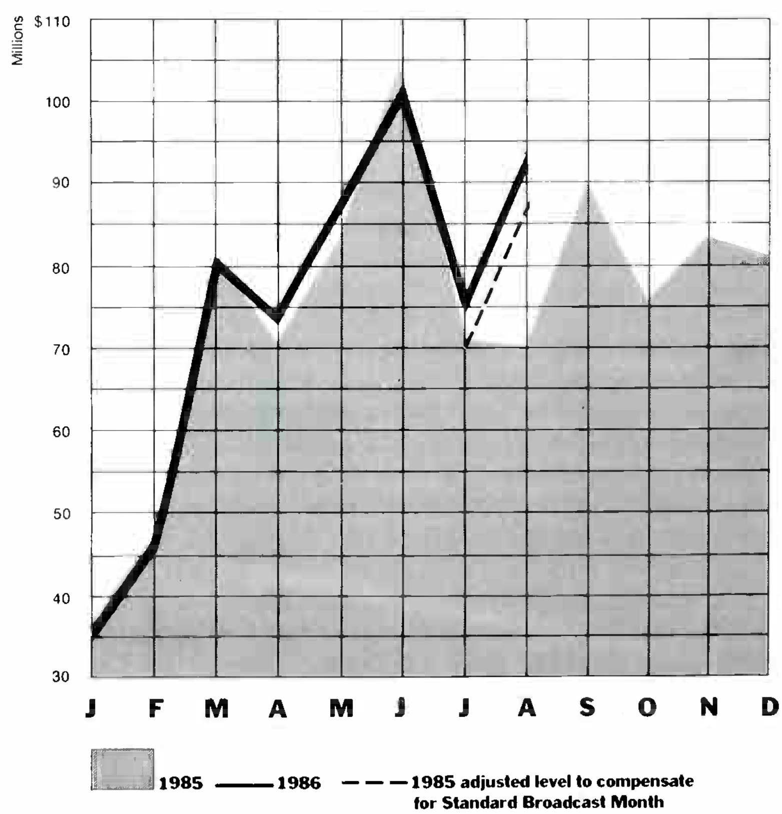
(millions) **1985: $70.4** **1986: $94.0**
1985 adjusted: $88.1

Changes by market group

Market group	*Billings (mils.)*	*% chg. 86–85**
1–10	$35.7	+5.2%
11–25	20.5	+3.1
26–50	14.5	+8.7
51+	23.3	+11.8

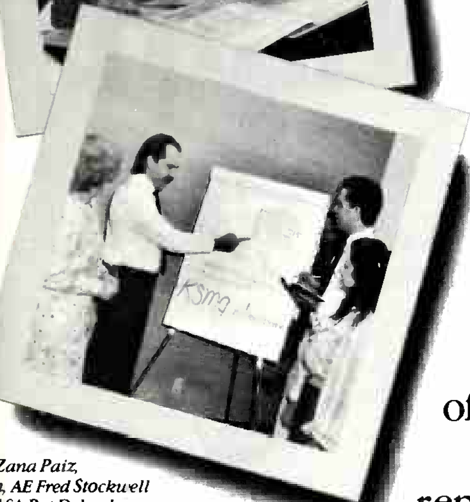
Source: Radio Expenditure Reports
**Adjusted*

August



on with Marketing/Promotions Mgr.
aron Hansen.

Don Hall knows more about KSMG because he's been there.



Zana Paiz,
on, AE Fred Stockwell
d SA Pat Delgado.

McGavren Guild Radio salespeople will spend two weeks this year working at our client stations.

We feel that this type of first hand information is why McGavren Guild Radio salespeople know their markets, stations and the radio industry better than any other rep.

That's why Don Hall, Sales Manager from our Dallas office, recently traveled to San Antonio to work at KSMG.

"Media buyers across the country hear from radio representatives, 'The market is unique – the station is unique.' By visiting, working and learning at MAGIC 105, I can now turn a tired cliche into reality and position the station accordingly."

At McGavren Guild Radio we believe the best way for a national rep to sell beyond the numbers is to have reliable, first hand station and market knowledge through regular visits to our client stations.

SM Joyce Scheer-Marshall, Don and
ational/Regional Sales Mgr. Steve Schoppa.

McGAVREN GUILD RADIO

Innovative Leadership

Don with
Chief Engineer
Richard Schuh.

AN
INTEREP
COMPANY

Don, Traffic Director Diane Garibay
and Assistant Bookkeeper Linda Gutierrez.

Don with Morning
Air Personality Bruce Hathaway.

Jim Fowler. The man with animal magnetism.

"Mutual of Omaha's Wild Kingdom" and its star, Jim Fowler, attract viewers like a magnet. Once again nearly half our rated stations delivered a 6.0 rating or better with an average rating of 9.2 !*

To put more pull in your schedule, call Hal Davis at 402-397-8660 or Bob Aaron at 804-481-4727.

MUTUAL OF OMAHA'S WILD KINGDOM

Starring: Jim Fowler
Featuring: Peter Gros

*Arbitron, Feb 86.

Television/Radio Age
October 13, 1986

Web economy, clutter, zapping set scene for single-sponsor, consortium specials

Sponsor-developed programs hit stride in network climate

By EDMOND M. ROSENTHAL

Nobody expects sponsor involvement in network television to return to what it was in the 1950s, but the majority of top agencies anticipate an upsurge of single-sponsor and sponsor-developed programming on the webs. They contend that this is arising from the needs of both the networks and the advertisers.

The networks, they say, are more open to advertiser-originated programming—at least in specials and miniseries—because of their own concerns with controlling cost. For the sponsor with a substantial budget, there is the opportunity to control not only the programming environment but also the flow of commercials—a growing concern in this era of zipping, zapping and clutter.

A major example is the recent *George Washington, the Forging of a Nation*. For each of the two evenings of two hours each, General Motors ran what essentially amounted to a 12-minute commercial created by N W Ayer. It was actually six two-minute segments done as a continuing story, featuring a TV reporter doing a documentary on today's GM. Each of the segments can be edited down to a 60 for future separate use.

From a financial point of view, some advertisers prefer the less risky approach of strictly committing for all advertising time on a network-developed special, letting the network control the programming entirely and having the assurance of makegoods if the ratings don't measure up. But the top advertisers, with more money to spend and a variety of demographically-compatible products, more often are opting to put up production money as well—typically $1 million per hour. They feel the added risk can be offset in agreements that amount to considerably lower investment for the second run of the program as well as a share of returns from the growing back-end licensing market, including syndication, cable, home video and sometimes overseas distribution.

Another method, for advertisers willing to spend production money to obtain "better than network quality" and a degree of control without investing in a full sponsorship, is the consortium approach. A year ago, former Gillette Co. executive Tom Ryan formed Red Oak Productions and got together five major advertisers hoping to produce quality made-for-TV movies. So far, no properties have been finalized, and agency executives tell TV/RADIO AGE it will be difficult to get that many advertisers to agree on anything.

But now there's apparently a similar, if less ambitious, consortium effort in the works. While declining to provide further details at this time, Sherman J. "Jack" McQueen, senior vice president, managing director of Foote, Cone & Belding/Telecom, discloses that one of his clients is involved in forming a consortium in which three or four major advertisers will finance two made-

George Washington, the Forging of a Nation

As sole sponsor of a two-part miniseries, General Motors was able to run what was essentially a 12-minute commercial.

The Last Days of Patton

Control over content and identification with it is the major reason for sponsor-developed specials, but they often recoup a good portion of their cost on the back end.

Love Is Never Silent

Alex: The Life of a Child

for-TV movies a year.

McQueen says there is a greater tendency now for clients to put up production money and be involved right from the commissioning of the script. In some cases, he says, the property can be co-owned with a foreign producer. He adds, "This provides the ability to put it in some kind of an aftermarket and see some of the money coming back. They're not just plunking down $3.5–3.7 million for a two-hour show [production and commercial time]."

He notes the sponsor can't expect to get a major percentage of his investment back, "but if they're lucky, they cn recoup up to 25 per cent of it in the aftermarket. Procter & Gamble particularly has been doing this with biblically-related pictures." He cautions, "Most clients look at this as a 25 per cent reduction in advertising expenditure. We counsel them not to feel they're in show business."

This may be fine for a P&G, in the thinking of Paul Isacsson, executive vice president at Young & Rubicam, "but there aren't a lot of clients who can take that kind of a hit and be on the air for the rest of the year." He contends only a few of the top clients can afford single sponsorship. His agency, as far as he recalls, has not been involved with any single-sponsor shows since the departure of Hallmark, which has historically centered its network budget on holiday Hallmark Hall of Fame specials. The closest Y&R has come of late, he says, is buying major positions for Lincoln-Mercury in miniseries, but, "I don't see anything appropriate for them now."

Even though Leo Burnett has been involved in a number of single-sponsor specials, Bill Eckert, vice president in charge of its TV programming department, generally agrees with Isacsson on the economic barriers in drama specials: "It's almost impossible to do dramatic specials in two hours, and not many companies can even assume the financial load of a two-hour show."

But some that can are Burnett clients. Last June, there was *Kraft Salutes Ford Theater* on CBS for an hour. Also for Kraft, last January there was *Supernight at the Superbowl* on CBS, a one-hour live potpourri from the parking lot of the Rose Bowl the night preceding the game.

Where Burnett has been particularly active for its clients is in the beauty contest arena. It's been placing clients in Miss America pageants for 15 years, initially Kellogg and, in last month's event, Pillsbury, which became a cosponsor with six out of 28 commercial units. Meanwhile, P&G has been in exclusive sponsorship positions for 25 years in pageants like Miss Universe, Miss USA and Miss Teen USA Eckert says the costs for these specials are not significantly different from those of dramatic specials, but, "What is different is that the audience is female-oriented and that it's clean programming."

With Miss America being a nonprofit organization, all of its operating funds come from the sponsors of the special, Eckert notes. While the Miss Universe pageant receives funds from P&G, he adds, it is a profit-making operation and gets additional revenue through promotional deals with cosmetics companies and the like.

Cost savings

Bozell, Jacobs, Kenyon & Eckhardt was involved in the airing of two recent single-sponsor specials—the Chrysler Showcase presentation, *The Last Days of Patton*, and *Walter Cronkite at Large*, fully sponsored by Merrill Lynch. For *Patton*, Chrysler financed the program and put it on the network. This, according to Werner Michel, senior vice president of programming for BJK&E, amounts to "cutting out the middleman," which is the network itself. He says it would be difficult to identify a premium paid to the network when the sponsor doesn't produce the show but it shows up in the cost of sponsoring the second run of the program, where he says the network makes more money.

Additionally, he notes, the sponsor had control over casting, and he was involved in the script stage and present on the set. With Chrysler not only having rights to the second run but also syndication and home video, it expects to get some money back, Michel says.

One thing the advertiser didn't have control over was the lead-in to the show, which, in this case, was President Reagan. He points out the last half hour of *60 Minutes* was getting a 35 share but that the CBS share declined to 27 when the President went on: "That lost us a lead-in of eight share points." Nevertheless, *Patton* was the top network show in its time period over reruns of *The Winds of War* and *Dumbo*, getting a 19.5/32.

Also on a Sunday night, the one-hour *Walter Cronkite at Large*, suffered even more, at least partly as a result of lead-in problems. With CBS starting its evening 13 minutes late following NFL Football, Cronkite's lead-in was another single-sponsor event, the first of two nights of *George Washington, The Forging of a Nation*. Up against the Emmys and the movie, *You Only Live Twice*, *Washington* only got a 13.3/20 (and a 9.8/15 on its second night). By the time the Cronkite special went on at 10:13 p.m., it could only score a 9.7/16.

Michel points out, though, that a special like this does not seek mass ratings but upscale demographics. He says it will be decided by November or December whether Merrill Lynch will sponsor another Cronkite special next February. He adds, "I think the rationale will be an emotional rationale." The recent Cronkite special marked the return of the famous Merrill Lynch bull in commercials, under the theme "Your World Knows No Boundaries."

Of course, the sponsor had no programming input in the Cronkite special: "We had to buy the show from the network because the news department doesn't allow you to bring shows to it."

For programs that the sponsor can develop, Michel says, "Sometimes you can share rights with the producer; sometimes you split it territorially—it varies." Neither the agency nor the advertiser become directly involved in the aftermarket, he notes. Syndication and the like are turned over to firms with that expertise. He adds, "In the future, we may make a deal with a producer where it handles the distribution, and we share in the revenue."

Working with producers

Richard Kostyra, senior vice president, media director at J. Walter Thompson, reports his agency has been involved in both long-term and "irregular" specials over the years. For Kraft, it has been involved long-term with *The Country Music Awards* and on an "irregular" basis with the likes of *David Copperfield*. JWT recently acquired the IBM account, which earlier had done such specials as *A Christmas Carol* with George C. Scott and *I, Leonardo*.

Kostyra says the agency's three buying offices keep an alert for opportunities in specials: "Producers often have ideas that they talk about with major advertisers as well as with the networks. If the idea grabs you, you start following up and getting the client interested. The client looks at scripts and is sometimes asked for upfront money to lock it in."

He adds that networks also approach the agency with projects in early development and that JWT is currently weighing an ABC program on Africa, to be hosted by Peter Beard. So far, the agency has seen only a rough scenario and had conversations with Beard on what he expects to do.

"As we get rough footage," Kostyra says, "we'll take a further look and may make a commitment or delay it further. We'd have no input because we're not committing up front." Even when an advertiser commits only for time, he says, it occasionally may have some programming input, depending on the attitude of the producer, but this is possible only when the commitment is at a very early stage. The guidelines typically are very general, he adds. For example, IBM would be likely to insist on authenticity and Kraft on adherence to family standards. As for cost, Kostyra notes an advertiser financing production can often pay more than $1 million an hour, as well as $125,000 per 30-second spot, so a four-hour miniseries similar to the recent George Washington sequel can run about $12 million—with the sponsor assuming the risk of audience delivery.

(*continued on page 73*)

With the exception of Miss America, Procter & Gamble, through Leo Burnett, has had a long-running lock on the major beauty pageants.

Miss USA Pageant

Gillette, Coke get into single-source buys, mull live satellite feeds

Murdoch's media reach invites global advertising schemes

By VICTOR LIVINGSTON

What has been touted as a watershed event in the evolution of global marketing had its genesis this past spring when an inspired ad man working the Gillette account whispered his latest great idea into the ear of poker-faced international media baron Rupert Murdoch, who took a fancy to the concept.

The idea first took form during a press conference in New York in May to announce the launch of the Fox Broadcasting Co. and the signing of Joan Rivers to late-night talk show duties. Arnie Semsky, senior vice president of media at BBDO, was with Brian McFarland, the vice president of advertising services for Gillette North America. In conversation, it occurred to both men that Gillette already was an advertiser on Murdoch's Sky Channel, the pan-European satellite service that reaches some 7 million cable homes across Europe, an admittedly tiny slice of Western Europe's total TV households.

Gillette also is an advertiser on Network Ten in Australia, another Murdoch media property covering 65 per cent of the nation's TV households, and is a charter sponsor for the upcoming coverage of the America's Cup yachting event, to be broadcast worldwide. And both Semsky and McFarland agreed that the new *Late Show Starring Joan Rivers*, which now clears about 80 per cent of U.S. TV households, looked like an interesting fit in Gillette's domestic media plans.

The synergistic possibilities immediately became apparent to Semsky, long admired by his colleagues as a media guru who often displays prescient insights into world media trends. Now here was an opportunity: Gillette's North American division was favorably disposed toward using the Rivers show; why not bundle the cient's entire worldwide budget on Murdoch TV properties together to allow a more favorable deal? That way, he theorized, BBDO could get its client a bigger bang for its overall advertising buck on Murdoch properties, while also enjoying the efficiencies of a buy coordinated out of one central location.

Ad people who think globally can please both client and medium with fine-honed strategy.

Arnie Semsky

Strategic benefits

But there were less obvious, but just as important, strategic benefits to be gained, Semsky reasoned. BBDO had merged into an international holding company, Omnicom. Its own agency structure exemplified the trend toward consolidation and internationalization of the advertising business. What better way to demonstrate the opportunities of international amalgamation than to cut a deal demonstrating a coordinated global agency effort on behalf of a single client?

What's more, speculation about Murdoch's fourth network had set the media business buzzing; already, pundits were speculating about how Murdoch might coordinate his worldwide media might, exploiting the benefits of continuing government deregulation of broadcasting and advancements in satellite technology. Some of this speculation has centered on the growing cultural and political power wielded by Murdoch and similar entrepreneurs by dint of their media clout. Semsky's strategy would counter such talk by emphasizing the positive: Murdoch as a forward-thinking global communicator, a man whose acquisitions had forged the structure for the interaction between global media and global advertising. Semsky terms it "true networking." Not a global "network," simultaneously transmitting the same programming and commercial messages in the conventional network sense, but a coordinated network of media properties—making possible "single-source" media buying, achieving heretofore unheard of economies of scale.

The ad agency would save its client's money in several ways. By coordinating its global buying, it would extract the greatest price advantage from the media conglomerate. And it would achieve savings by negotiating and placing those media buys through a centrally coordinated enterprise—akin to the "one-stop stopping" concept.

"We wanted to establish a relationship among Murdoch and Gillette and BBDO, all worldwide players," recounts Semsky. "It could have been done without the agency being part of Omnicom, but that aspect didn't hurt."

A few weeks later, Semsky was with Murdoch at another New York meeting, and he went right to the top with his concept. As Semsky reconstructs it, "I sat down next to him, and said, 'Rupert, I've got an idea for you. Why can't

Rupert Murdoch's sole ownership of media properties on three continents is opening up new opportunities to the U.S. sales force at Fox Broadcasting Co.

Rupert Murdoch

Jamie Kellner

John Lazarus

we make a single-source buy with you, and then customize it to fit different products, countries, and budgets?' "

When Murdoch signalled his approval of the strategy, Semsky asked for one more thing: "We need exclusivity on this." He adds, "We wanted to be the first to do it, for the media value and for the PR value. It creates new opportunities for everyone, and it shows that it can be done." That was fine with Murdoch; and by the end of August, the deal was made.

Even before the incipient Fox Broadcasting Co.'s first ratings were in for the Rivers show, Semsky's scheme seemed to have paid off—certainly in PR value for BBDO, client Gillette, and for the Murdoch organization and Murdoch himself. Semsky publicly hailed him as a "worldwide media powerhouse." Rodney Mills, Gillette's vice president, international, also served up homilies: "Murdoch looks to be a media baron who has a global marketing outlook, and he's moved swiftly and quite firmly to establish his base."

What it means

But just how ground-breaking is the Murdoch-BBDO-Gillette deal? Does it really set new precedents in global market, or is hyperbole also at play? Not surprisingly, there are skeptics who fail to see the deal's import or substance. After all, they point out, Murdoch pretty much stands alone in controlling media properties on three continents; the deal could be viewed in the short-term as a one-time-only shot that fits the unique needs of a particular client, rather than as a precedent-setter. Too, examination of the workings of the deal reveals that decentralized negotiations, not hard and fast conditions imposed from above, shaped the terms of the deal.

But there was a guiding "umbrella" strategy at work; and some significant competitors to BBDO in the media world are tipping their hat, even if somewhat begrudgingly, to the agency and to Semsky. Even if the deal was evolutionary rather than revolutionary—more significant when analyzed for its theoretical ramifications as opposed to its nuts-and-bolts practical applications—it has again focused attention and discussion on the subject of global advertising. In a business steeled against its own hype, that in itself stands as something of a triumph.

Most significant, the deal apparently has provided an impetus for several similar projects involving the Murdoch organization and major multinational client-agency combos. Some of these newly-minted deals appear to move the concept of truly global advertising—universal programming, universal creative execution-ever closer to reality.

According to John Lazarus, FBC senior vice president, sales, several agencies in recent weeks have expressed interest in the global buying concept on behalf of clients. In some meetings, he confides, Murdoch's right-hand man, News Corporation Ltd. vice-chairman Sir James Cruthers, has sat in, along with James Stiles, who heads sales for Sky Channel.

But, Lazarus points out, "We are definitely not initiating these contacts are a sales objective. We're trying to maximize dollars for FBC. Our objective is to sell out *Joan Rivers*. If this is helping to do that, which it is, great. We've found we're the focal point for people here [in the U.S.] who want do discuss global advertising. But we're not prepared to speak for Sky Channel. . . . This is all evolving, and there is no corporate game plan, believe me."

Other ventures

Game plan or not, the Murdoch global empire, as exploited by clever ad people, is fast giving rise to some innovative global advertising ventures. The most notable deal to emerge in wake of

(continued on page 90)

Rodney Mills

Gillette execs see the Murdoch deal as another step toward truly global brand advertising campaigns.

Media seen acting as the catalyst, forcing client companies to restructure

Consumer is ripe for global approach: Saatchi & Saatchi

BY PAULA READ

The world may in the future find itself divided less by national boundaries and cultural differences and more by the kind of shoes people wear or by the kind of food they eat. This, at least, is the view of Saatchi & Saatchi Compton Worldwide, the U.K.-based advertising division of Saatchi & Saatchi, the international advertising agency.

"There are probably more social differences between midtown Manhattan and the Bronx, two sectors of the same city, than between midtown Manhattan and the 7th arrondissement of Paris," notes John Perriss, media director of worldwide operations.

This development, says Perriss, is a relatively new phenomenon—the phenomenon of "consumer convergence" where people in certain segmented groups come more and more to resemble each other around the world. The product manufacturer is increasingly taking "a consumer-driven" view of business rather than a "geography-driven" view, he adds. Thus, a manufacturer of leisure clothing in New York City, he says, will not attempt to sell his product in a smaller city but will look for the next big concentration of the kind of people likely to buy his product.

New advertising patterns

Coupled with the continuing consequences of technology and legislation worldwide, this, in the Saatchi & Saatchi view, is creating new patterns of advertising. As the world's largest agency, since its merger in May, 1986, with the U.S. agency, Ted Bates, Saatchi & Saatchi feels it's well equipped to define those new patterns and discuss trends of the future. (See separate update on Ted Bates management changes.)

The growth of consumer convergence, Perriss believes, has led to increasing globalization, with the consumer now in place to be wooed by global marketing.

Acknowledging that most client companies organize on a national basis, Perriss predicts that the media will act as a catalyst, causing these companies to restructure.

These are, he says, three types of globalization underway:

- Globalization of the client companies themselves.
- Globalization of the advertising agencies.
- Globalization of the media owners.

The process of globalization, he insists, is an unstoppable one. And advertising agencies will be caught up in that process. It will "make advertising a business which will polarize into very large agencies and groups of agencies which will be global, but also nationally successful. You won't find any medium-sized companies as you do in other industries."

Rupert Murdoch's News Corporation Ltd. is cited by Saatchi & Saatchi as an example of a global media owner. Murdoch, it's pointed out, has put together the infrastructure for the world's first global TV network, with operations covering Australia, the U.S.A. and Western Europe.

The print media, according to Saatchi & Saatchi, have already discovered the audiences waiting beyond national boundaries for their dose of *Vogue* or *Cosmopolitan* or some other publication. A magazine such as *Vogue* already produces six national editions, and, while each may be tailored to fit the individual country, all reach basically the same defined readership.

"The *International Herald Tribune*," says the agency in its 1985 review of advertising operations, can be called the world's first daily global newspaper with printing centers around the world from Miami to Hong Kong. "Everywhere in the world, defined specialist magazine and newspaper titles aimed at particular readerships are springing up to meet the growing variety of leisure and other interests. And many of these new titles rely entirely on advertising to support them."

Print's dominance

Although television is fast growing as a favorite advertising medium, the print industry still takes the lion's share of advertising, the agency points out.

And Saatchi & Saatchi believes newspapers are likely to continue to pose a substantial challenge as a rival advertising medium because of the increasing flexibility allowed by the use of modern electronic printing methods.

"Newspapers, after all, can add pages, but television advertising time is sharply restricted in many countries.

"Television advertising costs are also much greater—not that this appears to have deterred advertisers too much. While it is accepted that in terms of cost versus response, television advertising is very effective, costs have by any standard run rampant. In the U.K.

"There are probably more social differences between midtown Manhattan and the Bronx than between midtown Manhattan and the 7th arondissement of Paris."

John Perriss
Media director of worldwide operations
Saatchi & Saatchi Compaton Worldwide

this year, for example, TV advertising costs have increased some 25 per cent, compared with an inflation rate of around 3 per cent. Overall, costs in 1986 are, in fact, nearly seven times greater than comparable costs in 1973.

That said, Perriss still regards television as "the key medium," in worldwide advertising growth. Currently, he points out, television advertising takes about 31 per cent of total advertising expenditure in the United Kingdom (See table below).

The European television industry is, of course, undergoing an extraordinary period of expansion and change. Governments are gradually relinquishing the tight control they have maintained over the broadcasting industry, following in the path of the U.S. They have been forced to do so in large part because of the development of cable and satellite television.

Saatchi believes that the freer availability of commercial television airtime in Europe will stimulate greater advertising expenditures, particularly in such countries as France and West Germany where the amount of advertising time has been tightly controlled.

The past 10 years, Perriss points out, have seen explosive growth in the number of television channels available in the major developed countries, particularly the U.S. through the growth of cable. (See table).

"In Italy," the Saatchi report continues, "there are more than 300 private television stations. And elsewhere in Europe, there is feverish activity as governments find themselves forced to consider their media policy—faced as they are with such 'faits accomplis' as the European-wide television stations which include Sky Channel, Music Box, Screen Sport, Europa and Cable News Network."

Acceptance of cable is said to be growing in Europe—but slowly. Around 11 million homes are linked to large cable systems in Western Europe (about 9 per cent of the total), according to Saatchi, and the agency expects this figure to rise to around 21 million by 1995. Advertising revenues from all the channels are expected to total about £26 million ($37 million) by the end of 1986.

Bates changes

The Ted Bates acquisition may have made Saatchi & Saatchi the world's largest advertising agency, but the aftermath of the merger propelled S&S into the news in a manner it probably would have preferred to avoid.

Last month, Robert Jacoby was abruptly replaced as chairman and chief executive officer of Ted Bates Worldwide by Donald Zuckert. Jacoby had just recently removed Zuckert from the position of president. Ted Bates Advertising/New York, naming him vice chairman-senior corporate administrative officer at Bates Worldwide.

In the U.K., in those homes which have cable, it takes a share of about 20 per cent of all viewing, leaving broadcast television with the rest. Saatchi & Saatchi forecasts that about 1 million homes in the U.K. will be connected up by 1990—or 5 per cent of all television households. This will have a big impact on advertisers, says the agency.

In the next five years, predicts Saatchi, the current European satellite channels—and future direct broadcast satellites already in the planning pipeline—will "change the marketing map of Europe as profoundly as the coming of commercial television changed the U.S. marketing map in the 1950s, or the U.K. in the 1960s or as Globo TV is changing Brazil in the 1980s." (See table).

Saatchi & Saatchi itself is keenly interested in getting some kind of stake in direct broadcast by satellite (DBS) via its holding company. Agencies currently are banned from investing in DBS in the U.K., and the company is holding its cards close to its chest for the moment.

The expansion in the forms of television, the agency says, means that there will be a lot more choice for both advertiser and consumer. But at the same time, the market will become more and more fragmented and the advertiser

(continued on page 79)

Europe—TV expenditures, 1985 vs. 1980

Country	TV as % of total 1980	TV as % of total 1985	% change in TV expenditure 1985 vs. 1980
Austria	33.1	27.5	+ 34.7
Belgium	8.2	9.8	+ 98.7
France	16.2	17.7	+141.7
Germany	9.9	10.7	+ 30.2
Greece	49.6	48.4	+269.0
Ireland	31.6	40.3	+ 88.9
Italy	26.1	49.6	+467.2
Netherlands	4.5	5.0	+ 40.0
Portugal	n/a	47.0	n/a
Spain	32.9	31.8	+166.0
Switzerland	8.0	n/a	+ 7.2
U.K.	27.1	31.0	+ 98.8
TOTAL	16.8*	23.4**	+120.8***

* Excludes Portugal; ** excludes Switzerland; *** excludes Portugal and Switzerland; Source: Advertising Association European Advertising & Media Forecast/SSCW

Growth of television

Number of networks available

Country	1975	1985
Japan	6	7
U.K.	3	5 [including TV-am]
U.S.	4	22
France	3	4
Germany	2	3
Italy	3	8

Source: Saatchi & Saatchi Compton Worldwide

DBS—launch schedule

Satellite	Country	Projected launch date
TV-SAT	Germany	1987
TDF-1	France	1987
Olympus	Italy/European Broadcasting Union	1988
TDF-2	France	1988
Tele-X	Sweden/Norway/Finland	1988
TV-Sat 2	Germany	1989
IBA	U.K.	1990

Source: Saatchi & Saatchi Compton Worldwide

But NAB group to develop new ratings methods feels it has made some progress

Radio task force: It hasn't turned out the way they hoped

By ALFRED J. JAFFE

The ambitious plans of the Radio Audience Measurement Task Force of the National Association of Broadcasters have not exactly gone awry, but they haven't gone alright, either. The task force, established by the NAB Radio Board of Directors by a resolution in January, 1985 and named the following March, let out a request for proposals (RFP) for new radio rating systems last January. After a winnowing process, the task force named three "finalists" who were urged to conduct simultaneous pilot tests this fall.

On the way to this consummation, some of the goals got lost. And there remains the widespread impression that the major goal was to weaken Arbitron's grip on the radio ratings business. Nevertheless, the association feels that some progress has been made.

The resolution expressed concern with the quality of radio audience measurement and its "exorbitantly high cost"—the latter phrase a clear reference to Arbitron—and set up the RAMTF to "study the creation of a non-profit entity to collect commercial audience research for the industry."

The non-profit idea went by the boards. It presented anti-trust concerns and raised questions of credibility and objectivity. Another goal, that of generating and encouraging new and innovative ways of measuring radio audiences, never got off the ground; all of the finalists employ existing methodologies. One aim of the task force may have a modicum of success, that of encouraging rating services affordable in small and medium markets, an aim that reflects the interests of the RAMTF chairman, Kenneth H. MacDonald, chairman/CEO of MacDonald Broadcasting Co., Saginaw, Mich.

At this juncture, even the pilot tests are not turning out the way the RAMTF wants it. One of the finalists, Audits & Surveys, has balked at the test, arguing that its method for radio measurement is well proven.

The other two finalists, Birch Radio and McNair Anderson, are planning to go ahead with the pilot tests next month, presumably at the same time and in the same market. The name of the market has been kept secret, to avoid high visibility, which might "dirty up" the research.

Birch methodology

However, Birch Radio will be employing its existing methodology and some observers even wonder whether Birch will be testing itself in a market it would be measuring eventually, anyway. Of further relevance to Birch Radio's methodology and its validity is the fact that it has taken the first steps to be audited by the Electronic Media Research Council, a move urged on Birch by various quarters over the past couple of years.

There is an element of novelty in the McNair Anderson entry, if only because the company comes out of Australia. Owned by British-based AGB Research—the same parent of AGB Television Research, the U.S. people meter people—McNair Anderson is another prong in AGB's determination to crack the U.S. market. The Austra-

NAB Radio Audience Measurement Task Force: *Seated, l. to r., Jerry Lyman, pres., RKO Radio, New York; Catherine Hughes, pres./CEO, WOL Washington; RAMTF chr. Kenneth MacDonald, chr./CEO, MacDonald Broadcasting Co., Saginaw, Mich.; Charles Jones, Jr., v.p., gen. mgr. WIS Columbia, S.C.; C. Ronald Rogers, gen. mgr., KVET Austin. Standing, l. to r., Ed Giller, pres., gen. mgr. WFBG-AM-FM Altoona, Pa.; James Fletcher, School of Journalism and Mass Communication, University of Georgia, Athens; Nicholas Schiavone, v.p., radio research, NBC, New York; David Kennedy, v.p., planning and research, Susquehanna Broadcasting Co., York, Pa.; George Green, v.p., gen. mgr. KABC Los Angeles; Herb Gross, pres., Litchfield Broadcasting Corp., Minneapolis, Minn.; Ken Fearnow, gen. mgr., WOW Omaha; Martin Greenberg, pres., Duffy Broadcasting Corp., Dallas.*

lian research firm is, in radio terms, the Arbitron of Australia, though under different ground rules. It has been chosen by an industry committee to perform the regular rites of radio audience measurement and thus has an official imprimatur. (The Joint Industry Research Committee in Australia, which chooses the radio rating service, includes representatives of both advertisers and agencies.)

McNair Anderson's methodology in Australia, which it will use in the U.S. test, is known as the personally-placed and personally-retrieved weekly diary. While Arbitron mails its diaries and asks respondents to mail them back, it has employed personal replacement and retrieval of diaries in the past, in particular, in Hispanic situations. However, Arbitron abandoned this technique, in part because it required sample clustering (as opposed to the statistically desirable sample dispersion) in order to make it affordable.

Two McNair Anderson executives were in the U.S. recently setting up the pilot test—Jonathan Jephcott, development director, and Don Neely, director of media measurement. Neely explains that his company's thrust in the U.S. is toward measurement of small and medium markets. That was their understanding of what the NAB was looking for. He also makes the point that, while McNair Anderson measures large markets in Australia, the delivery-and-retrieval technique may be better fitted for smaller markets in U.S. This is because door-to-door interviewing is a difficult—not to mention a hazardous—procedure in many large U.S. cities. Nevertheless, Neely says he's been told that in cities like San Francisco and Dallas the door-to-door approach will work. In fact it appears that McNair Anderson's long-term strategy embraces the eventual setting up of a truly national radio measurement service in the U.S.

One reason McNair Anderson may prefer cutting its teeth in smaller markets first is because it is not used to measuring the dozens of stations found in major U.S. markets. In Sydney and Melbourne, Jephcott says, diaries typically identify 13 to 14 stations, plus "spillovers." Smaller markets also involve less financial risk for a start-up service. But Jephcott assumes his firm would use a different diary for large markets.

He discounts the notion that McNair Anderson is a greenhorn in the U.S. "We have a large number of friends in the U.S. radio industry," he says. McNair Anderson executives have talked to many U.S. stations over the years, as part of the ongoing cross-fertilization between U.S. and Australian broadcasters, according to Jephcott. He also notes there was a sizeable contingent of McNair Anderson people at the NAB radio conference last month.

Richard Ducey, *NAB research v.p. and association liaison with task force, says it will not put stamp of approval on any of the finalists who emerged as result of RAMTF search for better radio ratings.*

The Australian company has done its homework in regard to the creation of a regular audience measurement service in the states, Jephcott relates. It has identified the markets it would go after first and how it would roll out by groups of markets. Neely says the company would probably start off with a dozen markets. In short, says its spokesmen, the Australian research service already has good indications of acceptance in this country.

A&S tries again

The NAB-sponsored competition is the second major try by A&S to pit itself against Arbitron's syndicated radio service. Back in '78–'79, A&S, together with three other services, sought to succeed The Pulse as the "other" radio rating service after that 20-year-old operation, which used in-home interviews, gave up the ghost.

A&S president Richard Lysaker recalls that, while his company had acquired a great deal of support from the industry, it suddenly faced formidable competition from Burke Broadcast Research, which came charging in with lower prices. Both services used telephone recall to collect 24 hours of listening data, but the proposed A&S service, called TRAC-7, collected seven days of listening information from 35 per cent of respondents, providing a base for weekly cumes (see TV/RADIO AGE, July 3, 1978). As to the two other entrants, Media Statistics, Inc., like Burke, used same-day telephone recall and RAM Research employed a one-day diary.

In the end, the only survivor was Media Statistics, an ongoing service, anyway. That company, set up and operated by James Seiler, founder of Arbitron, was later sold to Birch after Seiler died. Burke Marketing Services, the parent of Burke Broadcast Research, was acquired by Time, Inc., last May and was recently merged with Time's Selling Areas-Marketing, Inc., to form SAMI/Burke.

In addition to the seven-day data-gathering method, A&S had touted its computer-assisted interview set up using a video display terminal to cue the interviewer and record the answers. This will also be employed in gathering two days of listening data from each respondent under A&S's current proposal, so the system could be called "TRAC-2." A&S would be using its three central locations for telephone interviewing.

Need for a test

With his company having been chosen one of the finalists and offered, along with the other two, $5,000 in "seed money" for a pilot test, Lysaker feels the test is not necessary. "Our method of asking about 'yesterday' behavior has been used in thousands of interviews," he notes.

One "new" wrinkle in the A&S methodology is its technique of scheduling the two days of interviewing. This is called "all possible day pairs," and Lysaker says it is not used in any syndicated broadcast rating service. Lysaker maintains that it provides more accurate weekly cume data than is gotten from "adjacent day pairs," the technique used by Birch.

"All possible day pairs" means in this case all possible combinations of the seven days of the week, for example, Monday and Tuesday, Monday and Wednesday, Monday and Thursday etc., etc.

There are 21 possible combinations. This technique, says Lysaker, shows higher cumes than adjacent day pairs.

Having been burned in the late '70s, A&S will not plunge headlong into a syndicated rating operation. "We will go ahead when we see we can break even in two to three years," Lysaker explains. He anticipates his service will cost less than Arbitron's. Otherwise, why bother? However, Lysaker looks at the coming battle, if it occurs, as one to the death; he doesn't think the industry will support "two major services."

(*continued on page 85*)

Panasonic coup in selling MII to NBC is offset by installed base of Betacams

Small-format VCR battle heats up before deliveries

The growing size and importance of the Technical Conference and Equipment Exhibit of the Society of Motion Picture and Television Engineers enhances the backdrop against which the long-running battle of half-inch broadcast videotape recorders is taking place.

The five-year-old battle, which seemed to flag at one point, sprang to life earlier this year when NBC announced that it would convert its entire recording operation—news, field production and studio—to Matsushita's MII format. It was further fueled a few weeks ago when WNEV-TV Boston, which, some years ago, made the first sizeable commitment to MII's predecessor format—known as M—decided to go with MII's competitor, Sony's Betacam SP format, an improvement over the existing Betacam equipment, but still without production models.

Sold under the Panasonic brand name, MII will be the prime, if not the only, focus of the Panasonic exhibit at the SMPTE show, which will run in New York's new Jacob K. Javits Convention Center from October 24 to 29.

As for Sony's exhibit at the SMPTE exhibition, William Connolly, named president of the newly-organized Sony Communication Products Co., which unified the company's broadcast/professional video/audio product operations, predicts that the Betacam SP prototype models "will generate the most interest."

The Panasonic and Sony product lines will be exposed to what looks like a record SMPTE exhibition audience. The 128th Technical Conference and Equipment Exhibit, according to the Society's conference vice president, Maurice L. French of the Canadian Broadcasting Corp., will house at least 257 companies which have reserved 782 10-by-10 ft. booths. The projected attendance is 17,500. Last October the 127th conference and exhibit in Los Angeles' Convention Center handled 253 companies occupying 750 booths. A total of 15,618 registered for the L.A. venue.

Though the competition to capture the half-inch broadcast VCR market will probably be as intense as any in the history of the broadcast equipment industry, marketing has not yet gotten up to speed. In fact, stations are being asked in many situations to hold up making decisions, or placing orders. In the case of MII, NBC has just gotten the first deliveries of production models and has urged its affiliates to wait until it has thoroughly tested the equipment to make sure it meets specs, though it has been enthusiastically touting MII to affiliates. With Betacam SP still in prototype form, production models will probably not even be on view until the National Association of Broadcasters convention in Dallas next March. So Sony is naturally asking anyone leaning toward MII to hold up until its Betacam SP is made available.

What makes the half-inch VCR competition so intense is its potential as *the* basic format for TV stations. While there is some dispute about whether MII or Betacam SP is as good as or superior to one-inch, type C recorders in picture quality, the NBC decision suggests they are not far apart. There is no question that half-inch systems, including the existing ones, are superior to ¾-inch U-matic equipment for news, or whatever, and are certainly lighter, smaller and cheaper to operate than C-format machines.

The new machines are also on the leading edge of *analog* video recording (digital is still state-of-the-art). Both the earliest and latest models of the half-inch broadcast videocassette recorders employ *component* signals—specifically, the separation of color (chrominance) from black-and-white (luminance) signals. The standard NTSC signal is a *composite*, or combination, signal, in which the color information is stuffed into what was originally a black-and-white signal, so that people with B&W sets can receive a color signal—in short, compatibility. But cross-color and other undesirable effects from the NTSC signal introduce "artifacts" into the picture.

Component is where it's going. The new, worldwide standard for digital TV is a component signal. So are various MAC (Multiplexed Analog Components) satellite transmission formats. High definition TV will undoubtedly be component.

NBC's decision to adopt MII sent shock waves through the industry. It not only entailed what looked like a stem-to-stern replacement operation for the network and its owned stations, but involved NBC's clout and prestige in urging its affiliates to go along. In conjunction with this policy was the promise of a "29 per cent discount" for NBC affiliates who bought MII equipment.

Affiliate interest

How interested are NBC affiliates in MII? Michael Sherlock, executive vice president, operations and technical services, for NBC-TV finds it hard to quantify. Sherlock, a key figure in NBC's adoption of MII, has talked to many affiliates in both engineering and management, and while he says there is

Sony's Betacam SP

some mixed reaction, he insists there is a strong wave of support for the format. "When you talk to them about manpower efficiencies and cost, they are really excited.

"We are asking [affiliates] to wait until proof of performance is complete," Sherlock explains, but adds, "We have seen the product, and it's really working." On the question of whether stations will dump their existing equipment, Sherlock answers: "There's a pent-up demand. There are some stations that still have ¾-inch and two-inch equipment. People have been waiting, holding up purchases, for six months, waiting for MII."

First use of an MII production model by NBC was scheduled to be for its mountain zone network feed; this was set for early October, a little later than anticipated. Some of the early production models will be used for training and as permanent fixtures in the lab. These were due late in September. This month a few units will be placed with NBC News and with some of the owned stations news departments. Steve Bonica, engineering vice president at NBC-TV, says MII will be "the most thoroughly tested system."

When NBC first announced its conversion to MII at the NAB convention in Dallas last April, it talked about a $50 million purchase over five years. Sherlock now says it will easily top that.

At this point, NBC has put in an order for 212 pieces of equipment valued at $3.75 million. By the end of next year, NBC will have ordered about 1,000 pieces worth $20 million. However, in order to allow affiliates a chance to buy MII equipment, NBC will, if necessary, take only half of Matsushita's output.

While MII has an advantage over the still-to-be produced Betacam SP (for "superior performance") in terms of availability, the latter has an advantage over MII in having a large base of installed Betacam systems. Sony's Larry Thorpe, director of studio product management, reports that 7,000 Betacam VCRs have been sold in the U.S. (28,000 worldwide), while M format sales are believed to be only a small fraction of that number (Matsushita has not released any figures on M format sales).

Thorpe stressed at an exhaustive press briefing some weeks ago, in which he attacked the MII format, that Betacam SP is compatible with existing Betacam equipment, while MII is not compatible with the original M format.

Playback capability

Both MII and Betacam SP employ metal tape, whose smaller particles allow the recording of higher frequency signals and, consequently, a better picture. But an MII machine will not be able to play back an M format recording, nor an M format machine play back an MII recording. However, a Betacam SP machine will be able to play back an existing Betacam recording, and an existing Betacam recorder will be able to play back both metal tape (SP) and a regular metal oxide (existing Betacam) tape recording, but it will not be able to record with metal tape.

On the other hand, one of the major advantages of the MII over Betacam SP is tape economy. The SP format uses about 70 per cent more tape per recording time than MII. Since both systems sought to record up to 90 minutes of program time, the SP format ended up with a 90-minute cassette that is relatively large.

In his detailed comparison of MII with Betacam SP for trade press reporters, Thorpe covered many specs, but put considerable emphasis on MII's narrower track width for recording. This feature, he argued, increases the possibility of tracking errors under hard use and, thus, poorer pictures.

He also indignantly denied that, as claimed in Panasonic ads, MII could be considered the equal of one-inch, C-type VTRs (in which Sony has a considerable interest, being a leading manufacturer, along with Ampex, of such machines). And he noted that Betacam is supported by Ampex, as well as Bosch and Thomson-CSF.

Pointing out that MII was the result of an NBC request for proposals for a universal recording system directed to broadcast equipment manufacturers, Thorpe related that Sony, too, presented a proposal.

While MII won out, it will not meet its specifications in use, Thorpe predicted. "They may blaze a trail, but I doubt it." In unusually strong language, the Sony engineering executive described Matsushita as "naive" and forecast a "blood bath" for his competitor.

NBC's Bonica rejected the assumption that MII's relatively narrow track width will present a problem. The format is quite "robust," he says, picking up a term Thorpe kept coming back to in his critique of MII. He notes that home video recorders have narrow track widths.

Sony is not taking into account the fact that technology is improving, Bonica adds. "If the Wright brothers saw the 747, they would say that it could never fly." Commenting that there are tradeoffs in any engineering design, Bonica declares, "We've arrived. This technology is ready for use."

On the issue of engineering tradeoffs, Bonica explains NBC's choice of MII as follows: "MII is the most cost-effective solution. It does the job at the right price—the initial price and over time—taking into account the cost of gear and the cost of tape."

While the choice of Betacam SP by WNEV-TV means nowhere near the vol-

(*continued on page 81*)

Panasonic's MII

Half-inch systems compete in what may be the last analog format before conversion to digital TV signals.

Nonwired radio networks expected to gain 3–4% this year along with spot

Unwired webs lag behind wired gains

While the line, or "wired," radio networks continue to rack up new records, quarter after quarter, the rep-arranged unwired networks continue to show only modest gains, similar to the small growth patterns of national spot radio. Says one rep unwired sales chief: "Nonwired business increases are in line with our spot business. For 1986 both will probably be only 3 of 4 per cent ahead of last year."

Reason for lag

Ask agency media specialists why unwired business should lag so far behind the wired networks' impressive gains and price is a common, but not only denominator.

At Ted Bates, senior radio negotiator Liz Russo sees most of the business going to the wired networks "because they're more efficient and they cover more of the country than the reps' networks. The unwired lineups have changed over the years. With most agencies today picking and choosing the stations they want on unwired buys, the pricing is no longer discounted to the extent that it used to be. Today, the reps' prices for unwired are higher, and a lot closer to those of straight spot radio."

"Today we're able to order station lineups our way, selecting only those stations we need. And in both our nonwired and market-by-market spot buys we gain an advantage."

Alan Jurmain
Vice president
SSC&B: Lintas USA

Mike Drexler, executive vice president, national media director at Bozell, Jacobs, Kenyon & Eckhardt, observes that satellite transmission "has changed the face of radio networking. It's permitted the number of line networks to multiply in recent years, to give the unwired networks a great deal more competition than they were originally up against."

From smaller base

Alan Jurmain, senior vice president, group director, media plans and operations at SSC&B: Lintas USA and media head on the Bennigan's Restaurants account, one of the biggest users of unwired networks, says the wired networks "can show large percentage increases because they started from a much smaller base than national spot. Total available wired network inventory has grown from a base that only a few years ago was generally limited to only the news breaks on four or five line networks. Each of those original radio networks has since spawned two or three or more other networks. On top of these have come the more recent growth of the syndication networks and a lot of long form music events that have multiplied network commercial inventory geometrically. Against this, there's always been a huge base of spot radio availabilities."

Price competition

And while the unwired networks offer advertisers and their agencies the same ease of buy as the line networks, the reps' constant battle not to back down on rates for both unwired network and straight national spot buys has handed the line networks a key price advantage. David Recher, executive vice president, Eastman Radio, in a management memo to client stations, points to part of it: the line networks' "incentive to purchase 30-second commercials at half the price of minutes, while spot and the nonwired networks sell 30s at 80 per cent or more of the minute rate."

BJK&E's Drexler points out that the unwired networks "have a definite place because they offer advertisers the opportunity to control their media weight, market-by-market where they need long market lineups. But the pricing is higher than that of the line networks.

"And the line and syndicated satellite networks also give an advertiser uniformity of appeal to a uniform audience segment via a uniform programming format across every market reached. And they do it very efficiently. We don't hear that uniformity of exactly the same program with the unwired station lineups."

Varies by client

At SSC&B, Jurmain explains, "We approach each client differently. Each client has different needs, different distribution maps and requires different degrees of flexibility. For Coca-Cola, for instance, we buy various forms of radio: combinations of traditional line networks, unwired rep networks and spot.

"Bennigan's restaurants are regional. So we use various combinations of market-by-market spot and nonwired rep lineups that we can custom tailor, according to each market and region where Bennigan's operates. Today we're able to order station lineups our way, selecting only those stations we need.

"And in both our nonwired and market-by-market spot buys we gain a cost advantage. In effect, we use so much radio that we earn a volume discount. We use a lot of radio for Bennigan's, and we use it consistently."

Ask the people who manage the reps' unwired networks why their business activity lags behind that of the line networks, and their answers aren't too different from those of the agencies. Marc

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TELEVISION/RADIO AGE

Spot Report

October 13, 1986

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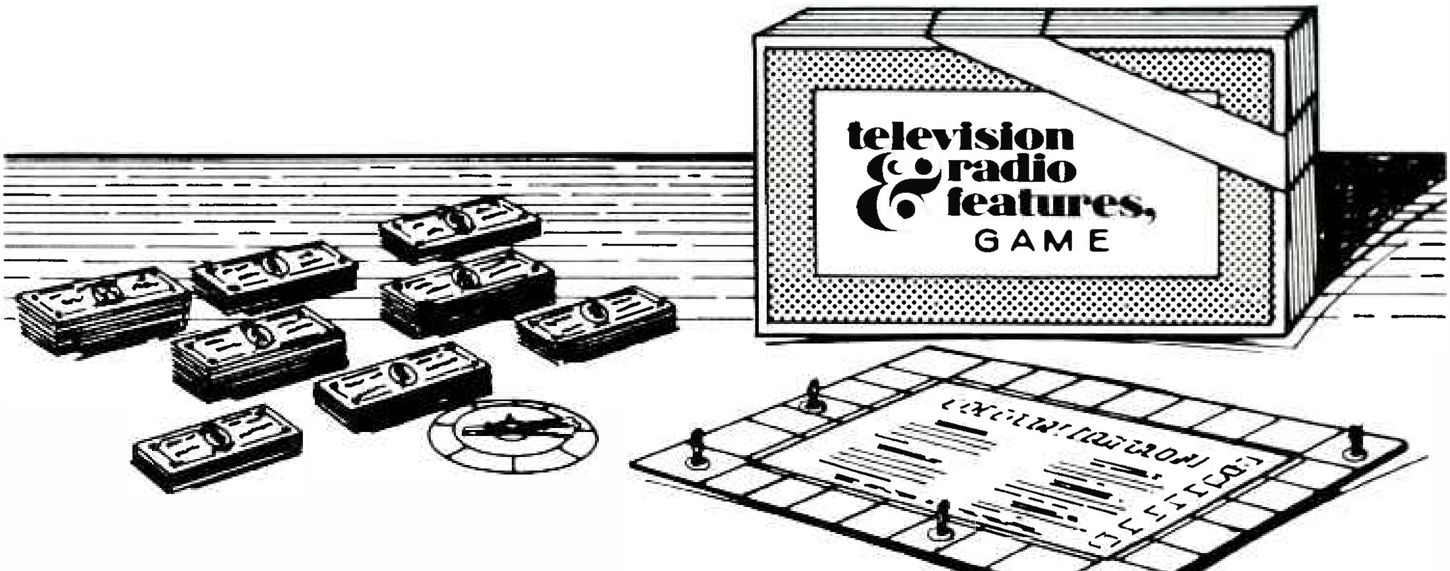

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Spot Report

October 13, 1986

Metering growth continues as Arbitron notches Seattle

When Nielsen announced last summer it had signed up Seattle-Tacoma for its service starting next May it proudly stated it had "total station support," meaning six major affiliates and independents. Now Arbitron can say the same. The latter signed up the six outlets for a meter service starting in November, '87. The six are KING-TV (NBC), KIRO-TV (CBS), KOMO-TV (ABC), CKPQ-TV, KSTW-TV and KTZZ-TV.

This makes Arbitron's 14th metered market. It already has 11 in operation and will start metering Cleveland in May and Denver in April, the latter via the ScanAmerica people meter-cum-product purchase service. Nielsen has 15 markets signed or on-line. They include the same 11 in operation as Arbitron, plus Denver, which is on-line. Scheduled for metering by Nielsen are, besides Seattle-Tacoma, Atlanta and Hartford-New Haven.

The 11 metered markets Arbitron and Nielsen are now servicing in common include New York, Los Angeles, Chicago, Philadelphia, San Francisco, Boston, Detroit, Washington, Dallas-Ft. Worth, Houston and Miami-Ft. Lauderdale.

Clothing stores' TV up 19%

Television advertising by clothing stores racked up a 19 per cent increase the first six months of this year, compared with the similar six months of 1985, going from $34,988,000 to $41,521,100, according to the Television Bureau of Advertising. Most of the top 15 clothing store spenders are off-price chains, which have been enjoying double-digit sales increases in the last eight years. These stores accounted for more than two-thirds of the TV advertising by clothing stores in 1985. The top clothing store TV advertiser in the January-June period this year was Marshall's, which increased its TV spending by 24 per cent, from $3,952,500 during the first half of 1985 to $4,913,700 the past six months.

C&R Clothiers, also an off-price retailer, was the next highest TV spender by clothing stores, with $4,174,600 placed through June, an increase of 6 per cent from the $3,945,600 spent on TV between January and June, 1985. The third and fourth ranked clothing store TV advertisers, Burlington Coat Factory and T.J. Maxx, raised their TV investments 33 and 25 per cent respectively. Burlington's spending went from $2,599,500 to $3,462,300, while Maxx's investment was $2,302,800 in the 1985 six month period vs. this year's $2,886,900.

Miller's Outpost, however, the Number 5 advertiser among clothing stores, decreased its TV advertising 21 per cent, from $3,253,500 in the January-June 1985 period to $2,583,200, in the similar period this year.

DMA ranking changes

There are more marketing ranking changes in the top 50 DMAs for the '86–'87 season than there were for the '85-'86 season, but individual changes were less drastic. This is shown by an analysis of the two seasons following the publication of the latest DMA rankings by Nielsen covering 209 TV markets (see page 80).

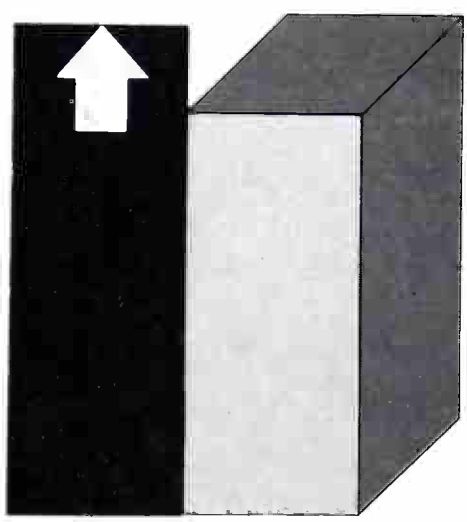
In the latest top 50 rankings there were changes in 26 DMAs, compared to 21 changes last season. However, this season in only three markets was the change greater than one ranking position, and in all three cases it was a move of only two positions up or down. Last season, 11 markets changed in rank more than one step up or down and five of those were three or four steps up or down.

The latest rankings shows Phoenix moving up from 23rd to 21st DMA, Cincinnati moving down from 28th to 30th and Norfolk-Portsmouth-Newport News moving up from 48th to 46th.

August

National Spot Business

+15.0%



1986: $429.5 **1985: $373.5**

Complete TV Business Barometer details p. 28

Spot Report

Campaigns

The American Legion, TV
The Perkins Group/Indianapolis
MEMBERSHIP RECRUITING is in progress for two to five weeks that started on various early and mid-October air dates in a long and nationwide spread of television markets. Media group arranged for news, sports, fringe and primetime placement to attract men 35 and up.

Alaska Seafood Marketing Institute, RADIO
Evans/Kraft, Inc./Seattle
SALMON is being recommended for three to four weeks that started in mid-October in a select group of eastern, southeastern and midwestern radio markets. Negotiators set schedules to reach women 25-plus.

Adolph Coors Co., TV
Foote, Cone & Belding/Chicago
PREMIUM and OTHER BEER LABELS are being advertised for nine to 15 weeks that started in mid-September or is scheduled for later start dates in a long and coast-to-coast spread of television markets. Media placed sports, primetime and fringe inventory to appeal to men 18 and up.

Sears, Roebuck and Co., TV
Ogilvy & Mather/Chicago
VARIOUS ITEMS will be sharing 13 weeks of fourth quarter spot appearances that started in late September in a long and coast-to-coast lineup of television markets. Negotiators worked with news, fringe, prime access and weekend placement to reach adults in various age brackets, depending on featured items.

Slumber Wool, RADIO
Rice + Woolward/San Francisco
WOOL MATTRESSES are being offered for six weeks that started in mid-September in a nationwide spread of radio markets. Buyers placed schedules to attract women 35 and up.

U.S. West Direct, TV
Grey Direct/Minneapolis
YELLOW PAGES DIRECTORY ADVERTISING is being promoted for six to 13 weeks that started on various late September and early October air dates in a good many western and midwestern television markets. Media arranged for news, sports, fringe and primetime showings to reach both men and women 18 and up.

Warner-Lambert Co., TV
Ted Bates Advertising/New York
SINUTAB and OTHER PRODUCTS are set for 10 to 13 weeks of fourth quarter spot appearances in a long and nationwide lineup of television markets. Negotiators concentrated on daytime, fringe and prime access inventory to impress adults 18 and up.

Westworld Community Health Care, TV
Asher/Gould Advertising/Los Angeles
ALCOHOL REHAB CENTERS are scheduled for 13 weeks of television exposure during fourth quarter in a long list of southwestern, western and midwestern markets. Buyers worked with the full range of day parts to reach men and women 35-plus.

White Lily Foods Co., TV
Tucker Wayne & Company/Atlanta
FLOUR is being recommended for nine to 13 weeks that started in mid-September or mid-October in a fair lineup of southeastern television markets. Media team arranged for daytime, fringe, news and primetime adjacencies to appeal to women 18 and up.

Wool Bureau, Inc., RADIO
KSL Media/New York
WOOL QUALITY is being featured for three weeks during the first part of October in a long and nationwide spread of radio markets. Target audience includes both men and women 25-plus.

New from Wendy's

Spot radio and television for ethnic audiences is backing the network TV launch of Wendy's new Big Classic sandwich that went up against Big Mac and Whopper for the first time on September 22. Some of the spot is being placed by DFS/Dorland, Wendy's general market agency. More spot, for black consumer audiences, is being placed by Lockhart & Pettus, and Mendoza Dillon & Asociados, which created special Spanish language commercials for Big Classic, is buying Spanish language stations.

For the general market, The Big Classic message is targeted to the 18–49 set, but hungry teenagers are also welcome to try the new Wendy's line extension. Wendy's says the intro is its all-time biggest new product launch, and that's on top of the estimated $10 million put behind the introduction of Chicken Nuggets this summer.

Appointments

Agencies

Steve Grubbs has been named director of national television buying at BBDO. He joind the agency nine years ago from Young & Rubicam, became associate director of network programming in 1982, and was elected a senior vice president of the agency in 1984.

Julie Guerrero has been promoted to director of local broadcast at DDB Needham Worldwide/Chicago. She came to the agency in 1980 as a media supervisor, stepped up to associate director of local broadcast in 1983, and was elected a vice president of the agency in 1984.

Mary Fritz-Wilson has joined Lowe Marschalk, Inc. in Cleveland as associate media director responsible for planning. She had been a media supervisor at Foote, Cone & Belding/Chicago

New doll

Spot placement in "a variety of children's shows on top stations covering over 100 TV markets" is backing Playmates' new electronic talking doll, "Cricket." The advertising, which broke in mid September, is Playmates' first television campaign and the agency is Sachs, Finley/Los Angeles. The commercials are scheduled to continue for 13 weeks to reach over 90 per cent of U.S. TV households. Playmates' Bob Moynihan says the commercials will air Monday through Friday, from 7 a.m. to 9 a.m. and from 3 to 5 p.m., as well as on Saturday and Sunday mornings and on the Nickelodeon cable network, Monday–Friday.

One Buyer's Opinion

Robinson

Agency megamergers unlikely to harm media services

The combination of advertising agency mergers, corporate takeovers, and brisk commerce in sales of radio and television stations creates a healthy climate for the continued growth of media buying services.

For starters, new owners of broadcasting facilities have an inherent need to pay down their indebtedness in order to develop healthy cash flows for their day-to-day operations. This allows generation of pre-paid media credits on favorable terms, which media placement services are able to share with spot radio and television advertisers, thus offering them substantial savings against a specific broadcast media plan.

Corporate takeovers invariably lead to tighter advertising budgets, more fine-tuning of media plans, and higher profit contribution goals for advertising. In order to obtain the most efficient buys, media placement services are being used more and more as either primary buying services or as "second opinion" sources. This trend is further encouraged by those major advertisers who bring the media buying function in-house, and require support from outside media services.

Another factor is that the number of recent advertising agency mergers has made it more difficult for small to medium-sized agencies to compete in the media arena against the new agency giants. These now smaller-by-comparison agencies simply don't have the same in depth resources to effectively negotiate buys as either the giant, large volume agencies, or the large-volume media services.

Pre-paid credits can be generated by anything a media service can do for a station: paying for a new antenna, paying for credit cards for a station's sales staff, are just two examples. For this, the media service can receive a credit for time on the station for its advertiser or agency clients. It helps the station maintain a good cash flow and at the same time gives the media service inventory that it can use at a later time for its clients.

Theoretically, there's no reason an agency can't do the same thing. But there is at least one practical problem, plus a possible ethical problem blocking the way. The possible ethical problem is that agencies have historically distanced themselves from anything that might conceivably earn them the label of "time or space broker."

The practical roadblock for the average agency is that agencies traditionally operate on a rather narrow cash margin. Few agencies are in a position to lay out large sums of their own money in advance and pay the carrying charges, the way a well capitalized media service can.

Actually though, in the face of these two obstacles, one major agency recently did take steps in this direction, but with one key twist. Instead of putting up its own money, the agency proposed that some of their larger clients put up *their* money. What this agency apparently forgot was that there's little reason for a client to put up its own money for pre-paid media credits when it can go to a media service and let that media service put up *its* money—**Don Robinson,** *president, Media General Broadcast Services*

James Adamson has joined Laurence, Charles, Free and Lawson as media supervisor. He moves in from Bozell, Jacobs, Kenyon & Eckhardt, and in his new post holds responsibility for American Safety Razor, The Hearst Corp. and American Tobacco Co. products.

Shannon Holst has been named a senior broadcast buyer for Cargill, Wilson & Acree/Atlanta. She was formerly with Stockton, West & Burkhart in Cincinnati, and before that worked for McCann-Erickson in Chicago.

Representatives

Darrell Rutter has been promoted to senior vice president, manager of network marketing for Torbet Radio. Rutter is replaced as manager of the Portland sales office by **Bruce Workman,** who has been vice president and manager of the Denver sales office. New head of the Denver office is **Chris Mathews,** former Denver manager for Select Radio Representatives.

Lisa Morrison, former director of retail development for Blair Radio, has been named exclusive consultant to Blair, charged with developing a new approach to vendor-retail selling. At the same time **Karen Wald Harper** has been promoted to manager/retail development and **Dorothy Leonhart** joins Blair's New York office as manager/East Coast retail development. Leonhart had been new business development manager for KGW Portland. Harper came to Blair in June 1985 from a post as market development director for KIRO-TV Seattle.

Randy Brown has transferred to Chicago to manage Seltel's White sales team there, and **Gene Thompson** has been named manager of the Blue team in Chicago. Thompson moves in from TeleRep and Brown had headed the American sales team in Los Angeles.

Jack Hanington has been appointed sales manager of Blair Television's ABC Green team in New York. He joined Blair in 1980 as an account executive with the Independent sales division and has most recently been assistant sales manager for the CBS Red team in New York.

Jodi Rogaway has been named manager of Katz Television's Religious Advertising sales team in Los Angeles. Before coming to Katz Continental in 1984 she had been an account executive with Seltel, also in Los Angeles.

Peter J. Housman II has been appointed vice president and chief financial officer of John Blair & Co. Housman had been vice president and controller of Reliance Capital Group, Inc. which recently acquired John Blair & Co. and plans to sell Blair's owned radio stations and Blair's owned TV stations in Oklahoma and California.

Art Jones has joined McGavren Guild Radio in Los Angeles as an account executive. He had been with the sales team at KFWB Los Angeles.

Tracey Routman Homberg has joined Christal Radio as an account executive in New York. She was formerly with the sales staff of KDKA Pittsburgh.

Alan Grossman has been named an account executive with the Atlanta office of TeleRep. He had been selling for WGNX-TV Atlanta, and now at TeleRep he's assigned to the R team.

Danish import

Advertising for Wasa Crispbread, Danish food import from Wasa International, started the first week of September and is scheduled to run through December in a limited list of larger television markets across the U.S. Agency is Saatchi & Saatchi Compton/New York. The target audience is young adults 18–49. The commercial message features Wasa as an all-natural, low calorie product offering health benefits along with a "great crunchy taste that's perfect any time of day, and with almost any topping."

Media Professionals

Improving spot buying performance record

Nan Rosenberg

Vice president, manager of local spot broadcasting William Esty Co. New York

Nan Rosenberg who heads local spot buying at William Esty, reports that during the past two years her operation has placed a great deal of emphasis on integrating computer technology into the spot buying process. She says that "Serving as an 'alpha site,' we have worked closely with Donovan Data Systems to create software that enables us to speed up the buying cycle, predict rating delivery with greater accuracy, and keep track of all the clerical data involved in buying and billing. Generation of these programs has provided us with systems tailored directly to our specific needs while, at the same time, allowing Donovan to sell variations of many of these to other users."

A recent example of the kind of reports that have evolved from this activity, she says, has been the All-Agency Cost Guide: "Actual market-by-market costs paid by all subscribing agencies and media services are averaged in a quarterly summary issued by Donovan. Listed by demographic target audience, this guide enables us to compare our costs against those paid by a significant portion of the rest of the industry. It also allows us to focus in on any unusual cost situation in a particular market."

But she adds that, "As important as the computer has become in our world of spot buying, it is only a single ingredient in the total mix, the sum of which results in a constantly improving spot buying performance record. Our buying technique, which requires each buyer to take control from the onset of each negotiation, is equally responsible.

Rosenberg explains that by knowing which shows are desirable, and by having a good knowledge of the lowest possible cost at the beginning of the buying process, her buyers "can work quickly to complete their buys before market conditions change." She also notes that this permits "completion of difficult buys, even when a short lead time is a hindrance. And this is a situation that seems to be occurring more and more often with the recent emphasis on supporting last-minute promotions in key market areas."

Stations

Kenneth M. MacQueen has been elected vice president for television of Palmer Communications. He has been general manager of Palmer's WOC-TV Davenport-Rock Island-Moline, and now will add responsibility for station acquisition and for WHO-TV Des Moines. He was formerly vice president and general manager of WABC-TV New York.

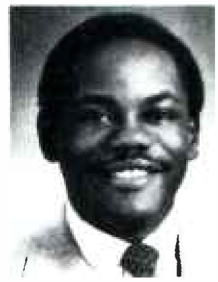
Carlos Delgado has been appointed vice president/sales of newly formed Cadena Radio Centro, new news and entertainment satellite-linked Spanish language radio network for the U.S. Hispanic market. Delgado had been media director at Castor Spanish International in New York.

David Armstrong has been named vice president of WSAU/WIFC(FM) Wausau, Wisc. He moves in from Sentry Broadcasting where he had been general manager of stations in Illinois and Michigan.

John E. Cravens has been named president and general manager of Capital Cities/ABC owned WHYT(FM) Detroit. He moves in from Houston where he had been vice president, general manger of KSRR(FM).

Sandy DiPasquale has joined WGRZ-TV Buffalo as president and general manager. DiPasquale was formerly station manager of WIVB-TV, also Buffalo.

Carol Pradeaux is now assistant station manager of KPSL, new station set to go on the air in Palm Springs, Calif. She had been with KPOL-TV Tucson.



Howard E. Neal has been promoted to vice president and general manager of Cox-owned KFI/KOST(FM) Los Angeles. He came to the stations four years ago and now moves up from general sales manager.

Ray Quinn has been named vice president and general manager of American Media's KSMG(FM) San Antonio. Quinn had previously been general manager of WMJJ(FM) Birmingham, Ala., and WRKA(FM) Louisville.

Robyn Ross has been promoted to research director of Century Broadcasting Corp. She moves up from research director for Century's Chicago stations, WCZE and WLOO(FM).

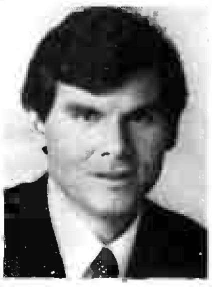
Series in Spanish

Now that the FCC has approved 24-hour operating schedules for WTEL Philadelphia, KBNO Denver and WILC Washington, the three stations will be able to broadcast the World Series and become key parts of the Caballero Radio Network/CBS Sports lineup of Spanish language stations carrying the 1986 nighttime Series scheduled to start October 18.

The expanded operating hours are a result of the recent Mexico City agreement on daytimers between the United States and Mexico which now permits some 300 daytimers operating on Mexican clear channels to remain on the air after local sunset. Meanwhile, Caballero reports that confirmed sponsors for the Series broadcasts in the top 28 U.S. Hispanic markets include Coca-Cola, the U.S. Army and Anheuser-Busch.

James VanSickle III has been promoted to general manager of WIRE/WXTZ(FM) Indianapolis. He is replaced as general manager of WIN Communications' KBEZ(FM) Tulsa by **Linda M. Taber** who steps up from sales manager.

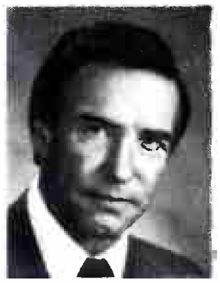
Josh McGraw is now vice president, general manager of WPXT-TV which recently went on the air in Portland, Me. It's the first new TV station in Portland in 32 years.



John Hirsch has been named general sales manager of WTEN-TV Albany-Schenectady-Troy. He moves in from the New York office of MMT Sales where he had served as a team sales manager, and before that he sold for WSBK-TV Boston.

Farid Suleman has been appointed vice president/finance and chief financial officer of Infinity Broadcasting Corp. He was formerly with the accounting firm of Arthur Young & Co. in New York.

Bill Walsh has been tapped as vice president/station manager of Koplar's KRBK-TV Sacramento-Stockton. The former vice president of broadcast operations for RKO's WOR-TV New York came to KRBK-TV in 1984 and now moves up from business manager.



Cleon Nettles has been named general sales manager of KGIC/KZZB(FM) Beaumont, Texas. He moves in from Lake Charles, La. where he had been general sales manager for KBIU(FM).

New Stations

Under Construction

WTTA-TV Tampa-St. Petersburg; Channel 38; ADI, Tampa-St. Petersburg. Licensee, Bay Television, Inc., c/o Sinclair Broadcast Group, 3500 Parkdale Ave., Baltimore, Md, 21211. Telephone (301) 462-4500. Robert L. Simmons, president. Target air date, sometime in 1987 or 1988.

Buyer's Checklist

New Representatives

Adam Young, Inc. is the new national sales representative for WLNS-TV Lansing, Mich. and for WKBT-TV La-Crosse, Wisc. Both stations are CBS affiliates.

Caballero Spanish Media has been appointed national sales representative for KSAH San Antonio. The station is scheduled to begin programming full time Spanish language fare in November.

Christal Radio has been appointed national sales representative for KZEL(FM) Eugene Ore., and for WBRD/WDUV(FM) Sarasota-Bradenton, Fla. WDUV is an easy listening station, WBRD offers light rock and KZEL programs album oriented rock.

Hillier, Newmark, Wechsler & Howard has assumed national sales representation of KEYW(FM) Pasco-Tri Cities, Wash. The station features news and the Transtar 41 format geared to the 30–54 age bracket.

Major Market Radio has been named national sales representative of WRQK(FM) Canton and WLNZ AM-FM Lansing, Mich. All three program adult oriented rock formats.

Petry National Television is the new national sales representative for WANE-TV Ft. Wayne. The CBS affiliate is owned by Lin Broadcasting.

Masla Radio has been appointed to sell nationally for WCKW LaPlace (New Orleans) and WNFI(FM) Daytona Beach. Both stations air contemporary hits.

Republic Radio is now national sales representative for KCOZ(FM) Shreveport and for WBBE/WMGR(FM) Georgetown, Ky. WMGR plays adult contemporary selections, WBBE offers nostalgia, and KCOZ is an easy listening station.

Seltel has been appointed national sales representative for KTGF-TV Great Falls, Mt. The station is an NBC affiliate.

Torbet Radio has been selected as national sales representative for KROL Las Vegas and KKBR(FM) Salt Lake City. KKBR features adult rock, and KROL is an adult contemporary station.

New Affiliate

SIN Television Network has added KSMS-TV Salinas-Monterey to its lineup of Spanish language affiliates, replacing KCBA-TV which has switched to English language programming.

Tobkes to Arbitron

Alan Tobkes is now vice president, sales development, for Arbitron Radio. He moves in from Eastman Radio where he had been senior vice president, marketing services. He has served as chairman of the Radio Advertising Bureau's Goals Committee, as a member of the Electronic Media Ratings Council, and as research representative on the Arbitron Radio Advisory Council.

At Arbitron, Tobkes will administer the company's client service representative program, help sales personnel develop proposals, work with clients who raise technical questions and act as secretariat to Arbitron's Radio Advisory Council.

Before joining Eastman 11 years ago, Tobkes had been vice president, research for HR/Stone Radio. His first advertising post was as a senior research supervisor with BBDO.

Transactions

Young Broadcasting Inc. has completed acquisition of WLNS-TV Lansing, Mich., and WKBT-TV La Crosse, Wisc. from **Backe Communications, Inc.** for $73 million. Principals of Young Broadcasting are Adam Young, founder of the rep firm that bears his name, and Vincent Young.

Infinity Broadcasting Corp. has completed purchase of KROQ(FM) Los Angeles from **Mandeville Broadcasting Corp.** for approximately $41 million. At the same time, Infinity has also agreed to acquire WQYK(FM) Tampa-St. Petersburg from **Suncoast Stereo Corp.** for $27 million, subject to FCC approval.

Tichenor Media System, Inc. has purchased WOJO(FM) Chicago from **Jim and Jane Hall** for $14 million. Tichenor, which also owns WIND Chicago, recently purchased Spanish language WADO New York for $20 million. Broker in the Chicago transaction is Americom Radio Brokers.

Duffy Broadcasting Corp. has agreed to purchase KIIZ/KIXS(FM) Killeen (Austin), Texas, from **Grace Broadcasting of Texas, Inc.** for $12 million. Harvey Grace is principal of Grace Broadcasting and Martin Greenberg is president of Duffy. Broker is The Mahlman Co., Bronxville, N.Y.

Canadian ratings

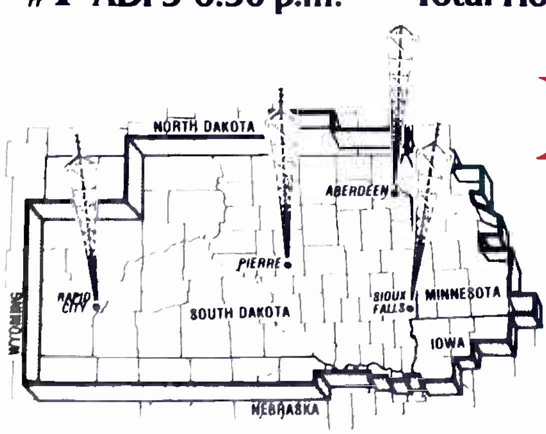
SoftPedal Inc., Atlanta, reports that it has "perfected a transfer technique" that permits Canada's Bureau of Broadcast Measurement (BBM) television data to be automatically loaded into its sales and research software system, "$ally-the TV Sales Assistant." SoftPedal says the transfer technique supports all demographics, dayparts and programs, and that $ally now supports both BBM and Nielsen-Canada data. And on top of all the demographic categories appearing in BBM's printed rating books, SoftPedal says the new technique also makes available for analysis "hundreds of unpublished demographic categories as well." Development of the transfer technique was a joint effort of SoftPedal in conjunction with Seltab Systems, a division of Selkirk Communications Ltd. of Toronto, and Bamberg-Handley Market Research of Orlando, Fla.

1st AGAIN!

Kelo-land TV SCOOPS the Nation in Newest Arbitron Sweeps!

ADI Winner In Every Category

#1	ADI S/O-S/O	Total Households, Mon.-Sun.	41 share
#1	ADI S/O-S/O	Women 25-54	44 share (tie)
#1	ADI Late News	Total Households, Mon.-Fri.	55 share
#1	ADI Late News	Women 25-54	61 share
#1	ADI CBS	Total Day	41 share
#1	ADI CBS	Late News	55 share
#1	ADI 3-6:30 p.m.	Total Households, Mon.-Fri.	40 share (tie)



kelo·land tv

Kelo-tv Sioux Falls, S.D. and satellites
KDLO-TV, KPLO-TV

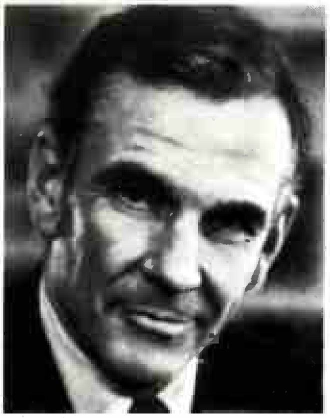
Source: Arbitron Sweeps, May 1986

Above estimates include time slots and demographic information in equal facilities markets as analyzed by TV Radio Age. Survey data estimates subject to usual qualifications.

Represented nationally by SELTEL In Minneapolis by WAYNE EVANS.

Viewpoints

Edward N. Ney



Chairman, Young & Rubicam, in a recent speech before the Los Angeles Advertising Club at the Beverly Hilton Hotel

Agencies cautioned not to put the client second in quest for bucks and bigness

Young & Rubicam and I have been fired for good reasons and for bad reasons. Let's take the case of Goodyear.

Our advertising was first class. Post-Yuppies may remember "Go, Go Goodyear" as one campaign and "When there's no man around" as another. Great work. Business was good. But the problem was that there was no Y&R man around when the client wanted to talk. We did creative in San Francisco, the account group was in New York, sales promotion was in Detroit, and the client was headquartered in Akron—still is. But we don't go there any more. Fortunately, we've done it right with long-term clients like General Foods, Johnson & Johnson, Metropolitan Life, Security Pacific National Bank, American Home Products, and many others.

Rule number one is to think *first—foremost—forever* about serving the client. By helping to build their business, their success can become yours. When we as agencies forget that we're hired to help sell the client's products and/or services, we're cooked.

Let me digress for a moment to the subject of the day: mega-mergers. Those who are doing them think they're great. So far, they're *alone* in that belief vis-a-vis every client who has spoken out. Bob Goldstein of the largest advertiser in the country, if not the world, Procter & Gamble, said, as he moved P&G accounts away from the *biggest* merger, "Due to the competitive conflict consideration arising from recent agency acquisitions, we have decided it is in *our best interests* to assign these brands to other P&G agencies." These same sentiments were echoed by senior executives of Warner-Lambert, General Foods, Pillsbury, and other companies.

The key phrase is "in our best interests." Clients aren't against agencies; they're *for* themselves. When agencies forget their job is to sell client products and services, when they begin to think *volume* or that being the largest in the world is important, they have lost sight of what business they're in.

Our aspirations are high. We intend to be the best in the business of creating marketing and communications ideas which can help a business grow. To be that, we need ideas which are fresh, hot, and consistently more original and productive than our clients can get elsewhere.

We need people who can create those ideas and inspire others to create them. We need understanding which will give us a truer sense of our audiences and how to reach them than our competitors have. We need profit which will fuel new growth and reward those special people who can make our aspirations come true.

And finally, we need to have fun at this business, because the best ideas are often the spontaneous sparks of minds released from tension.

Since we're a creative service organization for our clients, sheer size becomes antithetical to the perception of what one can do. Several years ago, when Y&R was named the largest agency in the world, I dropped that braggy boast in front of a new business prospect. His eyes glazed over, he lost interest, and we didn't make the final cut. Believe me, *size is not a strategy.*

Outside of the fact that the largest merger in the world seems to be falling apart before our eyes, both internally and externally, the whole mega-merger idea has demeaned and hurt our business.

How? First, the business public at large is astonished about and critical of the money being thrown around.

There is endless talk about the importance—or lack of it—of the huge volume involved and mega-million-dollar bonanzas to the agency principals. But there is no rationale put forth for why these new arrangements will do anything better for the clients involved. How could there be if, after all, the advertising agencies are going to compete with each other around the world?

Second, the agency business has been patiently building a sensible case for relaxing "conflict" rules at a time when client companies are going into many different fields and given the fact that there has been no real issue of security leaks developed over the years.

Now, in this recent burst of account changes, stemming a lot from perceived conflicts from the mergers, many clients are saying "What the hell goes on here? Hey, Charley, let's get our conflict policy out." The net result is that they'll probably stiffen it. And some clients, who don't even have conflict policies, are busy typing at the moment.

Third, all these big bucks that have been flying through the air have caused other clients to wonder about their compensation policies. They wonder how one gent can get $75–100 million—are they paying their agencies too much? "Hey, Charley, get out our compensation policy with the agency. What are we paying these guys?"

So, these are not the finest days for the agency business. The business is currently thought of as self-centered, bedazzled by gigantism, and very avaricious. Thanks a lot, brothers.

New Century into first-run syndication

New Century Telecommunications, which basically has been a distributor of features since it was formed a few years ago, is moving into the first-run production syndication arena. Two shows are set, one a strip, on the air locally, while the other will be a weekly hour talk/variety program. Also, the company has produced a miniseries and is shooting a theatrical co-production overseas. According to Robert B. Morin, president, the opening first-run salvo from New Century is *Photoplay*, half-hour strip currently airing in access on KCBS-TV Los Angeles, CBS-owned outlet. Alan Landsberg is overseeing the production of the program, which will go into syndication as early as January. By an arrangement with the station, New Century is not permitted to sell *Photoplay*, which is based on stories from the magazine, until the beginning of the year, says Morin. By that time, Morin continues, 105 shows will have been in the can. The marketing plan is for New Century to sell 21 weeks of original programming plus five weeks of repeats on a cash-plus-barter arrangement.

The first year New Century will take one minute per episode and cash, while in renewals, New Century will retain cash plus two minutes. If an episode is dated, Landsberg will pull the specific program and a new segment will be produced as replacement, points out Morin. He says that the program is produced by KTVU-TV San Francisco, although original plans called for KCBS-TV to do the production. It wound up at KTVU-TV, explains Morin, because Landsberg is under contract to Cox, which owns the San Francisco station, among others. KCBS-TV liked the concept so much that it became a client, carrying *Photoplay* before its syndication entry. "*Photoplay* is doing very well," says Morin, on the CBS station.

Selling. He says he will begin selling *Photoplay* in November, so that stations in the top 12 metered markets which are experiencing low ratings can replace their programs quickly with *Photoplay*. The aim, however, is for stations to start airing the show in time for the February books. New Century is looking for an access spot but selling is not limited to that time period. *Photoplay* involves self-contained weekly themes on the private lives of celebrities.

Upoming at New Century is a weekly hour show featuring Suzanne Sommers, which will also be offered on a cash-plus-barter basis. The program, *The Suzanne Sommers Show*, will be a talk/variety show combination. Morin says she is breaking all records in Las Vegas and Reno appearances.


Robert B. Morin

The company is looking for a 7–8 p.m. time slot for Sommers, on the weekends, mostly on independents, but the time will be dictated by the market conditions, Morin says. Christopher Beard, who has a producer arrangement with New Century, will produce for New Century. Delivery may be for March, but this has not yet been firmed. Morin says the company is looking for other shows and back-end projects.

Miniseries. New Century will have its first co-production miniseries, which is set to air on Home Box Office. The two-part four-hour program, *Sword of Gideon*, was made with international co-producers, and after a two-run pay TV play, will go into syndication. The miniseries features Michael York, Rod Steiger and Collen Dewhurst and has been sold extensively overseas, Morin says. A theatrical *Control Room*, is being produced in Italy and will get HBO exposure and be distributed for TV throughout the world, except for a few territories. This too will go into syndication down the line, and both *Gideon* and *Room* will probably be sold as part of future film package.

Control Room stars Burt Lancaster and will be released theatrically here via New Century's own theatrical distribution company, New Century/Vista, after a short HBO window.

Partners strategy

Program Partners Corp. has developed an innovative sales strategy, Programming Plus, to debut four first-run series. Key elements include partial to totally rebated license fees to stations as sales increase, profit participation after full rebates and guaranteed rate protection for the life of the series. The four half-hours are two new game shows: *Words and Music* and *The Sports Game*; and *Let's Go to the Movies*, a movie preview series with a local promotion feature (all available January 5); and an underseas action/adventure series (available April, 1987). Each series is offered for straight cash for an initial run of 13 weeks.

Under the Programming Plus concept, station's license fees are not increased as shows become hits, which is traditionally the custom. The charter subscriber has the potential of running the show free, retaining the inventory and sharing the profits, notes Alan Zaretsky, a partner of PPC. Stations that sign after the initial group benefit from low rates and price protection on renewals, he explains.

License fees for each show will be priced lower than most competitive programming to minimize a station's initial risk, with both PPC and the producers deferring fees to facilitate the launching of the series. Production budgets have been developed for each program to make an initial launch economically viable without signing New York, Los Angeles or Chicago, its noted. The strategy is to encourage smaller "grass roots" stations to sign for the series.

Words and Music will be hosted by Bobby Rydell, and *The Sports Game* will be hosted by a sports figure. Both are produced by Ailes Communications.

Syndication shorts

Paramount Domestic Television and Video Programming, is association with Hometown Films, will produce a weekly hour series, *Friday the 13th: The Television Series*, for first-run syndication next fall. Producer of the *Friday the 13th* theatrical film series, Frank Mancuso Jr., will produce the TV series. Story lines and characters will be different from the theatricals. The TV series will have a different adventure each week and feature a continuing cast with special guest stars.

More than 53 stations have signed to carry **Syndicast Services** *Neat & Tidy*, two-hour action/adventure movie set for December airing. Shooting began last week in several European locations. Stations clearing the movie include the Fox outlets, and stations in San Francisco, Atlanta, Sacramento and San Diego. The movie is expected to be a pilot for a weekly series beginning in the fall, 1987.

World Events has cleared 14 of the top 20 markets for its *Saber Rider and the Star Sheriffs*. *Rider* is scheduled to air in markets including Chicago, Philadelphia, San Francisco, Boston, Houston, Dallas and Cleveland.

Four Star International has signed an agreement with TDC Games, Chicago-based game manufacturer, for the development of a TV game show based on B.S.: The Game of Being Sneaky. Agreement provides for pilot and possible sale to networks or syndication.

Tribune Entertainment will develop *Geraldo Live!*, one-hour strip to be hosted by Geraldo Rivera. Plans call for it to be marketed on a cash and barter basis and for it to be offered at NATPE in 1987. And, as announced previously, Tribune will produce with Rivera a series of four two-hour documentaries. The first, *American Vice: The Doping of a Nation*, will air in early December.

Worldvision Enterprises will release a new package of 10 original two-hour animated movies for television. Called *Hanna-Barbera's Superstars 10*, the opening movie will debut beginning next fall. Titles include *The Jetsons Meet the Flintstones* and *The Good, the Bad and Huckleberry Hound*.

All American Television will distribute *The Chicago Charity Christmas Parade*, in a broadcast window from November 30 to December 21. Barter split is 16 minutes for local sale and eight for national, in two-hour special.

ITC names Marrinan

James P. Marrinan has been named executive vice president and general manager of international sales at ITC Entertainment. He'll be headquartered in New York and will be in charge of all foreign sales. The move is part of a general restructuring of the foreign sales division. Also under the restructured foreign sales division, **Armando Nunez** remains executive vice president of foreign sales. His current territories include Canada, Latin America, Japan, and several other countries in the Far East.

James P. Marrinan

Marrinan had been associated with Viacom World Wide Inc., a subsidiary of Viacom International, for more than 12 years in various executive positions.

Zooming in on people

Dalton Danon has been named senior vice president, pay/cable and feature film syndication, **Lorimar-Telepictures Domestic Distribution Group.** Most recently, Danon was vice president, pay/cable and feature film syndication at L-TDD. He joined Lorimar Productions in December, 1983, as vice president, feature film syndication.

Dalton Danon

Bill Trotter has been appointed sales executive, first-run Encore, Western area at **MCA TV.** Trotter comes to MCA TV from Access Syndication where he was vice president, national sales manager.

William P. Trotter

Sheldon A. Saltman has been named vice president, sales/special projects, Perennial syndication, **Lorimar-Telepictures Domestic Distribution Group.** Saltman has more than 25 years of experience in sports, broadcasting, production and entertainment.

Nelsa Gidney, vice president of programming for Lionheart Television for the past five years, has started **Gidney International,** company which will represent international programming in the U.S. market. The company will also be involved in the packaging of international co-productions. Offices are in New York.

Dean Rotbart has been named executive producer, a new position, and **Carl Sabatino** has been appointed director of sales and marketing, for *The Wall Street Journal Report on Television*. Rotbart was named a news editor of the *Journal*, the newspaper, earlier this year. Sabatino has been a sales/marketing consultant to Dow Jones since 1984.

Eric Taub has been appointed vice president in charge of program development at **WesternWorld-Samuel Communications.** Taub was director of development and production for pay-TV's Choice Channel.

Victoria Conti has been appointed programming analyst at **Seltel Inc.** She has been a sales assistant for the Rangers team, which she joined a year ago.

Charles Schreger has been named senior vice president, film acquisitions at **LBS Communications.** Schreger comes to LBS from the Samuel Goldsyn Co. where he was vice president of TV programming and acquisitions.

Republic buys 17 films

In a follow-up to its announcement that it will get back on the acquisition route (TV/RADIO AGE, September 1), Republic Pictures has bought the copyrights to 17 feature films, for a price of about $2 million. According to Russell Goldsmith, chairman and chief executive officer, titles were bought as a group from Richard Finer & Co., and include *Marjorie Morningstar* and *The Court Martial of Billy Mitchell*, which stars Gary Cooper. Other Cooper classics are *Cloak and Dagger*, *Blowing Wild* and *Distant Drums*.

Other stars featured in the films are Humphrey Bogart, Gregory Peck, Robert Mitchum and James Cagney. Cagney films include *Kiss Tomorrow Goodbye*, *Johnny Come Lately* and *Blood on the Sun*. Marketing plans call for worldwide TV distribution and for the home video market worldwide as well.

Collier sets facility

Chet Collier, industry veteran, has opened a fully-equipped, state-of-the-art video and post-production facility headquartered in Boston. The company, Target Productions, is equipped with more than $2.5 million worth of video technology, including two multiformat editing suites, a 1,000 square-foot production studio, complete computer graphics capability, and a tape duplication center designed to handle existing video formats.

Equipment includes high-tech instruments such as seven one-inch Ampex VPR-3s with Zeus video processors, a Quantel digitalized computer Paintbox, two Grass Valley 300 switchers, two Chyron Scribe character generators, two CMX 3400 video editors with motion memory and an Abekas A-62 digital video recorder for multipass recording with no generation loss.

Programming/Production

(*continued*)

Monte Carlo fest dates

The 27th International Festival of Monte Carlo will be held February 7–13, 1987. Screenings of the fiction programs will be held February 7–13; news programs, February 9–13. Names of entries of programs must be received by December 1. Fiction programs are eligible which have been telecast between October 1, 1985 and February 1, 1987 and are not longer than 100 minutes. News programs filming an event or series of events which took place during 1986 are eligible; spot news entries must be no longer than 10 minutes in length, news features no longer than 52 minutes. The International Television Market will be held concurrently with the Festival competitions February 9–13. The gala presentation ceremony will be held February 14.

KELO-TV new executive

Steve Hemmingsen, veteran news anchorman has been named executive managing editor and news director at KELO-TV Sioux Falls, and its other affiliates. S. D. Hemminsen has been with "KELO-LAND" news since 1969, when he joined as general assignment reporter. In that time, Hemmingsen covered major stories such as the Rapid City flood and the Wounded Knee takeover. In his new position, he will be in overall charge of news operations at KELO as well as at KDLO-TV Garden City, KPLO-TV Reliance and channel 15, at present a translator which has a license application pending, all in South Dakota. Hemmingsen will continue to produce and anchor the 6 and

Steve Hemmingsen

10 p.m. newscasts in addition to his new duties.

CTN, ARP extend deal

The Caribbean Television Network has extended its deal with ARP Films to distribute *Strange Paradise* in the Caribbean area on a cash/barter basis. CTN offers the gothic soap opera either as a half-hour strip or as a weekly one-hour series. WBNB-TV on St. Thomas, has been scheduling *Strange Paradise* in a "Fright Night" format at midnight on Saturday. The station has renewed the program and is planning to move it to an earlier Saturday time period.

Strange Paradise is being stripped in primetime in St. Maarten NA, St. Kitts and in Antigua, which joined CTN a few months ago. The Aruba-based Caribbean Satellite Systems has moved *Strange Paradise* from 1 p.m. to 12:30. CTN is currently negotiating for primetime placement of the soap in the Dominican Republic. In Puerto Rico the series is expected to debut in afternoon fringe, according to Steven Mitchell Schiffman, managing director of CTN. One-hundred-ninety-five half-hour episodes are available.

"Out of This World," *MCA TV weekly half-hour sitcom acquired by the NBC-owned stations as the initial entry of its access checkerboard plan for next season, has become a hot ticket.*

In the first calls, MCA TV has closed Gaylord stations in Dallas-Ft. Worth, Houston and Seattle-Tacoma; KPLR-TV St. Louis and WSFB-TV Hartford-New Haven. At recent party marking the NBC-owned deal, are, l.-r., Shelly Schwab and Don Menchel, both MCA; Al Jerome and Wes Harris, NBC; and Chuck Gerber MCA.

Boston's mega-ratings

A mere 60 or 90 seconds tacked onto the end of a program can provide a major boost for that program's ratings—at least when there's big money involved. This has been the case for two years at WBZ-TV Boston, which has the franchise from the state to host and transmit the Massachusetts lottery drawings.

Barry Schulman, program director, notes all lottery drawing equipment is on the station's premises, allowing it to host regular Monday–Saturday selections at 7:55 p.m. and the big Megabucks drawings Wednesday and Saturday at 9:55 p.m. WBZ-TV originally competed with the market's other stations for the franchise, winning on the basis of audience, time periods offered and ability to promote the lottery—mostly through IDs in other time periods.

In a state where lotteries go back to pre-Revolutionary days, where 62 per cent of the population plays lotteries regularly and 75 per cent for the big jackpots, it's no surprise that telecasting of the winners gets a big audience. But, in making a special computer run of ratings information for TV/RADIO AGE, even research director Janet Patterson was surprised.

Patterson looked at average quarter hours in the May Nielsen sweeps for 1984, when it did not have the lottery program, and for the subsequent two years. *Evening Magazine* has been the 7:30–8 p.m. program in the time period Monday–Friday for all three years. *Solid Gold* holds the period on Saturdays.

Eliminating five nights where Celtics playoffs followed *Evening* and may have boosted the lead-in's ratings, she found an 8.7 rating for the first quarter-hour and 8.1 for the second in '84. In '85, with the lottery drawing included, the first quarter-hour gained 13 per cent to a 9.8 and the second, where the lottery is placed, went up a whopping 38 per cent to 11.2. There was a 14 per cent gain between the first and second quarter hours.

In 1986, the show did a 10.4 in the first quarter hour and 11.1 in the second, which she believes indicates the show had grown stronger overall, perhaps partly due to the lottery, and had less room to gain in the second quarter-hour period.

In the 9:55 p.m. Megabucks show, between various primetime NBC shows, she looked at the 15 evenings that had drawings of $5 million or more in the year to date. In these, the first quarter hour averaged a 14.7/25 while the second part of the same program averaged an 18.0/31. For a $21 million pot last January 8, the jump within the half hour was from a 17.9/26 to a 23.6/33.

Schulman says the lottery programs, known as *Lottery Live* and *Megabucks Live*, have their own animation, openings, closings, theme music and set. Host Tom Bergeron, who now is a well-recognized celebrity when seen in public, especially dresses up the twice weekly biggest money segments—wearing his Mega-tux for Megabucks. The roulette-like equipment used in the drawings, while being at the station, is supervised closely by state lottery officials.

Last year, WBZ-TV gave the lottery an added boost by hosting a one-hour *Millionaire's Ball*. With the lottery commission offering a special $1 million prize to a previous close-but-no-cookie entrant, the hour-long show used a countdown approach as the 24 finalists were whittled down, adding profiles of former winners and of ticket sellers as well as descriptions of how the lottery works.

New 'Oprah Winfrey?'

The Morning Show, 9–10 a.m. show hosted by Regis Philbin and Kathie Lee Johnson on WABC-TV New York, is beginning to look like a strong prospect for syndication. In fact, its new lead-out, *Oprah Winfrey*, built up similarly on sister ABC-owned station WLS-TV Chicago before going into syndication via King World.

Two things that make *The Morning Show* ripe for syndication are major ratings gains and the fact that, starting September 8, it was cut down from 90 minutes to a more manageable one-hour format. Brooke Bailey-Johnson, program director at WABC-TV, confirms that syndication is a possibility, noting the station has been approached on occasion by syndicators since the show went on the air in April, 1983, but that the conversations were purely tentative.

The show now has more to offer than Philbin's national identity. Having started out with ratings in the 2s and 3s, it has been up as high as a 7 in the new season. Johnson concedes that WABC-TV's shifting of *Donahue* out of the 9–10 a.m. time period and into a 4 p.m. slot removed formidable competition and spilled some of its audience into *The Morning Show*, but she also notes the show had previously been making steady gains, getting 4s and 5s in the most recent February and May Nielsen sweeps.

"We like to think *Donahue* got out in the nick of time," says Johnson. She also points out *Oprah* is a better lead-out at 10 a.m. than the previous *Sally Jessy Raphael* show, now running late night on WNBC-TV. The *Winfrey* show started out with a 5.0/29 for the week for September 8, with *The Morning Show*'s last-half-hour preceding it doing a 5.5/31.

The Morning Show was cut to one-hour this season to make it more manageable, Johnson says, and this would also lend better to syndication. While a

Regis Philbin, Kathie Lee Johnson

variety of subjects are typically covered, the prospect of being able to sustain a one-subject show over the period is now there, she says.

Considerations in syndication, she notes, are whether the program could still hold its local orientation and whether the syndicator would put up sufficient production money for the added expenses in going national. She adds that it still might be possible to maintain the local identity as so many New York personalities have national fame. *Oprah*'s single-subject format, she says, tends to lend itself more readily to the national marketplace.

CABLE

Showtime originals

Showtime, the Viacom International pay service, has increased its international and domestic co-production activity, with several projects recently completed or in development, according to Fred Schneier, senior vice president, program acquisition and development.

Officials are emphasizing the original programming activity in part because the service has been focusing its publicity efforts recently on exclusive acquisitions of feature films. Despite that, says Schneier, "our long-standing commitment to outstanding original product is stronger than ever before."

Co-production deals include:

■ *Blood Ties*, co-produced with RAI-1 of Italy and Viacom International. Starring Brad Davis and Vincent Spano, it is the story of an Italian-American caught in a clash between the Mafia and the Italian legal system. It airs as a two-hour movie in December, after which it will be released theatrically abroad, then released to Italian television and in worldwide syndication.

■ *On Trial: Lee Harvey Oswald*, co-produced with Britain's London Weekend Television. A staged trial featuring real lawyers and witnesses, hosted by journalist Edwin Newman. It airs on November 21 and 22 on Showtime.

■ Harlequin romance novels coproduction involving Showtime, Viacom, Yorkshire Television of England, Atlantic Television and Paramount Home Video will result in at last three two-hour movies based on novels. The first, *Love with a Perfect Stranger*, stars Marilu Henner and Daniel Massey, airing on Showtime in October. Yorkshire holds international TV rights, Paramount has home video, and Viacom gets domestic syndication.

■ *Indira*, co-produced with British producer Judith De Paul and Silver

Programming/Production

(continued)

Chalice Productions. Miniseries is based on life on Indira Gandhi, to be filmed on location in India.

■ *Half Moon Street*, theatrical motion picture to be released this fall by Twentieth Century-Fox. Romantic thriller stars Sigourney Weaver and Michael Caine. Showtime will air film exclusively in late 1987. Other partners: Pressman Films, RKO Pictures, Geoff Reeve Enterprises, Embassy Telecommunications.

High school sports

Coca-Cola High School Sportsweek is a new weekly half-hour show devoted to regional sports on the Madison Square Garden Network, covering nearly two million homes in New York, New Jersey and Connecticut.

The 40-show series, which debuted in early October, runs each Thursday at 7 p.m. The host is Greg Gumbel, the sportscaster who recently left ESPN to join MSG.

The program will cover a broad range of high school athletic competition, from football to gymnastics. It will feature segments on "most valuable players" and sports trivia. Producer is Sports Marketing and Television International of Greenwich, Conn. Coca-Cola and subsidiary Coca-Cola Bottling Co. of New York are underwriting sponsors.

Animal house on Nick

Kid's network Nickelodeon, service of Viacom's MTV Networks Inc., has acquired a 26-part Australian series, *Zoo Family*, from Crawford Productions Ltd. Story line follows the adventures of a veterinarian and his family as they tending to wild animals. Show premieres November 1 at 1:30 p.m. ET.

Newsmagazine on SIN

The SIN Television Network, carried by 409 cable and broadcast affiliates, has debuted a monthly newsmagazine show, entitled *America*. The program, originating out of Washington, is produced by ZGS Television Productions and airs the first Sunday of each month at 6 p.m. ET.

Field reports from various major cities will cover topics such as teen pregnancy, home computers, Cubans in U.S. jails, show business personalities, reported from a "Hispanic perspective," according to SIN executive vice president, Rosita Peru.

HOME VIDEO

Worldvision Home Video, a subsidiary of Worldvision Enterprises, has a number of new products coming out over the next several months, including its first entry into releasing theatricals in the home videocassette marketplace. According to Tom Devlin, vice president and general manager of Worldvision Home Video, new releases include the introduction of four half-hour music videos under the line of H-B TV, from Hanna-Barbera. Each contains feature segments of material which were seen on the networks, says Devlin. The four titles are *Old Time Rock & Roll* and *Top Rock*, both to be released on November 8; and *Rock 'N Soul* and *Country Rock*, with an availability date of January 22, 1987. Each title contains 10 popular songs by well-known artists that are acted out by several of H-B's classic animated characters.

In theatricals, WHV is planning to release the current film *Vasectomy* on videocassette. Release date of the video will be "in the first part of 1987," says Devlin. Devlin views the initial theatrical release by the company as a test for future theatricals to be distributed by WHV on videocassette. "We have all the components in place to go ahead for releasing additional theatricals," Devlin says.

"The Story of Rose-Petal Place" is one of the new Ruby Spears product being released by Worldvision on Home Video. Running time is 30 minutes.

Other new videos to be released are a Ruby-Spears animated program featuring the voice of Marie Osmond, five Halloween specials and several made-for-TV movies. The Osmond stint is *Rose-Petal Place*, story of flowers that have been magically brought to life in the form of young girls, who defend their garden against a wicked spider and a horsefly, says Devlin. Among the five Halloween specials is *Kiss Meets the Phantom of the Park*. Produced by H-B Productions, the film contains several of the rock group's songs and is a mystery about an eccentric inventor's control of an amusement park. The other titles in the group are *Top Cat's 25th Anniversary, Goober and The Ghost Chasers, Johnny Quest* and *Casper's First Christmas*. Running time on these four is 50 minutes each, while *Kiss* is 96 minutes. Release date of the five is October 26.

In the made-for TV arena, WHV has been releasing Quinn-Martin films, Devlin says, and expects to distribute seven more, the remainder of 17 in its agreement. At this point, Devlin hasn't firmed release dates, but says he expects to take a new tack on distributing the upcoming films. "We have been releasing two packages of five each and weren't very happy with the numbers as far as distributor sales are concerned, so now we may release only two movies at a time."

Also new will be an instructional tennis videocassette, produced by ProServ Television. The video is in post-production, and tennis people involved include Arthur Ashe, Vic Braden and Stan Smith. WHV has been scoring high with another special interest video, *Golf My Way*. Upcoming in the special interest area as well is *How to Plan a Perfect Wedding*, 50-minute video.

Other new animation product includes Harvey Cartoon Classics, Ruby-Spears *Plasticman, Heathcliffe and Marmaduke, Fangface* and *Goldie Gold and Action Jack*. From H-B, *Scooby Doo, Shirt Tales* and *The Flintstone Comedy Show*.

In an unusual marketing move, **World Video,** a subsidiary of Western-World Samuel Communications, will give home video retailers a free prerecorded Beta version of each selected VHS title they buy. The two formats will be packaged together and, beginning in November, will be marketed by Biggy-Pack.

Embassy Home Entertainment will release *The Trip to Bountiful*, Academy-Award winning film, on November 5. Supporting the release will be ad slicks, and sheet-posters. Ad plans include campaigns in trade and consumer publications. Also at Embassy, the company is releasing *The Four Feathers*, 1939 romantic adventure epic, which has been preserved and restored by Samuel Goldwyn Co. at a cost of $50,000.

According to Tom Bodley, director, film department at Goldwyn, "Using the original Technicolor three-strip negative from London, we made a print to use for the video version and then made color separation masters. Since the existing soundtrack has been over-recorded, we restored the soundtrack from nitrate print from a collector and enhanced it for hi-fi stereo. The changeover took about six months. Upcoming is a restoring of *Things to Come*, from a story by H. G. Wells, starring Raymond Massey.

Commercials

SSC&B broadens creative training

Going into the second year of a creative training program designed to ensure the flow of new talent into the agency, SSC&B: Lintas Worldwide has doubled its number of trainees—this time taking in eight juniors from its offices overseas in addition to the eight college graduates.

Of last year's eight, all were found highly employable by the agency, according to Don Wilde, executive vice president, group creative director. After completing the year-long training program, they went into a one-year trial period as assistant writers or art directors. One dropped out for personal reasons, he reports, and the remaining seven appear to be completing their trial period "with flying colors."

The eight recommended by overseas offices this year have already been employed for a year or two and come from offices ranging from The Netherlands to Hong Kong. Both groups of eight are evenly split between copywriters and art directors, with the recent college graduates from the U.S. offered employment only after completing the year and getting a positive evaluation.

Wilde says evaluation is on the basis of talent on the job, response to pressure, character, personality and fitting in with the agency, with the creative groups assigned to and with clients.

He says the likelihood is strong that all from this year's group will be accepted for employment because the screening is so intensive. Initially 16 of the country's top colleges and universities selected a total of 80 seniors to apply. An additional 120, hearing about the program through the trade press, word-of-mouth or professors, also submitted work (none of these were among the eight selected). Screening interviews were conducted by SSC&B at the 16 educational institutions involved, with final interviews conducted in New York before the eight from the U.S. were selected.

Wilde says it's harder to select writers in the program because there is less of a track record to go on. Art students receive more technical training and have portfolios, he notes.

Because of the expense and staff time required, only a few major agencies have programs of this type. The SSC&B program starts with a three-week 9 a.m.–5 p.m. workshop, covering both creative and other agency functions. Lecturers are drawn not only from the agency but from the ranks of outside talent such as directors and photographers. A panel of client representatives is also included.

The trainees also get homework every night, Wilde adds, and this is usually a practical assignment within the agency. These overnight assignments comprise a critical test of how the trainees work under pressure. In addition, such work can and has been used by the agency: "We're on the brink of selling a couple things that have come out of this to clients."

One of the things emphasized in these sessions, he says, is how copy and art differs among the various mediums. Special guidance is given in presentation skills: "They learn that it's not enough to do good creative work but that it has to be presented so that the boss and the client understand it. They don't get that kind of training in school."

After the three weeks, the trainees are sent in copywriter/art director pairs to a specific creative group for six months. Then they are re-paired and sent to another creative group for the remaining period.

Image for banks touted

Image advertising was held to be critical for banks in a recent address by Charles D. Peebler, chief executive officer of Bozell, Jacobs, Kenyon & Eckhardt. He spoke before the 71st Annual convention of the Bank Marketing Association in Washington.

"If you don't have an image, why should anybody elect to use your services or invest in your products? You need a mix of product and image advertising."

He pointed out that banking isn't the only industry that operates in a budget sensitive environment and that, in these "difficult times . . . conventional wisdom too often dictates the course of action most executives take," the "safe" course, which "may be the very worst possible route to follow."

Peebler said he disagrees with so-called experts who say that image advertising for banks is dead and that most bankers who are worried about their image are wasting their efforts on unattainable goals: "Suppose you eliminate all image advertising, as conventional wisdom says you should, and promote only products or services. If the public doesn't know what you stand for, how successful will you be? . . . Sooner or later, all services become commodity-like. When that happens,

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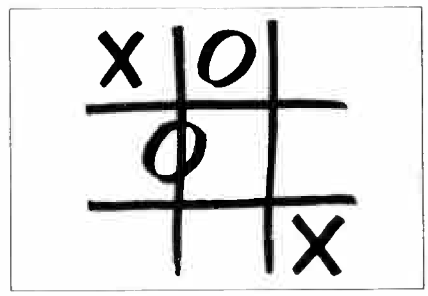

GIFFORD ANIMATION, INC., Harwichport, Mass.

Swintec Corp. • Wimmershoff & Assoc.

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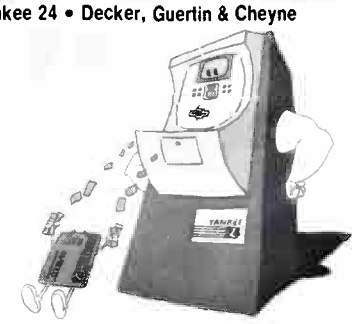


KCMP PRODUCTIONS, LTD., New York

Commercials *(continued)*

what's left is your image."

Peebler advised that, "instead of cutting and paring advertising allocations everywhere," bankers should "set priorities and concentrate on totally eliminating non-productive promotion. Run fewer campaigns in fewer places, but do them better than you ever have before. Yes, money is essential, but don't shortchange courage and imagination."

Pencils ready

Per inquiry commercials for magazines typically run 120 seconds in order to provide ample opportunity for viewers to write down addresses or phone numbers, but *Lottery Player's Magazine* is gambling that it can get better results with 60s. According to Linda Rosanio, president of agency Rosanio, Balits & Talamo, Cherry Hill, N.J., the nature of the target audience and the placement of commercials are making it possible to use 60s, thereby allowing for a greater number of spots in the $120,000 test campaign.

Instead of the initial plan to place two-minute spots on cable networks, the agency decided to go for maximum avails on stations carrying lottery drawings. Rosanio says, "We were delighted to discover that most buys sandwich the spot between *Wheel of Fortune* and the lottery draws. And the agency's research showed that the magazine's principle audience—lottery players—is poised with pencil and paper ready in front of the set for every lottery draw.

The 60 features Ed "Big Daddy" Graham, a popular East Coast resort and club comedian, in front of his TV set, awaiting the nightly lottery results. Mike and Fran Wittkowski, Illinois' 1984 $40 million winners, are also included in a cameo testimonial. This is the first endorsement for the Wittkowskis, the largest single ticket winners in the world. The magazine's subscription price—$14.97—is animated to appear as the winning numbers in a lottery draw.

Initial testing is in the California markets of Palm Springs, Bakersfield and San Jose, and in Midland, Texas; Zanesville, Ohio; Joplin, Mo. and Erie, Pa. Further tests will follow in as many as 10 more lottery states.

Financial consultant

Having added a greater range of financial products and services over the past three years, New York Life Insurance Co. is back on national television, essentially offering its services as a personal financial consultant. The $18 million broadcast and print campaign via Saatchi & Saatchi Compton is its first national campaign in two years.

Four network 60s involve husbands, wives, sons and partners extolling virtues of the other person, leading up to ". . . a financial genius you're not." A voiceover states, "You put a lot into life. You deserve to get the most out of it. We can help." The commercials then segue into an agent offering such opportunities as mutual funds, pensions and income replacement plants.

Says Thomas Lom, executive vice president and management director at the New York ad agency, "We had to convey the responsiveness and modernity of New York Life as a financial services company." He notes the campaign also emphasizes the personal side of financial planning.

Changing history

The explosion of the Hindenberg is averted by digital technology in a Calet, Hirsch & Spector spot for Toshiba digital TVs and VCRs. The 30-second stereo spot, directed by Academy Award winner Colin Chilvers (*Superman*), first shows the zeppelin exploding.

Then a handheld remote shifts its voyage into reverse and sends it forward again over the Lakehurst, N.J., mooring tower without incident. The message for Toshiba digital technology: "It'll change history."

Explains Peter Hirsch, co-chairman and executive creative director of the agency, "The basic analog technology that television relies on hasn't been changed since its invention in 1936. With the creation of digital, everything else is now obsolete. To emphasize the fact, we searched for a historic event that happened about the same time television was first demonstrated."

The spot is part of a $5 million campaign scheduled to run in the top 10 markets in October and continue for 13 weeks during the fourth quarter. The spot will run during primetime and during weekend sports slots.

Ready for winter

Cold season advertising for Miles Laboratories' Alka-Seltzer Plus Cold Medicine is using 20-below weather in Green Bay, Wisc., to prove its point. The Wells, Rich, Greene/Worldwide testimonial ad centers on the fan club, The Green Bay Packers Backers, during the Green Bay-Tampa game of November, '85.

Backers testimonials came as a result

of Miles sampling the entire fan club, with eight out of 10 members switching to the Miles brand.

Builds on success

Building on the success of its 1985 Beach Boys advertising campaign, Oster, a division of Sunbeam Corp., is updating its earlier 20-second coffeemaker commercial to state, "Wouldn't it be nice to have fresh flavor?" The commercial, built around the Beach Boys hit, "Wouldn't It Be Nice," touts the convenience of Oster's Thermo Cafe coffeemaker line.

Also, a new 30, to run from November 12 through Christmas, features the Oster Kitchen Center all-purpose appliance and the newest attachment—the Oster food processor accessory. Built around another Beach Boys hit, "Help me, Rhonda," the commercial features various family members singing "Help me, Oster."

Both commercials will appear on all three network morning shows, daytime drama and game shows, evening news and on syndicated programs.

Oster has also produced a 15-second commercial exclusively for dealer tagging, pitching the food processor accessory to viewers already owning an Oster Kitchen Center appliance.

Self-selling cars

Honda dealer commercials running on six stations in New York drive home the point that Hondas sell themselves. In one spot, actress Florence Stanley states, "My boy Tommy isn't exactly a born salesman. In kindergarten he sold lemonade for three cents. The boy next door sold it for a dime and ran him out of business. She ultimately leads up to her son becoming a successful Honda salesman, confiding, "Those Hondas must be *very* good cars." Tag line is, "Honda. The car that sells itself."

The campaign for the Tri-Honda Advertising Association of New York, New Jersey and Connecticut is from Korey, Kay & Partners. Another 30 involves a customer determined to take an Accord LX before it even arrives to the showroom floor. A 10-second spot shows the Honda emblem, stating that "this car" was first in the 1986 J. D. Power & Associates Customer Satisfaction Index. Then it dissolves to the Mercedes logo, adding, "For about $30,000 more, you can have the car that came in second."

In a 10-second public service spot, the dealers' association shows a man standing next to a smashed up Honda, saying, "Unfortunately the car that sells itself doesn't drive itself. Please don't drink and drive."

Wall Street Report

Strong cash flow figures in analysis of six companies makes them 'hot properties'

"Lucrative profitability and strong cash flow obtainable from a well-run property" are making radio and TV stations and cable systems hot properties in today's market, according to W. Dudley Heer, analyst with Duff & Phelps, Chicago. In the financial analysis and consulting firm's *Credit Decisions*, Heer reviews three fledgling broadcast firms—Emmis Broadcasting, Metropolitan Broadcasting and Price Communications—and three cable MSOs—Comcast, Continental Cablevision and Falcon Cable Systems.

Looking at Duff & Phelps' ratings on the six companies, he notes that, despite their high financial leverage, strong cash flows and the above average profitability inherent in their business should lead to continual profit improvements—and to increased debtholder protection.

He points out that Emmis, headed by Jeff Smulyan, prefers stations that need to be turned around: "Thus, a property—when bought—may be only nominally profitable at best. But Emmis contends that with intelligent programming and a strong sales effort, the desired results can be achieved. The dramatic improvement in its Los Angeles station in the last six months is indicative of what management thinks it can do, and the same strategy is now being applied to a recently acquired station in New York City."

Metropolitan, formed to acquire the Metromedia Radio Division of Metromedia Broadcasting, is under the leadership of Carl Brazell, an experienced broadcaster who turned these properties around beginning in 1982. All stations being acquired, mostly FM, are in major U.S. markets.

Heer notes that, unlike Emmis, Metropolitan's future acquisitions are not likely to be turnaround properties. He says, "The company will undoubtedly stick to proven stations in major markets where Mr. Brazell's primary strength—sales—can be applied to enhance operating results."

Price is a multi-media company in radio, TV, outdoor advertising and newspapers. The report notes the strategy of founder Robert Price is to acquire properties that are making money in smaller cities but not reaching their full profit potential; and that Price has been able to increase their cash flow.

Comcast, led by Ralph Roberts, is in the process of acquiring some 500,000 basic subscribers in systems it is buying from Group W Cable for about $450 million. Heer notes the acquisition will nearly double Comcast's basic subscribers. Approximately 37 per cent of the current basic cable service subscribers are in systems managed by Comcast for limited partnerships.

Continental has one of the more experienced managements in the industry, the report notes, headed by co-founder Amos Hostetter, who has been operating cable systems for nearly 25 years. It points out, "Continental has compiled an excellent operating record, a result of strong system management—supported by intelligent advertising and promotion and a dedication to customer service.

Operating classic systems in the rural areas of northern California and acquiring two systems in Oregon, Falcon, headed by Frank Intiso, concentrates on those areas where market analysis indicates economic growth to be increasing. Heer notes the costs associated with constructing these systems tend to be less than those in established areas. He adds, "Because of the rural nature of Falcon's markets, there is little in the way of entertainment competition. Subscriber cancellations (churns), therefore, are usually fewer than in urban systems."

Six-company Duff & Phelps analysis

Company	D&P rating	Fixed Obligation Ratio		Cash flow/Int.Exp.	
		1986E	1987E	1986E	1987E
Emmis Broadcasting					
Sub. debt	14	136%	118%	1.09X	0.79X
Metropolitan Broadcasting					
Senior sub. debt	13				
Sub. debt	14	95	99	2.80	1.60
Price Communications					
Sub. debt	13	95	99	0.75	0.85
Comcast					
Senior sub. debt	12				
Sub. debt	13	60	59	2.20	1.80
Continental Cablevision					
Senior sub. debt	13				
Sub. debt	14	132	138	1.30	1.40
Falcon Cable Systems					
Sub debt	15	107	109	0.90	1.15

Sponsor *(from page 41)*

"The sponsor can own the product and have aftermarket rights," he explains, "or he can own only the American rights and get it for a little less. This is totally up to negotiation. In most cases the sponsor is interested only in domestic rights and relinquishes everything else, not wanting to get involved in overseas distribution. Most advertisers are mainly interested in the big punch—the newness. Most of them are not into specials to make money but to be in special events at certain times of the year."

Such specials can be as cost-efficient as buying in the upfront and scatter markets, Kostyra holds: "If you establish efficiency as a criteria, you can indeed make it efficient. If you want better efficiency, you go for mass appeal and less expensive programming. For most advertisers, though, there's very little point to it. P&G has done some programs that are quite efficient. Because it has such a diversity of products, it can afford to take the risk [of not getting guarantees] and can leverage in some efficiency through negotiation."

Matter of control

Bringing General Motors into its second George Washington miniseries, N W Ayer had total control over the programming, according to Bob Igiel, senior vice president and director of programming and network negotiations. Its influence, though, appeared to be more in terms of the ability to place commercials the way it wanted—in two-minute segments.

Says Igiel, "When you deal with a professional producer like David Gerber and a studio like MGM, the taste exhibited is something all parties want. The network made contributions, too. We think of it as a partnership." It generally works out with the producer having the final say, he notes.

Spreading it around

Those advertisers that are most active in production are typically multi-agency advertisers and arrange for productions through more than one ad shop. Chrysler is a major example. Having recently run *The Last Days of Patton* through BJK&E, it now also has BBDO working on a project. According to Robert Reisenberg, the latter agency's senior vice president and director of program development, the agency is working on the Chrysler Showcase presentation, *Escape from Sobibor*, a three-hour movie that will appear on CBS next April. It is the true story about revolt and escape from a Jewish death camp in Poland during World War II, starring Alan Arkin and Rutger Hauer and produced by Martin Starger and Dennis Doty.

In development

Reisenberg discloses that BBDO has a couple other projects in development for Chrysler as well. He explains that, in Chrysler Showcase presentations, the sponsor covers "the vast majority" of production cost and owns the programming in the U.S., participating in any profits in the U.S. aftermarket and controlling post-network distribution. BBDO, he says, makes the agreements with distributors or sells the rights.

He believes sponsor-developed programming will grow because of the many opportunities to offset costs in the aftermarket. He points out there are numerous ways of creating partnerships with distributors, station groups and others to amortize costs. When partnerships are formed with producers, he adds, foreign rights are usually traded off because the sponsor is unable to place commercials in the programming overseas due to foreign advertising restrictions.

With aftermarket rights, according to Mike Atkin, senior vice president, corporate media director at DDB/Needham Worldwide, it is even possible to break even on production cost: "We've had extensive experience in the past with clients that have done this over the years." The merged agencies have worked with such sponsors as IBM, Xerox and GTE. He adds, though, "As out-of-pocket costs go up, you can find fewer advertisers that have the money and the product line that fits."

Controlled environment

On the other hand, Atkin asserts, there is growing interest among clients in controlling the commercial environment in terms of commercial interruptions and pacing. He discloses his agency is doing a study for clients which explores this area. This issue of environment is yet to be resolved, he contends: "It keeps resurfacing, but other issues keep coming up and taking its place."

Where sponsors don't have aftermarket rights, he says, they typically pay a premium for the quality of programming that goes out as a single-sponsor event, "but they have to also look at how the sponsor can identify with the program and promote it to the public and the sales force. There are very few media opportunities around that provide the opportunity to establish an image."

Also at DDB/Needham, Bart McHugh contends that specials are particularly good for introduction of a new product or maintenance of a new idea across, for example, four specials in the course of a year. McHugh recently moved from senior vice president, director of cable to senior vice president, national broadcasting and programming.

A viable course for advertisers with more limited budgets, he says, is "taking advantage of sponsorship opportunities without fully sponsoring the program." He refers to buying enough time in a special to get billboards and have a say in strategic positioning of commercials. In this manner, he points out, "People think Polaroid sponsored the Academy Awards."

Cable opportunities

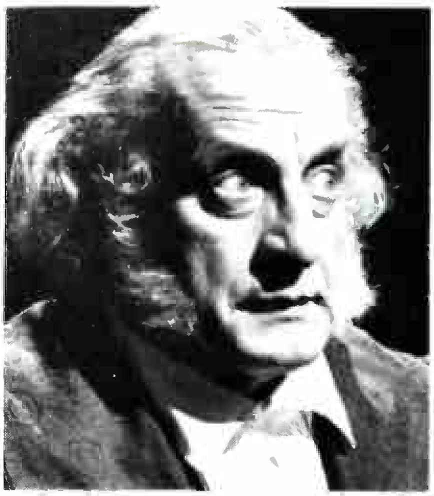
Of course, he doesn't discount the wide range of cable opportunities that provide sponsor identification with considerably lower budgets. He points, for example, to GTE's initial involvement last year with *The Los Angeles Times* in creating an indoor track and field event that he expects GTE will be identified with in perpetuity. While the games will run annually on ESPN, GTE actually participates in the arrangements, he notes.

In fact, according to McQueen of FCB/Telecom, cable opportunities have had a catalytic effect in introducing advertisers to sponsorships, and he believes this will spill over into network TV. His operation currently has eight advertisers regularly sponsoring cable programming for as far back as seven years. He's now negotiating a ninth sponsored series, he discloses, which would be the first one his operation has placed on Lifetime.

In broadcast, he says, one of the areas of greatest interest is perennial events which can be merchandised down to retail in order to generate excitement in the sponsor's trade. Another major opportunity, he says, is "meaningful drama with some social significance, allowing the sponsor to stand out from the crowd of exploitative two-hour dramas."

Developing this kind of meaningful drama typically takes two years, but in the case of the Hallmark Hall of Fame property, *Love Is Never Silent*, it took five years. When it finally aired last December, Hallmark—which paid for several rewrites—hadn't been an FCB client for some three years. FCB had been doing the Hallmark specials since 1951, and *Love Is Never Silent* was the sponsor's 51st Emmy winner.

Control over content has been a major reason for General Foods' sponsorship of Golden Showcase movie presentations, according to Michael Moore,



A Christmas Carol

Sponsors like IBM can amortize their investments with perennial specials like 'A Christmas Carol' with George C. Scott.

senior vice president, media director at D'Arcy Masius Benton & Bowles. He points not only to control over content but also in the structure of commercial breaks and the ability to say with paternal pride, "This is a General Foods Golden Showcase presentation."

One such presentation, Moore says, was *Alex: The Life of a Child*, ABC's highest rated made-for-TV movie last season (21.7/36). He reports two more of these presentations are currently in the works for GF.

Jack Irving, senior vice president, director of media planning operations at DFS/Dorland, can't think of any single sponsor specials coming out of his agency: "With budgets as tight as they are, it's hard to justify them to the client." He points out that, if such projects were to be undertaken, "it would be foolish not to take advantage of the merchandising opportunities." His agency involves clients in several cable series, but not generally as sole sponsors.

At William Esty, Tom Winner, senior vice president, director of broadcast operations, says the closest he can recall his agency being to a major sponsorship position is The Travelers Co.'s half sponsorship of the Masters golf tournament. He contends, "You pretty much need to have a multiproduct client so that you don't run over yourself with the same commercial over and over again. And you need a significant reason, like a new product or a hole new creative campaign."

Not involved in single sponsorships and even more cynical is Frank McDonald, executive vice president, director of media and marketing services as Cunningham & Walsh. He has misgivings as to how the commercials were placed in the Patton and Washington specials. With fewer and longer commercial breaks, he holds, these presentations may have opened themselves even more to the various forms of commercial avoidance.

"There are advantages if you can integrate your commercial with the program," he asserts, "but you can't have George Washington drive a Corvette, and how can Chrysler identify with Patton's jeep?" As a matter of fact, according to Michel of BJK&E, Chrysler went out of its way to dissasociate commercials with the jeep accident that caused Patton's death. Each commercial was preceded by a statement that the Chrysler Showcase presentation "will continue in a moment."

Part of programming

For those advertisers who want to insert their product right into the program content, McDonald says, they're best off making deals with producers of theatrical films that may ultimately run on TV. He points to the anguish the M&Ms people must have experienced when they turned down an opportunity to have the candy featured in *ET* for a price, abdicating to Reese's Pieces. He notes that Coca-Cola also paid to get into the refrigerator in *Ghostbusters.* Unfortunately, he adds, network programming doesn't offer the same opportunities.

Buying environment

To Ayer's Igiel, though, the important thrust is "to buy an environment that you feel is right for your client. The kinds of movies that are made for a mass audience may not be the best kinds of products you can find." He elaborates that when a program carries the name of a client like General Motors, "the quality is important," so that, in the Washington specials, "you can't have the haphazard treatment of history you would have in a regular entertainment project." Breaking through the clutter is one objective, he notes, but another is to reach the infrequent viewer.

Riesenberg of BBDO speaks both of positive association with quality programming and of having an event that occupies a full evening. He adds that Chrysler Showcase specials, for example, also serve the promotional objectives of the sponsor.

Program consortiums

Meanwhile, Tom Ryan, retired vice president of advertising services at Gillette, now heading up Red Oak Productions, concedes that moving forward with his undertaking has turned out to be more difficult than he had anticipated—not so much from the sponsor cooperation point of view, but more in such areas as identifying good properties and handling such matters as rights negotiations.

Red Oak has five founding sponsors—Xerox, Armstrong World Industries, Ford, Gillette and AT&T. Ryan says, "We're looking to get more, but we don't want more than eight or nine. Product exclusivity is an important element."

"I think we've made a lot of progress," he says. "We've gotten good acceptance from the creative community in California and have four projects currently in various stages. There's a surprising unanimity between the sponsors on what they want to do. We've set our sights very high in quality, and we could have been on the air now if we wanted to settle for the more run-of-the-mill movie of the week type of thing."

He says he finds the networks reasonably receptive to what he wants to do. Red Oak is owned by Ryan but financed and underwritten by the five advertisers.

Their goal, he says, is both "quality and economic advantage"—the latter meaning having an equity in the production, with two runs and a back end.

Agency cynicism

Agency executives queried are unanimously cynical about the ability of a consortium with that many sponsors being able to pull something together. McQueen, who has one client involved in getting another consortium together, contends it would be difficult to get that many advertisers to pore over a script and agree on something. "It will be easier with three or four compatible advertisers," he asserts.

Says Eckert at Burnett, "Generally speaking, this sort of thing is not of interest to us. We have enough trouble getting our own clients interested vs. getting them involved with other clients."

"Can you imagine 10 advertisers being of one mind?" asks BJK&E's Michel. He adds that it doesn't take an advertiser consortium to turn out good made-for-TV movies: "I have great respect for the ability of the networks to turn out good work."

McDonald of Cunningham & Walsh holds, "If you try to put four advertisers together, they generally have different goals. And if you own back-end rights and want to sell them to reduce your nut, it would be a problem getting four people to agree on selling the rights."

"It's incongruous," says Ayer's Igiel. "If a sponsor is buying specials to get more visibility for himself, why would he want to share that?"

Network receptivity

Igiel sees the networks becoming more receptive to advertiser-produced programming: "Certainly there's plenty of time on the air for networks to put things on that they don't have the time or budget to make. But I don't think it will ever go back to what it once was, and the networks are not going to take properties that are not suitable."

McQueen adds, "The networks, with their cost pressures, are making fewer movies on their own. A year ago, if you went to a network with something, they'd rather sell you something from their inventory. They're now encouraging us to bring in client-sponsored specials. But they're not going to put something on that they think will lose that night for them."

With networks being approached with programming they don't have to pay for, Eckert of Leo Burnett points out "they're not clamoring for it, but they're more receptive to listening to proposals."

Availability on the networks varies each year, J. Walter Thompson's Kostyra points out: "When the networks are in a sold-out position, it's more difficult and costlier. But a quality program that's fully sponsored is welcome most of the year. It's desirous because it's quality programming." He adds that commitments with the network have to be at least four or five months in advance but that it's advisable to work as much as nine months in advance in order to coordinate the program with merchandising.

McHugh of DDB/Needham contends the networks still lean strongly toward programming themselves: "They often feel they lose money on specials. If they have a successful show, they say they'll lose money by preempting the show. But they're more inclined to accept a sponsored special if they feel they can get good ratings with it." □

Unwired *(from page 50)*

Guild, executive vice president, general manager of InterNet, also cites the price differential as providing the winning edge for the wired webs (Eastman's Recher points to Radio Network Association figures showing the wired networks 18.2 per cent ahead of last year for the first seven months of 1986—on top of a 13 per cent increase last year, which, in turn, followed a 14.6 per cent jump for 1984.)

Guild notes that the wired networks "can sell at a lower price because, for most line network affiliates, it's a barter deal. The networks provide the programming in exchange for the affiliates' commercial time. Only some—not all—of the affiliates get station compensation from the networks."

Against this, explains Guild, "We price in line with national spot." He adds that InterNet prepares a quarterly report "in which we look at each station by daypart and break out average unit rates. This shows the average for both nonwired and straight spot staying pretty much in line with each other."

Guild explains, "It's a matter of negotiation on both spot and nonwired buys. In each, in a.m. drive, for instance, we have some advertisers who are particular about placement and want, say, only between 6 and 8 a.m. Fridays. Particular enough so that they're willing to pay a premium to get it. Then there are other advertisers whose primary interest is price. They don't worry too much about exact air time. But since there are both kinds of advertisers using both nonwired and spot, the average prices for each daypart on each station stay closely in line with each other for both nonwired and spot."

Also addressing the question of price, Bob Lion, vice president, general manager of the Blair Radio Networks, says "We don't sell unwired as a discounted buy." Instead, he explains, it's sold "as a convenient way to buy a solid list of strong stations. Stations offering this kind of audiences aren't going to give us the time of day, much less decent time for our advertisers if we don't get them full rate. You don't cut rates on Westinghouse or CBS-owned stations."

Along for the ride

When the original unwired networks, also known as group plans, were formed, some reps saw them as a way to spread business to more of the lower-rated stations that were rarely included in most straight spot buys, simply by adding these stations to the list of strong stations that the buyers wanted. If the price was right, meaning low enough to make the buyer look good to the boss and the client, the also-ran stations went along for the ride.

But today, as more agencies have gained more experience with unwired, most buys are based on the quality stations alone. Lion agrees with the agency people who report cherry picking just the stations they want, making unwired buys "much more station-specific than they used to be."

Lion sees the benefit of this to the industry as twofold: Inclusion of the strongest stations "insures that the advertising will work, sales increases will result, and the successful advertiser will come back to radio for repeat business. The other benefit is that everyone gets bought."

This is good, explains Lion, "because my enemy is not Katz or InteRep. My enemy is attrition. So it's to BRN's benefit, to the competition's benefit *and* the advertiser's benefit that the strongest stations from each of the unwired networks are included. That

Unwired networks "have a definite place because they offer advertisers the opportunity to control their media weight, market-by-market where they need long market lineups."

Mike Drexler
Executive vice president
Bozell, Jacobs, Kenyon & Eckhardt

means that no one looking for young adults should make a buy that leaves out WBCN Boston, A SuperNet affiliate, or KEGL Dallas-Forth Worth, which is a Select-represented station and a member of BRN. But this same young adult buy should also include KSHE St. Louis, which is repped by Katz, and KIIS Los Angeles, part of InterNet. This way, everyone is bought because everyone's strongest stations *should* be bought to add up to the most effective radio buy for the advertiser, against whatever his target demo happens to be."

On the other hand, Lion says that if other reps promote unwired at a discount, "They're walking in with their pants down, and sure the buyers are going to take advantage of them. But that doesn't mean their best stations are going to go along and be taken advantage of, too. So in the long run, both the client and the rep promoting cut rate will lose. They lose the audience strength of what could otherwise have been the strongest stations on the buy."

At Katz Radio Group Network, vice president, network manager Stu Olds says that the wired networks come in at only about one quarter the cost to advertisers of a rep network of similar audience size. "But our responsibility to our stations is to deliver the biggest share of available radio dollars on each account and deliver them at the highest rate possible."

He adds that the proximity with which unwired pricing can be kept to spot pricing is a function of how good the agency is at negotiating spot: "If they're very good at keeping spot rates low, the price for unwired will be only about 3 per cent lower than spot. If they aren't such great negotiators on national spot, they may save as much as 15 per cent on an unwired buy delivering comparable audience."

"We don't sell unwired as a discounted buy." It's sold "as a convenient way to buy a solid list of strong stations . . . You don't cut rates on Westinghouse or CBS-owned stations."

Bob Lion
Vice president, general manager
Blair Radio Networks

And another nonwired sales chief admits that, "with the number of nonwired networks down to essentially three, against 15 separate rep companies selling national spot, it's not too hard for an agency placing relatively large pieces of money in unwired to play off one against the other if their sole criterion for choosing one unwired over the other is CPM. It comes down to the single question of which unwired lineup will come in most efficiently."

Reporting unwired billings

Meanwhile, competition among the nonwired networks is so fierce it spills over into the Station Representatives Association, where controversy continues over how nonwired billings should be reported. Lion, for example, believes that, "Stations would understand the unwired business better if we could get a cleaner handle on the kind of dollars we generate. Radio Expenditure Reports is prepared to flag unwired accounts and break out their dollars separately for reporting purposes. Blair, SuperNet and InterNet are all for this, but Katz is opposed. They like to say they're No. 1 in unwired billing, but they don't want RER to go ahead and come up with an independent accounting of who's really No. 1. Our question is, what are they trying to hide?"

To this, KRGN's Olds replies that Katz opposes separate nonwired breakouts for two reasons. One, he says, is that, "It makes no difference either to the stations, or in how we treat an account. We and our stations consider both spot and unwired dollars all national radio dollars. We make no distinction between the two, and our stations expect the same treatment of both in terms of the rates they get. Advertisers expect the stations to treat both exactly the same in daypart placement, accurate reporting and the like."

Olds' second reason is that "There would be no way that RER could separate the two accurately. Each rep can look at total dollars on the buyer's desk from any one account and call any slice of it anything they want. If we took 60 per cent of the available radio dollars on an account and put it in unwired, it could look like we got 100 per cent of the unwired money if another rep picked up the other 40 per cent of the business and put it all in his national spot column. And it would look like they got 100 per cent of the spot dollars.

"But the only thing the stations care about is how their rep did against total available radio money on the table for their market—not which column it shows up in. We can show them that because we keep very accurate records of dollars available for each market."

To attract new to radio advertisers, "and just as important, to keep existing advertisers coming back," says Olds, "We start with 650 quality stations, about 70 per cent of them in the top 75 markets, plus the research of Katz's computerized Probe system, ease of

"It's a matter of negotiation on both spot and nonwired buys. In each, in a.m. drive, for instance, we have some advertisers who are particular about placement and want, say, only between 6 and 8 a.m. Fridays."

Marc Guild
Executive vice president
Internet

buy and centralized billing for advertisers with long market lists, and greater flexibility than the line networks offer. Unwired networks can provide regional selectivity, staggered start dates, different copy for different markets, market-by-market dealer tagging and market by market media weight control."

InterNet's Guild reports that Erica Farber heads new business development for both InterNet and national spot. He adds that, among new accounts coming into radio for the first time or returning after prolonged absence, "many prefer to take advantage of the ease of buy offered by nonwired." Among this group, he says, are a number of fast food chains, financial institutions, some Nabisco brands and several ethnic accounts using black formatted or Spanish language station lineups.

"Unwired networks can provide regional selectivity, staggered start dates, different copy for different markets, market-by-market dealer tagging and . . . media weight control."

Stu Olds
Vice president, network manager
Katz Radio Group Network

Attrition in unwired

Olds notes that some of last year's biggest unwired advertisers did not return this year. Shell Oil went back to national spot radio. Tourism Canada and County Seat jeans both switched to television. Schering-Plough's Tinactin switched to the wired networks.

Olds recalls that during the 1940s, spot radio accounted for 30 per cent of all national radio dollars, and that this grew until 1968 to become 88 per cent of national dollars. But 1968 was the year ABC split and formed its first four demographic radio networks, and since then, spot has dropped back to about 80 per cent of national radio dollars.

In 1975 there were seven wired webs. But in 1980 there were 10, and now, only six years later, there are 20—plus the radio syndicators and their long form concerts. Olds concedes that the wireds "are very cost efficient, cover almost every demographic break, and some bear the traditional name strength of ABC, NBC, and CBS."

On the other hand, adds Olds, following a slow first half this year for national spot and unwired, "We're seeing more advertisers coming in, though many of them are only using lineups of five to 10 markets. And August was the first month this year in which available unwired dollars exceeded the like month last year. This year, we've also been able to take some of our existing spot accounts and spread those dollars to more stations via unwired lineups that add up to larger total audience reach for them and puts them on more of our stations."

Lion describes unwired as "a packaging tool for national spot radio. It's reps working with stations to meet advertisers' marketing needs and make radio easier to buy. It's a way for a buyer to get a good lineup of strong stations without having to deal with so many different people. This saves the buyer's time and consumes fewer agency man hours."

Lion also calls unwired networks "a creation of the reps to encourage advertisers to invest more dollars in spot radio. It's done that." He describes how Blair's vendor sales program has brought more new dollars to both unwired and spot radio. He explains, "Unlike co-op, which is supplier generated dollars as a kind of bonus to the retailer who stocks a specified minimum of the supplier's product, vendor support is supplier dollars generated by the retailer to help him move more of the vendor's product via more effective advertising. One store or one chain can promote a whole category and get extra ad dollars from several suppliers in the featured category to build a total campaign with more impressive impact."

Lion says unwired has brought some new-to-radio advertisers into the medium but that their identity is "confidential." More important from a dollar standpoint, he adds, "is that use of unwired has resulted in existing advertisers investing more dollars in radio." The latter, he says, includes Kit's Camera on the West Coast and the 7-Eleven convenience store chain.

But unwired still adds up to only about $85 million annually, or only nine to 10 per cent of total national spot. And just three advertisers plus one category spend about half of that between them. The category is movies. The three advertisers are Bennigan's restaurant chain, Pabst beer and the 7-Eleven stores.

Uniform impact

InterNet's Guild says that another advertiser benefit of taking the nonwired route is that, "We have a department here that concentrates on coordinating promotions across a client's markets to produce a uniform impact across all markets."

Similarly, BRN's Lion notes, "Economics of scale allow us to coordinate merchandising activities. You keep hearing reports that promotion budgets are going up while advertising budgets are flat. Merchandising is a way for reps to tap into the promotion dollars for their stations. We can do this by providing advertisers with a coordinated, uniform promotion across all their markets that ties into their radio campaign. "We've done contests, local prizes, mailings, you name it. Our ability to do this has generated a good deal of new business for our stations."

But there's a catch, he warns: "If you promise you're going to do a promotion, you better deliver. You have to follow up an see that it's done, and done correctly, as planned."

Lion reports winning one piece of business "because another rep promised a merchandising program but failed to follow up and deliver. That client would have been pretty mad at radio—all radio—and with good cause, if we and the other unwireds hadn't saved the account for radio by coordinating delivery on that failed promise with *our* stations. The lesson is: Don't promise unless you're prepared to produce."

Between them, Lion reports that BRN and SuperNet can offer about 1,000 stations in the top 50 to 75 markets—which account for about 85 per cent of the volume generated by the unwireds. BRN works with some 400 stations represented by Blair, Select Radio Representatives and CBS Radio Representatives. SuperNet offers roughly 600 stations from among those repped by Torbet Radio, Eastman Radio and Masla Radio, with Marty Damin heading sales.

InterNet can field over 1,000 stations, roughly 320 of them in the top 50 markets. Of the latter, 90 are represented by McGavren Guild, 76 by Hillier, Newmark. Wechsler & Howard, 73 by Major Market Radio, 48 by Durpetti

Unwired appears to getting a growing portion of business in the 12–34 age bracket because advertisers are finding fewer stations in each market targeting younger listeners.

& Associates and 34 by Weiss & Powell.

KRGN's 650 include 320 represented by Katz Radio, 210 from Christal and 120 from Republic Radio.

Olds says that KRGN sells *only* stations represented by Katz Radio, Christal and Republic, "but even with only 650 stations in all, against over 1,000 available from InterNet and BRN, we still win a bigger share of most unwired accounts and split our revenue among a smaller number of stations so that each station gets more dollars."

InterNet, says Olds, has its own house media service, MG Media "to buy time on our stations and on Blair's stations." At InterNet, Guild describes MG Media as "a media service with its own accounts that has bought stations represented by other companies when an advertiser new to radio asks us to set up the whole unwired buy for them."

But Guild also says, "We encourage other reps to call on MG Media, just as I assume they do on other media services. And we also encourage the Blair, Katz and other stations we add to our lineups to notify their own rep so that billings go through them and they get their commission. We don't take any commissions on other reps' stations when we include them in an unwired buy."

Meanwhile Lion says that both BRN and SuperNet are "up nicely. Though unwired as a whole generally mirrors the current sluggish pace of national spot, both of our unwired networks are up dramatically. Between us, BRN and SuperNet should bill over $30 million this year."

Lion explains, "We only restarted BRN last May. Then toward the end of '85, Blair acquired Torbet and Selcom [now Select Radio Representatives]: This gave us more strong stations to complement those we already had. That permitted us more flexibility in meeting advertisers' requirements and gave us enough stations to give us the synergy of more stations offering the kinds of formats and audiences advertisers are looking for."

Olds notes that KRGN was formed in May, 1984, and that year youth business accounted for 30 per cent of business opportunities, or $6.4 million, while adult business provided $21.6 million. In 1985, youth business came to 40 per cent, or $26.8 million, and adult business added up to $45.6 million of the $72.4 million advertisers invested in unwired network for the full year. And for first half this year, the youth market presented 42 per cent of the business opportunities for the unwireds, or $23.7 million, compared to 58 per cent of the opportunities requesting adult demos, or $30.8 million of the $54.5 million invested in unwired during first six months of '86.

Olds figures that the probable reason for the growing share of unwired business accounted for by advertisers catering to the young 12 through 34 age bracket is that "Advertisers need more support for their youth buys on the wired networks because there are fewer stations in each market targeting younger listeners. Clearances on these three or four stations that the wired networks get aren't always up to the standards they can maintain with their adult formatted stations." □

A first *for WOLF-TV Wilkes-Barre-Scranton, a fall premiere party is held at the Hilton at Scranton's Lackawanna Station. Among the more than 450 attending are, l. to r., Jean Torkelson, TV critic, Wilkes-Barre "Times-Leader"; Gene Malone, WOLF-TV general manager; and Robert Keating, chairman, Pennsylvania Gas and Water Co. WOLF-TV is the market's only independent.*

Saatchi *(from page 45)*

will face increasingly difficult choices about how and where to advertise.

In addition, technological devices such as video recorders and remote control "encourage people to be promiscuous in their viewing habits."

'Advertising literate'

Viewers are also becoming more "advertising literate," Perriss points out. And thus, while advertisers may have a growing number of television channels to choose from they are also under greater pressure to come up with a suitable advertisement. For example, he says, in many industrialized countries, an increasing number of women go out to work and bear responsibilities different from those of the so-called traditional housewife. How should the concerns of these women be addressed?

Today's generation of consumers "knows a lot more about advertising than the advertiser," says Perriss. "They have grown up with television and, of course, with television advertising."

Advertising expenditures, generally, are growing throughout the world, according to Saatchi research. While the U.S. accounts for by far the largest portion of world advertising expenditure—in 1985, it accounted for over half of world advertising expenditure—the rest of the world, is said to be trying to catch up.

Advertising expenditures in countries other than the U.S., in fact, are growing at a faster rate. For example, between 1970 and 1980, per capita expenditures in the rest of the world rose by 3¾ times, whereas in the U.S., the equivalent figure was 2½ times, the Saatchi data says.

Non-U.S. advertising expenditures now stand at about 41 per cent and forecasts indicate that this proportion will increase sharply over the next 20 years, Saatchi says. Forecasts for 1986 for the five major world advertising markets—the U.S., the U.K., France, Germany and Japan—all indicate that advertising expenditures will grow at a much faster rate than inflation.

In 1984, advertising expenditures as a percentage of Gross Domestic Product stood at 2.65 per cent in the U.S., but only at 1.61 per cent in the U.K., 0.56 per cent in France, 0.76 per cent in Germany and 0.99 per cent in Japan. Thus, as Saatchi & Saatchi Compton Worldwide points out in its review of advertising operations in 1985, there is room for growth in most of the major industrial countries.

But what are the factors which have underpinned—and are expected to continue to underpin—this growth in advertising?

The agency, identifies three main trends which it believes to be key elements in the growth in advertising: static markets; self-service retailing; and the entry of new advertisers into the market.

"With post-World War II baby boomers now steadily jogging into middle age, the mature economies have lost this stimulus to the growth of consumer goods markets, and the growth rate in the entry of new young consumers into the market has tailed off significantly throughout the industrialized world.

"This has already had an impact on the world's major consumer goods companies which have witnessed a slowdown in the pace of sales.

"Whereas rapid sales growth could once be achieved by simply maintaining a fixed share of a growing market, today such growth usually means increasing market share in a static market."

So competition for market share is increasing and "advertising is the classic weapon by means of which market share battles are won," in the Saatchi & Saatchi view.

The trend towards self-service retailing and the concentration of retailing strength in a very small number of very large retailing chains is believed to have also led to a more significant and growing role for advertising.

New market entries

Lastly, advertising has been given a particular boost from new entries into the market—and one of the most notable new entrants, the Saatchi & Saatchi report points out, is financial services. Banks, insurance companies and other financial institutions have all become major advertisers, the agency notes, adding that some business corporations have taken to advertising as a means of warding off unwanted takeover bids or of smartening up their public image.

Overall, Saatchi & Saatchi is optimistic about the opportunities which the expansion in the media, and in the television industry in particular, will offer to both advertiser and consumer.

"And, of course, television will become increasingly global in its scope, capturing the hearts and minds not only of midtown Manhattanites and 7th arrondissement Parisians, but also of inhabitants from Shanghai to Mexico City.

"For these cities, among others, are set to become the new mega-cities of the future. And television—and television advertisers—will be there to greet them." □

DMA market rankings—January 1987

Rank	Designated Market Area	TV Households	% of U.S.
1	New York	6,790,630	7.726
2	Los Angeles	4,516,800	5.135
3	Chicago	3,063,370	3.485
4	Philadelphia	2,550,780	2.902
5	San Francisco-Oak-San Rosa	2,106,360	2.396
6	Boston	2,008,300	2.285
7	Detroit	1,668,650	1.898
8	Dallas-Ft. Worth	1,596,730	1.817
9	Washington, DC	1,585,140	1.803
10	Cleveland, Akron	1,445,230	1.644
11	Houston	1,442,080	1.641
12	Atlanta	1,224,160	1.393
13	Pittsburgh	1,199,850	1.365
14	Tampa-St. Pete, Sarasota	1,199,760	1.365
15	Seattle-Tacoma, Bellingham	1,193,980	1.358
16	Miami-Ft. Lauderdale	1,190,960	1.355
17	Minneapolis-St. Paul	1,175,750	1.338
18	St. Louis	1,053,180	1.198
19	Denver	1,004,850	1.143
20	Sacramento-Stockton	909,840	1.035
21	Phoenix	903,010	1.027
22	Baltimore	887,430	1.010
23	Indianapolis, Lafayette	885,800	1.008
24	Hartford & New Haven	813,230	.925
25	Portland, OR	798,760	.909
26	San Diego	786,400	.895
27	Orlando-Daytona Bch-Melbrn	748,850	.852
28	Kansas City	710,520	.808
29	Milwaukee	700,830	.797
30	Cincinnati	698,480	.795
31	Nashville	685,190	.780
32	Charlotte	655,230	.745
33	New Orleans	642,610	.731
34	Greenville-Spart-Asheville	625,280	.711
35	Buffalo	615,540	.700
36	Oklahoma City	609,210	.693
37	Columbus, OH	608,070	.692
38	Raleigh-Durham	600,880	.684
39	Birmingham, Anniston	594,140	.676
40	Grand Rapids-Kalmzoo-B. Crk	586,340	.667
41	Salt Lake City	583,690	.664
42	Providence-New Bedford	581,610	.662
43	Memphis	570,520	.649
44	San Antonio	531,520	.605
45	Harrisburg-Lncstr-Leb-York	527,130	.600
46	Norfolk-Portsmth-Newpt Nws	523,170	.595
47	Wilkes Barre-Scranton	517,140	.588
48	Louisville	501,850	.571
49	Charleston-Huntington	496,010	.564
50	Dayton	495,860	.564

(continued on opposite page)

VCR battle *(from page 49)*

ume of business represented by the choice of MII by NBC, the Boston station is regarded as something of a bellwether because of its bold commitment to the original M format shortly after its debut under the stewardship of Karl Renwanz, the station's vice president of engineering. Renwanz is also looked to because of his station's considerable experience with component recording.

Repeating his role as a pioneer, Renwanz decided to go with Betacam SP on the basis of prototype equipment. It was undoubtedly a blow to Panasonic in view of WNEV-TV's close association with the company. "We feel," says Renwanz, "that SP is best for field production and is superior to MII in multigeneration uses."

The WNEV-TV engineering chief says the station formalized its choice on the basis of three criteria: (1) "raw performance," meaning picture quality, (2) features (a wash) and (3) operating cost. "We looked at six years of operating costs. Tape cost was a big consideration, but after evaluation, we felt it was not an issue." As to mistracking, Renwanz says it is not "an overbearing spec." In any case, he did not find it to be a problem.

The station now has more than 150 recorders of all types: a few two-inch machines, seven one-inch recorders and the remainder more or less equally divided between U-matic and M recorders. Renwanz put the number of M recorders at 55. For news and field work they're paired with Ikegami's HL-83 (13 of them) and about a dozen Panasonic AK-100s.

Most of the recorders used for newsgathering are U-matics. The first phase of a two-year phase-in of Betacam SP will involve replacement of all U-matic machines except for a couple kept for archival use. The second phase will encompass "the timely replacement" of M recorders.

Renwanz says the station will eventually take delivery of about 130 Betacam SP VCRs. He figures he'll start getting deliveries about mid-'87. As for the camera, he's looking to buy solid-state models. "I feel the CCD camera will be better in two years," he states, referring to the existing CCD cameras of both Sony and NEC. But he says he'll also buy a few cameras with pickup tubes "for the [picture] look."

Affiliates' posture

A spot check of NBC affiliates in the top 20 markets (Philadelphia, San Francisco, Atlanta and Seattle-Tacoma), two of whom have 90-minutes of early evening news and two of whom have an hour, found two already Beta-

DMA market rankings

51	Greensboro-H. Point-W. Salem	489,520	.557
52	Albany-Schenectady-Troy	484,910	.552
53	Tulsa	460,830	.524
54	Richmond-Petrsbg, Charltsvl	451,910	.514
55	Little Rock-Pine Bluff	450,250	.512
56	Flint-Saginaw-Bay City	445,730	.507
57	Shreveport	445,190	.506
58	West Palm Beach-Ft. Pierce	445,120	.506
59	Mobile-Pensacola	427,740	.487
60	Knoxville	423,290	.482
61	Jacksonville	421,540	.480
62	Wichita-Hutchinson Plus	419,790	.478
63	Fresno-Visalia	411,780	.468
64	Toledo	410,470	.467
65	Albuquerque-Santa Fe	401,660	.457
66	Syracuse	376,230	.428
67	Green Bay-Appleton	367,900	.419
68	Des Moines-Ames	365,690	.416
69	Rochester	351,040	.399
70	Omaha	348,300	.396
71	Roanoke-Lynchburg	345,680	.393
72	Honolulu	330,080	.376
73	Davenport-R. Island-Moline	329,310	.375
74	Paducah-C. Girardeau-Harrbg	324,580	.369
75	Champaign & Sprngfld-Decatur	324,440	.369
76	Cedar Rapids-Waterloo & Dubq	322,700	.367
77	Austin	318,510	.362
78	Spokane	316,560	.360
79	Lexington	314,000	.357
80	Portland-Auburn	301,810	.343
81	Tucson (Nogales)	296,660	.338
82	Chattanooga	294,340	.335
83	Springfield, MO	288,650	.328
84	Jackson, MS	287,560	.327
85	Johnstown-Altoona	286,330	.326
86	South Bend-Elkhart	283,060	.322
87	Tri-Cities, TN-VA	278,530	.317
88	Youngstown	275,720	.314
89	Huntsville-Decatur	264,710	.301
90	Burlington-Plattsburgh	261,960	.298
91	Columbia, SC	260,880	.297
92	Baton Rouge	258,630	.294
93	Lincoln & Hstngs-Krny Plus	256,630	.292
94	Evansville	254,490	.290
95	Greenville-N. Bern-Washngtn	243,940	.278
96	Springfield-Holyoke	237,700	.270
97	Las Vegas	234,110	.266
98	Waco-Temple	229,580	.261
99	El Paso	229,320	.261
100	Colorado Springs-Pueblo	226,230	.257
101	Sioux Falls (Mitchell)	224,610	.256
102	Ft. Wayne	222,480	.253
103	Ft. Myers-Naples	215,130	.245

(continued on next page)

cam-equipped and two studying the situation.

At the Philadelphia station, Westinghouse's KYW-TV, Glenn Romsos, head of operations and engineering, says there will be a station group decision that will choose one of the half-inch formats. The conversion will take place next year, according to Romsos, who recently came over from another NBC affiliate, Cox's WPXI(TV) Pittsburgh. But he says the decision hasn't been made yet. When made, it will also affect WBZ-TV Boston, KDKA-TV Pittsburgh, WJZ-TV Baltimore, KPIX(TV) San Francisco and, once the license transfer hassle is resolved, KHJ-TV Los Angeles.

KYW-TV already is equipped with Sony cameras which will interface with Betacam SP VCRs and which would need special hardware to connect with MII recorders. Romsos indicated, however, that the MII connection should not be a difficult problem to solve.

At KRON-TV San Francisco, which airs 90 minutes of early evening news, Joseph Berini, vice president and chief engineer, relates that the station committed to a complete conversion to Betacam late last year and has taken delivery of about 30 recorders plus a Betacart multicassette machine in a $2.5 million deal. Berini will test a Betacam SP machine when available for long-form recording, since the existing Betacam cassettes won't carry more than a half-hour of recording time.

At Gannett's WXIA-TV Atlanta, Mike Howey, chief engineer, says the station is already halfway through a conversion from ¾-inch to Betacam. The three-year plan, by which the station will be fully half-inch equipped by the end of '87, envisions adding Betacam SP. Howey says MII has "nice features" but the station is too deep into Beta to make any change now. In addition, the Atlanta engineering chief is impressed by Sony's track record with the station. Going Beta was not a Gannett decision, says Howey, but he benefits from a corporate discount.

King Broadcasting's KING-TV Seattle-Tacoma has no half-inch equipment and is looking at both formats with "great interest," according to chief engineer Tyrone Mortensen. However, there will be no decision until the next fiscal year, which starts in July. The station had been leaning toward half-inch two or three years ago, he recalls, but for both financial and technical reasons, decided against converting at that time. KING-TV runs an hour-and-a-half of early evening news.

Mortensen notes that King's Portland, Ore., station, KGW-TV, has Betacam equipment, and he points out that the station group's Washington news

DMA market rankings

104	Peoria-Bloomington	214,890	.244
105	Lansing	214,310	.244
106	Fargo-Valley City	212,490	.242
107	Augusta	211,870	.241
108	Madison	211,650	.241
109	Charleston, SC	208,090	.237
110	Savannah	205,100	.233
111	Montgomery	200,040	.228
112	Monterey-Salinas	198,320	.226
113	Lafayette, LA	196,130	.223
114	Santabarbra-Sanmar-Sanluob	192,400	.219
115	Rockford	191,680	.218
116	Wilmington	181,600	.207
117	Monroe-El Dorado	180,820	.206
118	Columbus, GA	179,230	.204
119	Harlingen-Weslaco-Brnsvlle	177,180	.202
120	Amarillo	175,880	.200
121	Terre Haute	175,010	.199
122	Joplin-Pittsburg	174,700	.199
123	Corpus Christi	173,380	.197
124	Duluth-Superior	172,160	.196
125	Binghamton	170,750	.194
126	Wheeling-Steubenville	170,410	.194
127	Beaumont-Port Arthur	169,150	.192
128	Yakima	165,810	.189
129	Tallahassee-Thomasville	163,460	.186
130	Wausau-Rhinelander	162,210	.185
131	Reno	161,570	.184
132	Sioux City	159,330	.181
133	Wichita Falls & Lawton	158,570	.180
134	Macon	156,340	.178
135	Eugene	156,010	.177
136	La Crosse-Eau Claire	155,140	.177
137	Traverse City-Cadillac	154,580	.176
138	Erie	152,590	.174
139	Odessa-Midland	151,410	.172
140	Boise	150,750	.172
141	Beckley-Bluefield-Oak Hill	150,100	.171
142	Bakersfield	149,690	.170
143	Columbus-Tupelo-West Point	149,450	.170
144	Chico-Redding	147,700	.168
145	Minot-Bismarck-Dickinson	144,120	.164
146	Columbia-Jefferson City	143,050	.163
147	Ft. Smith	142,260	.162
148	Mason City-Austin-Rochestr	141,730	.161
149	Lubbock	136,160	.155
150	Topeka	134,870	.153
151	Bangor	125,150	.142
152	Medford-Klamath Falls	124,700	.142
153	Albany, GA	124,620	.142
154	Quincy-Hannibal-Keokuk	123,400	.140
155	Tyler	122,390	.139
156	Abilene-Sweetwater	116,100	.132

bureau is fully Beta-equipped. Judging by Mortensen's comments, there's a good chance KING-TV will plump for Betacam SP. The engineering executive says he's "skeptical" about MII.

The question of the 29 per cent discount, which NBC affiliates can get with MII equipment, is not regarded by station engineering executives interviewed as a true windfall. Some felt that it merely reflected an artifically high list price and doubted whether Panasonic really expected it could sell MII to non-NBC affiliates without giving them the same price break as NBC affiliates received.

In addition, there are clear indications that Sony intends to meet Panasonic's prices at whatever level and no matter what the affiliation of the customer, though stations say Sony has not talked price yet.

Ron Petty, director of marketing services for Sony Communication Products Co., says the prices for Betacam SP will "basically" be in the "same neighborhood" as the existing Betacam equipment—perhaps a little higher. And he doesn't believe the 29 per cent figure will be an important factor. In any case, Petty makes clear, while Sony has list prices, the sale is a one-on-one procedure, with Sony "evaluating the customer" and then making a proposal. In short, the price is negotiated.

Whatever the prices and pros and cons of MII vs. Betacam SP, NBC's Bonica points out there is more to his company's adoption of MII than appears on the surface. What NBC wanted, he explains, was a system, not just a recording technology.

This involves storage and transmission of program and commercials material around network and station plants plus identification and retrieval of such material. In its fullest development, this becomes network and station automation.

Because the system employs a component signal, it is desirable to retain it in component form to the extent possible before it is transmitted to the consumer in the composite NTSC format. This means retention not only in storage, internal transmission, retrieval and multicassette machines, but for post-production and news remotes. The latter is one of the areas which remains to be developed.

As things stand now, news coverage in the form of a component signal which is transmitted to the studio by microwave or satellite must be converted to NTSC. Thus, some of the advantages of component signals are lost. However, says Bonica, the converted NTSC signal would be no worse than an original NTSC signal, and if the material was edited in component it might even be a little better. □

157	Anchorage	113,210	.129
158	Florence, SC	110,790	.126
159	Dothan	103,310	.118
160	Utica	99,600	.113
161	Idaho Falls-Pocatello	97,730	.111
162	Rapid City	96,360	.110
163	Alexandria, LA	88,720	.101
164	Billings	88,530	.101
165	Palm Springs	88,270	.100
166	Hattiesburg-Laurel	88,210	.100
167	Salisbury	85,500	.097
168	Clarksburg-Weston	81,410	.093
169	Greenwood-Greenville	80,740	.092
170	Gainesville	79,500	.090
171	Lake Charles	75,890	.086
172	Meridian	74,300	.085
173	Panama City	72,200	.082
174	Missoula	71,960	.082
175	Elmira	71,200	.081
176	Ada-Ardmore	70,470	.080
177	Roswell	67,840	.077
178	Jonesboro	67,520	.077
179	Biloxi-Gulfport	66,510	.076
180	Great Falls	66,500	.076
181	Yuma-El Centro	66,090	.075
182	Watertown	66,000	.075
183	Parkersburg	61,450	.070
184	St. Joseph	58,810	.067
185	Grand Junction-Montrose	56,960	.065
186	Casper-Riverton	53,530	.061
187	Mankato	52,080	.059
188	Marquette	51,870	.059
189	Eureka	50,580	.058
190	Cheyenne-Scottsbluff	50,270	.057
191	Alexandria, MN	49,820	.057
192	Butte	46,390	.053
193	Jackson, TN	45,320	.052
194	Ottumwa-Kirksville	44,400	.051
195	San Angelo	44,050	.050
196	Lima	40,210	.046
197	Bowling Green	37,700	.043
198	Laredo	33,980	.039
199	Harrisonburg	32,840	.037
200	Zanesville	31,190	.035
201	Presque Isle	28,970	.033
202	Victoria	26,540	.030
203	Twin Falls	25,690	.029
204	Bend, OR	25,430	.029
205	Fairbanks	25,230	.029
206	Helena	20,290	.023
207	Alpena	15,330	.017
208	North Platte	14,590	.017
209	Glendive	5,460	.006
	TOTAL U.S.*	87,896,350	

Source: A. C. Nielsen. * Excluding Alaska except for Anchorage and Fairbanks DMAS.

Partial list of accounts in network radio during 1986, but not on in 1985

ADT, Inc.—security systems
American Cyanamid—Caltrate Plus iron, footworks
American Egg Board
American Florists Marketing Council
American Home Products Corp.—arthritis pain formula, children's Anacin 3
American Isuzu—cars & trucks
American Safety Razor Co.—Personna blades
Anheuser-Busch Co.—Dewey Stevens wine cooler
Ask Mr. Foster Travel Service
AT&T—business calling
Atlantic Records
Baskin Robbins—ice cream
Bausch & Lomb—moisture drops
Beatrice Foods, USA—County Line cheese
Beecham, Inc.—Jovan musk
Campbell Soup Co.—Gold Label soups, Swanson's TV dinners
Coca Cola Foods—Bacardi drink mixes
Colgate Palmolive Co.—Colgate toothpaste
Commodore Business Machines
Craftmatic Beds
Critics Choice Books
Cue Magazine
Dart & Kraft—Duracell batteries, Philadelphia whipped cream cheese
Delaurentis Productions
Doan Pharmacal—Formula 405
Eastman Kodak Co.—Color Watch system, Sleeping Beauty
Emerson Electric Co.—Emerson radios
Era Real Estate
Faberge—Babe
Federal Chemical—Mr. Pest Control
Federal Personal Legal Defense
Ford Motor Co.—lifetime service, Mercury, seat belt campaign
Foremost McKesson, Inc.—Poulan chain saws
Gallery of Homes
Gates Rubber Co.—Gates auto belts
General Mills, Inc.—various cereals
General Motors Corp.—Chevrolet Nova, Chevrolet trucks, Life Belts
General Motors Corp.—parts protection plan
Hormel—Frank 'n Stuff, Sloppy Joe
IBM—Rolm Communications Systems
Intermatic, Inc.
Innerworld Publishing
Insurance Information Institute
John Nuveen & Co.
Lever Bros.—Impulse
Lowe's Tidy Cat
M & M Mars, Inc.—Instant Winner, Twix bars
Martlett Importing Co.—Molson Golden
Mastercard International
MCA TV—Magnum PI
McGraw Hill—If at First
McLoughlin, Piven, Vogel
Miles Laboratories—Flintstones
Minolta Copiers
National Association of Realtors
National Potato Board
Nestle Co.—Alpine White, Crunch ice cream, Nestea iced tea
Omark—Oregon chain saws
Pacific Barlett Pears
Pennzoil
Phil Caldwell—Memory Power
Philip Morris Co.—General Foods—Country Time lemonade, Crystal Light drink mix, Maxwell House Coffee, International Coffees
Pocket Books, Inc.—The Titan
Polaroid Corp.—film
Prime Computer Co.
Procter & Gamble—*As the World Turns*, Cannon Mills promotion
Psychology Today
Purolator Courier—air freight, delivery service
Quaker Oats Co.—Granola Dips
Ralston Purina Co.—Continental Baking—Home Pride bread, Hostess Snack Cakes, pudding pies
Ramada Inns
Random House—Bantam Books, audio launch
Ranger Boats
RCA Records
Revlon, Inc.—Norcliff Thayer —Tums
Samsung Electronics
Sara Lee Corp.—Hollywood Brand Confections—chocolates, Pay Day, Butternut, L'Eggs Hosiery, Control Top, one cent sale,
Sheer Elegance
Schoeling Brewing—Little King Ale
Seagram Wine Co.—Golden Wine Cooler
Sears Roebuck & Co.—Auto Centers, Discover Card
A. O. Smith Corp.
Smithkline/Beckman—Norden Labs, Teldrin
Squibb, Inc.—Charles of the Ritz —Enjoli
Sterling Drug Co.—Glenbrook Labs—Phillips Milk of Magnesia, Winthrop Consumer Products, Phisoderm
Stern's Nurseries—Miracle Gro
Stroh's Brewery—Stroh's Beer
United Brands—Chiquita Banana
Venture Magazine
Victori Wines—Calvin Cooler
Vipont Toothpaste
Warner Lambert Co.—Benadryl, Theracal
W. F. Young, Inc.—Absorbine, Jr.

Radio *(from page 47)*

In the meantime, Lysaker is preparing a detailed proposal to be presented to the task force in November. When A&S presented its original 10-page description, says the A&S president, "we understood a more detailed proposal would be needed."

The NAB may try to talk A&S into some kind of field test next month, even if it doesn't meet statistical specifications, but at presstime the association had not made up its mind about that. The other two rating services were not aware of A&S' decision about a pilot test until informed by TV/RADIO AGE. However, both said it would not affect their plans for the test.

While Birch will be employing in the pilot test a methodology that it has been fielding for a number of years, its new president, Bill Livek, says the research company will use the occasion to refine its techniques. This will include, for example, increasing weekend sample sizes. Arbitron had been attacking Birch's cume model on a number of counts, but one aspect even bothered Birch when it was pointed out to its executives more than a year ago by D'Arcy, Masius, Benton & Bowles. The model projected numbers that were identical for multiple stations or were exact multiples of a particular number.

When Birch investigated the problem, the company's research people concluded that this phenomenon had nothing to do with the cume model. According to an August memo to the Birch sales staff from Ellen Zimmerman, senior vice president/advertiser and agency sales: "It was a result of sample balancing. When the unweighted count fell below a certain level, there were defaults set for weighting. Therefore, where we had a very small in-tab [as on weekends], many of the cume numbers were the same. Since we increased weekend sample plus changed our weighting scheme [probability of selection weighting], this should rarely happen."

Birch has been taking a number of steps to increase its credibility among the radio broadcast and advertising communities. Last month, it announced the setting up of a Technical Advisory Board consisting of eight outside members (representing agencies, advertisers and broadcasters) and four Birch executives (see *Radio Report*, September 15).

Most important, it has finally responded to insistent demands from both buyers and sellers of radio time that it submit to an audit by EMRC. The first step in the application procedure has already been completed. This involves answering questions revolving around what a research company must do to be audited, according to Melvin Goldberg, EMRC executive director. Livek says these are quite exhaustive. In any case, says Goldberg, this is not the actual application for auditing, which, when filed, sets in motion a procedure to choose an outside accounting firm to perform the audit.

The audited firm pays for the audit, which involves a substantial fee, the amount depending on the complexity of the research method audited. It will probably involve something between $100,000 and $200,000. This is a burden Birch is better able to afford now that a foreign publishing house has made a sizeable, but minority, investment in the American research firm. The investor is VNU Amvest, U.S. subsidiary of VNU (United Dutch Publishing Cos.). The Dutch communications giant already has interests in other U.S. marketing research and service companies: Interactive Market Systems, which owns Leading National Advertisers (LNA), and the Claritas Corp., known for its pioneering in the geodemographic realm under the rubric of PRIZM, which groups ZIP codes by lifestyle patterns.

Discussing radio rating services *at session of RAMTF are, l. to r., task force chairman Kenneth MacDonald, Ed Giller, David Kennedy and James Fletcher.*

EMRC does not approve or disapprove of individual audience measurement systems. It does set certain minimum standards but, beyond that, its function is to make sure that these systems do what they say they do, and that there is full disclosure of methodology. In commenting on the initial application, Livek, in what sounded like an indirect comparison to A&S, but was probably aimed at Arbitron, said: "Birch Radio is the only local ratings service that collects all of its data via closely monitored, centralized WATS center interviewing."

Moving all interviewing into central facilities is another one of the improvements made by Birch during the past year—in addition to enlarging weekend samples, which increased an average of 43.5 per cent from winter to spring, '86, according to Birch executive vice president William Engel. In addition, there have been increases in measurement from 14 to 28 days per month.

The changes being made by Birch in its methodology was one of the justifications advanced by MacDonald for including an existing service into its search for a better mousetrap. "The [pilot] test will be their best foot forward, including any new additions [to their methodology]," he says.

MacDonald also pointed out that Birch submitted a proposal to the task force and made a presentation. Arbitron did not submit a proposal since it considered itself the butt of the task force's efforts.

Question of sincerity

Questions have been raised about the sincerity of the task force's proclaimed goal of seeking a rating service for stations in the smaller and medium markets. An inexpensive rating service would presumably sacrifice some of the features demanded for major market measurement. But, it's pointed out, the task force specifications indicated it was looking for first-class research, not compromises, not limited demographics or broad dayparts.

The key issues that the proposals were asked to attack included sample size, cost, response rate, listening behavior of non-respondents, turnaround time, under-sampling or over-sampling of special segments, lifestyle representation, product purchase behavior, qualitative analysis, accuracy and the ability to make cross-media comparisons. An NAB press release at the time that proposals were solicited stated: "Methods which correlate listening behavior to other qualitative variables, such as geodemographics, product purchase or expanded demographics are also of great interest."

MacDonald acknowledges that the task force's specs may have been too expensive for smaller markets, but argues that Birch Radio's rates are already at a level "15 to 20 per cent" of Arbitron's rates. He also maintains that McNair Anderson's rates are "fantastically attractive." This is a reference to what he says will be the McNair Anderson pricing policy: a fixed rate for measuring a market no matter how many stations subscribe. Thus, there would be a built-in incentive for building a base of subscribers, with the price declining as additional stations subscribe. MacDonald also feels that the electronic measurement methods proposed to the task force, while not ready for commercial application, offer a potential for a low-cost service eventually.

The task force chairman is convinced it's possible to get good research "at a reasonable price." The pilot tests, which he hopes will show this, will get into costs as well as methods. "And don't forget," he says, pointing out the need for low-cost audience measurement, "that most radio stations are not measured." MacDonald also reminds his interviewer that competition is desirable: "We're pro-competitive."

Regarding the task force's original specs, Richard Ducey, NAB research vice president and RAMTF liaison, says they are not binding on the finalists. "We have not been specific. We are not looking over their shoulders. They are being given free rein."

Ducey concedes that the task force has gone through some "false starts," but maintains that "Something positive is being accomplished." After it was realized that none of the high-tech proposals could be tested in time for the task force's sunset deadline—June, '87—the task force redefined its goals, Ducey explains.

Charles Oliver, NAB senior vice president for research and planning, makes the point regarding lack of focus on a low-cost service that, since the task force included both broadcast managers and broadcast researchers, "they probably assigned different values" to the various specifications. In a somewhat similar vein, John Abel, NAB executive vice president, feels that competing interests on the task force, each with its own priorities, inevitably led to specifications for first-class research.

Attack on pricing

Still, when all was said and done, underlying all the comments from management and research people both within and outside the NAB is the conviction that something should be done about Arbitron's prices. Some broadcasters even put forth the speculation that the task force was timed to put the heat on Arbitron at a time when many of the five-year contracts were up for renewal. This was said even though the task force was first set up a year and a half ago and many of the contracts don't expire until next year. However, even Arbitron doesn't feel there's a connection between the task force and contract renewals.

Five years ago, there was a burst of anger when Arbitron presented its prices, which offered the propspect of annual double digit percentage increases. On top of this, there were cost-of-living increases. Most broadcasters swallowed their anger and signed up. Some went over to Birch. But out of this came some changes in the contract,

including the switch from calculating rates on the basis of a station's total survey area (TSA) cume rather than the highest open minute rate (HOMR).

Anthony "Rick" Aurichio, president of Arbitron Ratings Co., says the increases will be in the single digit area this time around, albeit the high single digits. Also, there won't be cost-of-living increases. Aurichio figures about one-third of all contracts will expire during the next six months.

Some major broadcasters are ambivalent about major competition to Arbitron for a number of reasons, but much of the comment was off-the-record. One group head feels that Arbitron offers stability to the industry. Another comments, "If Birch was the only service, the industry would be in trouble." There is some feeling that two major services would cost more than one even if Arbitron's prices were driven down. And yet broadcasters don't want to rely on just one service.

Robert Hosking, president of the CBS Radio Division, argues that broadcasters themselves are, to some degree, the cause of high audience measurement costs. "The industry is asking for too much data." He points out that the prevalence of low radio ratings and the demand for small demographic segments requires large samples. It's Hosking's hunch that Arbitron will ask for "low double digit increases" annually.

With the prospect of sizeable cost increases from Arbitron continuing to worry the radio industry, one prominent broadcast research executive charging that Arbitron is "insensitive to the new economic environment. They will have to decide whether they want a commission on modest increases or a commission on nothing. They are forcing the marketplace to decide on factors other than quality." He argues that even cost increases in the high single digits are unacceptable "in this economy." The executive feels that Arbitron "could do it less expensively, but that the data wouldn't be accepted."

The dominant rating service got something of a boost at the NAB's radio programming convention in New Orleans a month ago when Jon Coleman, president of Coleman Research, presented the results of a "monumental," multi-stage study of Arbitron diary-keepers vs. those who didn't accept an Arbitron diary. The question of cooperation rates and non-respondent characteristics is especially critical to Arbitron. The rating service has what many consider a serious problem with response rates, which commonly fall between 30 and 40 per cent.

Coleman presented the study as a "gift" to the industry. He says it cost $40,000 out of pocket but had a value of $90,000 to $100,000. Coleman describes his company as the "second largest strategic radio research company in the U.S.," topped only by The Research Group, and says he has 80 radio clients.

Coleman Research replicated an Arbitron radio survey in one market and re-interviewed both diary-keepers and non-respondents—400 in each case. The big question was whether non-respondents are any different in their listening behavior than respondents, who presumably represent an accurate cross-section of the population. There are many who believe, for example, that diaries favor some formats and penalize others.

Viewing the results

Both Birch and Arbitron found some results to their liking, Coleman related. Birch, because 60 per cent of respondents did not fill out the diary as they listened and Arbitron because 40 per cent did—and because another 47 per cent filled out the diary by the end of the day. This counters a widespread belief that a large percentage of respondents fill out much of their diary data at the end of the week.

Of major importance was the lack of evidence that diaries have a format bias. "There were few differences between diary and non-diary keepers in their attitudes toward radio," explains Coleman. "We didn't find an active music skew."

Cume rates for the two samples were the same, in general, but the study showed, says Coleman, "that consistent listening was disproportionate by demo." For example, levels of daily listening totals for 18–34s were about the same for both diary-keepers and non-respondents but were significantly less for non-respondents among 35–54s. This says, Coleman, would not affect cumes, but would affect quarter-hour averages.

Pilot test question

One of the questions revolving around the pilot test is: What should the task force and/or the NAB do when the tests are completed and the data reported? Pick a winner? Evaluate the research of each entrant? Give them all a pat on the back? Leave it all to the marketplace?

MacDonald says the NAB legal department is hassling with this issue. "An association can't favor one over the other. But we can give them exposure, such as putting them on a panel at the NAB convention." MacDonald also points out that the tests are supposed to help estimate costs as well as evaluate method. This aspect can, of course be left to the marketplace.

Ducey says the RAMTF is not about to stamp a seal of approval on any of the research services. "There will be some kind of statement but they will avoid legal problems." Abel isn't sure what could be done but presumes that the task force will make some sort of recommendation to the NAB board, which set it up in the first place.

As to the matter of evaluating the technical aspects of the three finalists, only three of the 14 members of the RAMTF are researchers: James E. Fletcher of the School of Journalism and Mass Communication of the University of Georgia; David Kennedy, vice president of planning and research of Susquehanna Broadcasting Co., and Nicholas Schiavone, vice president, radio research, NBC. The trio were members of a technical committee set up to help the task force evaluate proposals, but the committee was disbanded before all the proposals were submitted, and three of its members were retained on the task force itself.

However, says Abel, what's important about the task force effort is that "we want to keep the research community focus on this ball. We want to keep pressure on the existing firms—Arbitron and Birch." □

Pat Servodidio, *president of RKO Television has been busy of late helping his TV stations host the advertising community. Above, Servodidio, r., with John Blair president Jack Fritz, l., and Bob Petizon, exec v.p. of Calet, Hirsch & Spector at luncheon to celebrate new Secaucus, N.J., facilities of WOR-TV New York.*

Below: Servodidio, r., at New York party hosted by KHJ-TV Los Angeles at Stringfellow's. L to r.: Charles Velona, v.p. & g.m. of KHJ-TV, and Jim Kelly and Bill Breda of Blair Television.

In the Picture

John F. Nieman, Jr.

In his new post as executive vice president, executive creative director at McCann-Erickson/New York, he'll be running the whole creative department. Among his concerns are ensuring production of "good work I can defend," and realistic use of research.

Builds client trust by 'demonstrating a track record of success'

John Nieman calls 1986 "The Year of the U Turn" as he returns to New York and his new post as executive vice president and executive creative director of McCann-Erickson/New York only seven months after ending his eight years at Young & Rubicam/New York. He thought at the time that he would be putting down roots in Chicago with Needham Harper Worldwide, which has since become part of DDB Needham Worldwide.

Nieman says he was happy at the Chicago agency office, "but the chance to run a whole department doesn't present itself that often—especially at an agency like McCann that seems to be on a roll and not likely to get into trouble."

He says his initial reaction when the McCann opportunity came up was that "The job looks great, but the timing is terrible because I'd planned on a long commitment to Needham. I thought if I came back to New York so soon, people would think I'm an agency hopper who can't hold down a steady job—even though I had been at Young & Rubicam for eight years straight."

On the other hand, Nieman had talked to McCann several times before about coming over "and had thought each time that the idea of being an executive creative director, running my own department, would be exciting. So I figured it was in my best interest to hear what they had to say this time. I couldn't imagine a better offer coming my way any time soon."

Even so, Nieman says that basically he doesn't expect to be operating at McCann too differently from the way he worked at Y&R, "where I had 30 accounts to watch over and each group creative director had a good deal of autonomy. I'll do the same thing here at McCann—look over the work, use my judgment as to whether it's as good as I think it could be, and if it is, defend it."

Defending the work

That defense, he observes, "can run into as many road blocks internally as you'd find at the client. The first line of defense is to make sure you have some first-class work to fight for, though that's usually not too hard, because the reason people are in the creative business is the chance to show off how good they can be. And if I'm doing my job right, I arm them with the facts on the account going into each new assignment—the facts they need from research to bring out their best."

Nieman says he's never seen people "have any success in browbeating a client into buying work they don't like. So I don't try. But I don't have to if the facts I got up front and the ideas that came out of them add up to work that's based on good strategy. If you can show that, that's usually justification enough. Then my sell is based on reason. And it's in my interest to be sure the work is first class and based on intelligent strategy because the only way I can build trust with a client is to demonstrate a track record of success."

When it comes to prospect segmentation, Nieman notes, "It depends on the agency. Y&R puts a lot of faith in VALS (Value Added Lifestyle Survey). Needham wasn't quite so dedicated to it. But so far as research goes, my own preference is for all of it I can get up front so I can start the creative work off in a direction likely to produce the most successful strategy. I appreciate a little less use of research as an umpire, after the fact."

How research is used

In fact, Nieman believes that "It's research used as that post-execution umpire that's resulted in some of the misunderstanding of research among creative people. I've never been cagey enough myself to outwit a research design. I've tried to do it a couple of times but without much success, so I don't even try any more. But you don't really have to. What you have to do is make sure the work is the best you can do."

Now that he's going to be running a department, Nieman expects to be doing more hiring. In this area, he says he likes to "surround myself with people with a real passion for great work. They should be able to demonstrate a track record of success, have a sensitivity to client needs and an understanding that teamwork is what brings it all together and makes it work."

"What I *don't* need," he adds, "are prima donnas. I like people I can get along with and talk to—especially when we're sitting up in a plane, held up in a five hour airport traffic backup—which we seem to be spending more and more time doing every year."

At McCann/New York, Nieman will be heading creative for a $425 million agency and its 25 clients including AT&T, Coca-Cola, Gillette, Haagen-Dazs, Lufthansa German Airlines, L'Oreal, Mennen, Miles Laboratories, Nestle, R. J. Reynolds and the $80 million in new business acquired this year from American Home Products, Black & Decker, Heublein, Lever Bros., Nabisco and Sony.

Murdoch *(from page 43)*

the Gillette pact: an as-yet unannounced alliance among the Murdoch TV properties, SSC&B:Lintas Worldwide and Coca-Cola Co., in support of a worldwide music video awards show, set for sometime next year, to be telecast live to all Murdoch TV properties and syndicated to other broadcasters around the world.

Indications are that Coca-Cola may produce truly global commercials, with universal creative concepts, for the event. It's even thinking of using the same video, plugging in different audio to suit the linguistic variations of its global audience—a technical feat that would mark a first in global marketing. (Coca-Cola already sponsors a Pan-European music video show, *Eurochart*, on Murdoch's Sky Channel. The spots run in English.)

"More and more, there are global opportunities, whether in continuing programming or special events like music, which is a universal language," says William Lynn, vice president and director of corporate media for Coca-Cola. "And unless someone gets burned very badly, people will keep looking for those opportunities."

But Lynn, like Semsky and other media and client people, stresses that in the short-term, only a handful of multinational marketers can play the global advertising game, or would even want to. Lynn notes that few brand names transcend national boundaries (Coke, of course, is one of them). He also notes that truly global events, those that can galvanize an audience worldwide, are few and far between, outside of the Olympics, World Cup Soccer and the like.

Semsky, despite his seminal role in bringing off the Murdoch-Gillette-BBDO deal, minimizes its short-term significance—although he foresees a great long-term impact. "There won't be a lot of deals like this, because there aren't a lot of organizations that deliver three continents" to multinational advertisers, he says. "But three or four years down the road, there will be four or five Murdochs. There's Ted Turner, Berlusconi, Robert Maxwell, and maybe a few we don't know about.

"What is important is doing it first. It's not the actual media buy itself, it's the concept. We wanted to set a benchmark."

In essence, the Gillette buy puts Gillette commercials on the air in 17 nations on three continents: in the U.S., FBC (the Rivers show); in Europe, on

the marketplace

Sky Channel; and on Net Ten in Australia. The deal encompasses Gillette's sponsorship of the America's Cup events, which run through February. But, as mentioned, Gillette already was using Sky Channel and Net Ten, and had planned to sponsor the America's Cup. The new elements were the FBC buy and the central coordination of a new Murdoch-Gillette media plan, providing for an umbrella "corporate discount" off advertising rates that might have been imposed in the absence of a coordinated package deal.

Semsky was chief conceptualizer and central coordinator. Negotiations began between him and FBC president Jamie Kellner and his New York-based senior vice president of sales, John Lazarus, and Pat Mastandrea, vice president of eastern sales. Also involved were Steve Grubbs, BBDO senior vice president and associate director of network programming, and, hooked into initial planning via telephone and telex, BBDO London media director Robert Dodds and Melbourne, Australia, media director Russell Norton-Old.

In the plenary stages, the chief architects of the deal came up with "rough budget figures and the parameters of the deal—the overall direction," recounts Semsky. But the actual economics of the deal—the discount off prevailing market conditions—were determined by more traditional means: negotiations in the field between officials of the various Murdoch properties and the ad agency representing the client.

According to Semsky, the U.S. negotiations resulted in a savings to Gillette of "something like 20 per cent under market conditions." The Sky Channel deal represents a 15 per cent discount, and the Australian network buy, 20 per cent, he reckons.

The media plans, including scheduling and the creative, also are decentralized: Each region is choosing its own creative execution and has considerable freedom in determining the fine strokes of the media plan. Gillette markets its products in over 200 countries, often selling the same products under different brand names, depending on the market, and according to cultural and linguistic dictates. But like other advertisrs, Gillette, which has been exporting razor blades since 1903, is moving closer to producing truly global brands, and possibly, global ad campaigns to support them.

Gillette's Sky Channel commercials emphasize the Gillette parent brand

Joan Rivers

It wasn't planned that way, but the new Joan Rivers show on FBC helped give impetus to Gillette's global buy with Murdoch.

moniker, even on products with different sub-names. In so doing, the spots represent a de facto pan-European "brand," notes Rodney Mills, Gillette executive vice president, international. He notes that the personal products firm already publishes internal brand share reports based on the overall Gillette name.

"This leads you to the conclusion that a common name and common design on our packages makes sense," he goes on. "So we want to have a worldwide agency network that makes the creative message more consistent. And you get less resistance from each local level if you're tied to an agency that works with you everywhere."

'Pan-regional' brands

Both client and agency predict more "pan-regional," if not global, brands. "In Europe, we've already produced Pan-European commercials, using the same visuals for 11 different languages, with the dialog changed and the jingles resung for each language," Mills says. (The spots are not broadcast simultaneously in network fashion, however.)

While product names sometimes vary in Europe (what is "Good News" in the U.S. is "Blue II" in Europe), the pan-European brands already are well-established, providing a ready segue should Gillette someday decide to extend its pan-European concept by live networking. Indeed, Gillette very well may produce its first truly global commercial within the next year, says Mills.

Another intriguing possibility has arisen from this recent flurry of Murdoch media activity: the prospect of incorporating print advertising budgets into a global TV buying scheme. Murdoch controls a most disparate array of print properties, including *The New York Post*, *Star* magazine, *New York* magazine and *The Village Voice* in the U.S.; *The Time* and *The Sunday Times* in London in Great Britain; and a formidable string of papers and magazines in Australia.

"There's no reason they couldn't deal in their publishing properties," says Robert Lilley, senior vice president, media, SSC&B:Lintas. "It's a case of matching up worldwide needs with someone who has worldwide media." Echoes Lynn of Coca-Cola on the subject of incorporating print into a Murdoch buying scheme: "Theoretically, it's doable."

Semsky notes that in the U.S., Gannett and CBS already offer corporate-wide buying opportunities, adding: "For a company like Gillette or Apple, there's a real possibility they'd be using Murdoch print properties, and including print could be a way of getting corporate discounts (off a package media buy)."

Lest one get too carried away with the possibilities, FBC's John Lazarus notes that print involves a "very different buying group, a different CPM base, different creative. At this point, I think you're two, three, five years off." But, he adds tellingly, "One reason Sir James [Cruthers] is there [at some recent meetings] is that he can speak for the corporation and the publishing end of it."

Not all ad people are as taken with the potential synergies of Murdoch's media empire. One important ad executive goes so far as to doubt that Gillette really got any meaningful "discount" at all in the deal with Murdoch; to him, it's more of a clever PR stunt than anything truly substantive. Global advertising, this executive says, has great potential, but not when there's only one media property group that fits the definition of a global media player.

But the recent client-agency intrigues involving the Murdoch properties have newly inspired the futurists along Madison Avenue. Norman Vale, Grey Advertising's senior vice president and area director for Europe, sees the BBDO-Gillette pact with Murdoch as an example of what he terms the "global vision, local touch"—global strategy executed regionally, with regional input into the universal plan. While Vale agrees that truly global advertising isn't yet a reality, he says, "We're getting closer to world media. The satellites are getting us there." But he cautions that the notion of deregulation and privatization of broadcasting has yet to penetrate some key markets; he notes that television in nations such as Denmark and Sweden remain state-controled and off-limits to commercial advertisers—not to mention the Eastern Bloc nations. "How can you call it global when you can't run a commercial today in those countries?" he asks.

But the power of other TV media—satellite feeds, videocassettes, cable—is foreshadowing the advent of truly global commercial broadcasting, Vale and others believe. To hasten the day when world media reaches that point, BBDO's Semsky advises, agencies and clients must be sensitive to charges of what could be termed "cultural imperialism," the importation of messages alien or offensive to local and national idiosyncracies and sensibilities.

A worldwide commercial broadcasting system, he and others indicate, will evolve much sooner if advertisers in pursuit of expanding markets and expanding profits don't let their global vision turn into an Orwellian imposition of tastes, values, and philosophies. □

Getting inducted *into the Broadcast Pioneers is Frederick W. Ziv, c., 81, founder of the Ziv Co. Sid Silverman, l., publisher of "Variety," does the honors, while Leo Gutman, one of Ziv's earliest employees, looks on. Gutman is currently president of Gutman & Gutman, New York. The event took place at a luncheon hosted by Gutman at the Friars Club in New York.*

Inside the FCC

Commission's fifth-year report indicates fewer actions in television and radio

Anyone who speaks frequently with the members of the Federal Communications Commission (FCC) soon becomes aware of the lessening importance TV and radio matters have in the agency. The recently released annual report of the FCC tends to confirm that.

The "Managing Director's Report to the Chairman on Fifth Year Accomplishments," issued by Edward J. Minkel, managing director, lists 59 major accomplishments for the fifth complete year of Mark Fowler's term as chairman.

Of the 59, 18 involved the Mass Media Bureau, which has jurisdiction over TV and radio matters and used to overwhelmingly dominate the agency's activity, and 18 involved the Common Carrier Bureau, which, among other duties, oversees the telephone industry. Even the Private Radio Bureau, often considered a sleepy little corner of the commission, took credit for 10 of those major accomplishments.

And five of the major accomplishments listed by the Mass Media Bureau consisted of handling mergers, acquisitions or transfers that the commission was forced to consider as part of the merger-mania in the industry during Fowler's fifth year in the chair.

Impact on broadcasters

Still, in restrospect, when the accomplishments include such things as virtual elimination of character consideration in comparative issues, issuance of a report on the status of AM radio, construction of new must-carry rules, implementation of the equal employment opportunities provisions of the Cable Policy Act, adoption of the new procedures for handling hostile takeovers, and conclusion of its review of the fairness doctrine, the year between May, 1985 and May, 1986 did have an impact on broadcasters and the cable industry alike.

Also, Minkel did not consider "major" some issues that certain broadcasters might consider as major. They include the new rules for night-time operation on Mexican and Canadian clear channels, changes in the FCC's program duplication rules, upgrading of AM daytimers preference in consideration for FM licenses, and deregulation of the vertical blanking interval. They are part of a grand total of 190 fifth-year accomplishments.

Aside from the straight listings, Minkel notes in a cover letter to the commissioners that the agency has "reduced the burden hours imposed upon the public from 49.8 million hours by the end of FY 1986 (just ended)." During the same period, the FCC workforce dropped 19 per cent, from 2,153 persons to about 1,750 at a time when federal spending was being reduced.

Five objectives

The accomplishments are listed according to the five management objectives the commission has used as its guide under Fowler's leadership.

Major accomplishments involving the Mass Media Bureau include:

■ Objective 1—"to create, to the maximum extent possible, an unregulated, competitive marketplace environment for the development of telecommunications:"

The commission proposed changing AM technical rules to conform with new international AM broadcasting agreements, including higher power for Class IV stations outside the continental United States, merging of Class II-A and III-B into a single class III, changing skywave propagation curves over short distances and authorizing synchronous AM transmitter systems.

"The commission clarified existing practices with respect to the evaluation of a broadcast applicant's character qualifications. The FCC noted that its decision would allow it to achieve its policy objectives in a more direct manner, and to specify types of behavior that are relevant to the licensing process."

The agency authorized publication of the AM status report. "The report first noted the current status of the AM radio broadcasting service, reviewed the history of the development of the present system of AM licensing and regulation and observed the important changes that have occurred since the present regulatory system was established."

■ Objective 2—to eliminate unnecessary regulations and policies:

The commission proposed deleting "AM broadcast technical rules which may no longer serve their original regulatory purposes."

"The commission proposed removing technical regulations, contained in Part 73 of the rules for commercial and noncommercial FM broadcast stations, that are unduly burdensome or no longer needed to prevent interference. This proceeding considers only technical 'quality of service' regulations, not allocation procedures."

"The commission eliminated its requirements for cable systems to comply with its program technical quality performance standards. The commission said that marketplace forces provide sufficient incentives to ensure that cable operators would maintain their signals at acceptable quality, without the imposition of federal or local governmental regulation."

Under pressure from Congress, the commission proposed amending its "must-carry" rules, struck down by a federal court. During the fifth year, the agency folded several pending procedures into a new proposal to amend the rules, inviting interested parties to offer suggestions on how to redraft the rules while meeting court objections.

Acting with the Office of Plans and Policy, the Mass Media Bureau deleted rules concerning fradulent billing practices, network clipping, combination advertising rates and joint sales practices.

■ Objective 3—to provide service to the public in the most efficient, expeditious manner possible:

Although conforming to the EEO provisions of the Cable Policy Act of 1984, "in explaining the use of the required statistical data, the FCC emphasized that if the record indicates that the cable entity is making reasonable and good-faith efforts to recruit and employ minorities and women and place them in responsible positions, certification will be granted irrespective of any disparity between the number of minorities and women employed in specific job categories and their respective proportions in the relevant labor market."

The FCC allowed transfer of control of KTLA-TV Los Angeles from Golden West to Tribune Broadcasting, but conditioned its approval on Tribune's divestiture of its interests in several cable systems and *The Van Nuys (Calif.) Daily News.*

It approved the merger of Capital Cities and ABC, and in doing so, waived the duopoly rule for 18 months (through next May) to allow common ownership of TV stations in New York and Philadelphia, and also waived the one-to-a-market rule that conflicted with grandfathered ABC radio combinations in New York, Los Angeles, Chicago and San Francisco.

The agency approved assignment of Metromedia stations to Rupert Murdoch, a $2 billion deal that included the assignment of a Boston Metromedia license to Hearst. Murdoch was given until November, 1987 to divest himself of the *New York Post* and *Chicago Sun-Times.*

Storer Broadcasting was allowed to transfer control from its board of directors to SCI Holdings, Inc., provided that Holdings divests its interest in certain cable and TV operations by next May.

The FCC also approved the merger of The Evening News Association with the Gannett Company. In doing so, it said the Gannett ownership of the Arlington, Va.-based national newspaper, *USA Today,* did not constitute a cross-ownership problem with WDVM-TV (now WUSA-TV) across the river in Washington, D.C.

As a direct result of merger mania, which has included hostile takeover actions, the FCC adopted procedures for handling tender offers and proxy contests involving publicly traded companies with FCC licenses. "The commission concluded that the mandatory and exclusive use of long-form procedures in tender offers and proxy contests was unnecessary and unwise," thus speeding up the deals.

The commission began a review of FM technical rules in order "to clarify and simplify the allocation rules to expedite processing of FM broadcast station applications."

■ Objective 4—to promote the coordination and planning of international communications which assures the vital interests of the American public in commerce, defense and foreign policy:

No major accomplishments in the mass media area.

■ Objective 5—to eliminate government action that infringes the freedom of speech and the press:

The FCC concluded that the fairness doctrine no longer serves public interest but at the same time concluded that it probably was powerless to change the policy. "The commission concluded that: (1) the constitutionality of the fairness doctrine is suspect because it chills and coerces speech, and since the Red Lion decision, there has been an increase in the numbers and types of information sources; (2) the fairness doctrine as a policy matter is no longer advisable because it chills speech, inhibits unorthodox views, imposes unnecessary cost burdens on broadcasters and the commission and it involves the government in scrutinizing programming; and (3) as to whether the fairness doctrine is codified in Section 315 of the Communications Act, the commission agreed that it should not make a statutory determination without affording Congress an opportunity to review the record."

Among some of the accomplishments the managing director considered less than "major" were:

■ "The commission has amended its rules to allow additional nightime operations on 14 frequencies previously designated as Canadian, Mexican and Bahamian Class I-A clear channels."

"The commission eliminated restrictions on duplication of programming by AM and FM radio stations that are co-owned in the same local area."

"The commission has affirmed its determination that AM daytimers meeting certain prerequisites should be granted upgraded enhancement credit for broadcast experience equal to the credit awarded for either local residence or minority ownership in FM proceedings."

"The commission proposed reviewing its technical rules for telecommunication services in the vertical blanking interval of television signals. This action taken on the commission's own motion, is the result of a request by broadcasters to be allowed to provide enchanced services in the VBI, such as teletext."

"The FCC proposed extending the distress sale policy by permitting distress sales of broadcast properties subsequent to the beginning of a revocation or renewal hearing, provided the transaction is entered into prior to the filing of proposed findings of fact and conclusions of law with an administrative law judge."

"The commission has decided to permit intraband—UHF-UHF, VHF-VHF—channel exchanges between commercial and noncommercial educational television stations serving the same market without opening up the channels to application by third parties."

"The commission eliminated the requirement for network affiliation and transcription contracts to be filed by radio licensees and certain television licensees but retained the requirement for TV licensees affiliated with national networks."

"The commission proposed amending Part 73 of the rules concerning equal employment opportunity in the broadcast radio and television services. While broadcasters' basic EEO requirements and obligations essentially would remain the same, the commission pointed out that the reporting burdens would be refocused to provide information reflecting more closely licensees' overall equal employment opportunity efforts."

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